and any future reduction in grains available for the manufacture of beer; to the Committee on Agriculture.

1950. Also petition of Edmond Gouin and 175 other residents of Rhode Island, protesting against the present 30-percent reduction and any future reduction in grains available for the manufacture of beer; to the Committee on Agriculture.

1951. Also, petition of W. J. Rock and 121 other residents of Rhode Island, urging passage of House bill 5893; to the Committee on Ways and Means.

1952. Also, petition of George Fontaine and 93 other residents of Rhode Island, urging passage of House bill 5893; to the Committee on Ways and Means.

1953. Also, petition of Anthony P. O. Connors and 118 other residents of Rhode Island, urging passage of House bill 5893; to the Committee on Ways and Means.

1954. Also, petition of John Kane and 118 other residents of Rhode Island, urging passage of House bill 5893; to the Committee on Ways and Means.

1955. Also, petition of Henry A. Theroux and 104 other residents of Rhode Island, urging passage of House bill 5893; to the Committee on Ways and Means.

1956. Also, petition of Joseph A. Savage and 111 other residents of Rhode Island, urging passage of House bill 5893; to the Committee on Ways and Means.

1957 By Mr. GRAHAM: Petition of 50 residents of the Twenty-fifth District of Pennsylvania, requesting the Congress to reinstate to the people of our country the right to work, the right to drive a car or truck, and the right to enter any building or place regardless of any union; to the Committee on Labor.

1958. By Mr. SMITH of Wisconsin: Petition of the Wisconsin Swiss & Limburger Cheese Producers' Association, Monroe, Wis., recommending a 6-cent-per-pound increase on limburger and swiss cheese; to the Committee on Banking and Currency.

1959. By Mr. VOORHIS of California: Petition of Mrs. Wilbur S. Smith and 322 other citizens of the United States, urging passage of legislation by Congress (H. J. Res. 325) which would authorize the President and the Secretary of Agriculture to issue directives preventing the use of grain for beverage purposes until the world's food shortage is relieved; to the Committee on Agriculture.

SENATE

TUESDAY, JUNE 11, 1946

(Legislative day of Tuesday, March 5, 1946)

The Senate met at 11 o'clock a. m., on the expiration of the recess.

The Chaplain, Rev. Frederick Brown Harris, D. D., offered the following prayer:

God over all, blessed forevermore, amid the seething strife which has marred the earth and still sadly separates the sundered peoples of the world, this white altar reared at the gates of the morning speaks to us ever, whate'er vexatious problems we face, of our final reliance on those supreme spiritual forces, faith and hope and love, which alone abide and on which our salvation in the end depends. On these strong strings trembles the music on the harp of life. O Divine Musician, the strand of Thy hope has not snapped, Thy fingers still sweep over the chords of destiny; only Thou canst make our days a melody of redemption and our lives a hymn of praise. So tune our hearts this day to the infinite that all perplexed meanings may be linked into one perfect peace. 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, June 10, 1946, was dispensed with, and the Journal was approved.

POSITION OF SENATOR McFARLAND ON BILL TO REORGANIZE CONGRESS

Mr. McFARLAND. Mr. President, I was called to Arizona on official business in regard to reclamation problems in my State and was, for that reason, absent when the vote was taken yesterday on the bill to reorganize Congress, S. 2177. Had I been present, I would have voted "nay."

MESSAGES FROM THE PRESIDENT—APPROVAL OF BILLS

Messages in writing from the President of the United States were communicated to the Senate by Mr. Miller, one of his secretaries, and he announced that on June 10, 1946, the President had approved and signed the following acts:

S. 1605. An act to reimburse certain Navy and Marine Corps personnel for personal property lost or damaged as the result of fires which occurred at various Navy and Marine Corps shore activities; and

S. 1854. An act to establish civilian position of Academic Dean of the Postgraduate School of the Naval Academy and compensation therefor.

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:

Andrews	Hawkes	Murray
Austin	Hayden	Myers
Ball	Hickenlooper	O'Daniel
Barkley	Hill	O'Mahoney
Bilbo	Hoey	Overton
Bridges	Huffman	Radcliffe
Brooks	Johnson, Colo.	Reed
Buck	Johnston, S. C.	Robertson
Burch	Kilgore	Saltonstall
Bushfield	Knowland	Stanfill
Byrd	La Follette	Stewart
Capehart	Lucas	Taft
Capper	McCarran	Thomas, Okla.
Connally	McClellan	Thomas, Utah
Cordon	McFarland	Tobey
Donnell	McKellar	Tunnell
Downey	McMahon	Tydings
Eastland	Magnuson	Vandenberg
Ellender	Maybank	Wagner
George	Mead	Walsh
Guffey	Millikin	Wherry
Gurney	Moore	White
Hart	Morse	Wilson
Hatch	Murdock	

Mr. HILL. I announce that the Senator from North Carolina [Mr. BAILEY] and the Senator from Alabama [Mr. BANKHEAD] are absent because of illness.

The Senator from Nevada [Mr. CARVILLE] and the Senators from Idaho [Mr. GOSSETT and Mr. TAYLOR] are absent by leave of the Senate.

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

The Senator from Rhode Island [Mr. GERRY] is necessarily absent.

The Senator from New Mexico [Mr. CHAVEZ], the Senator from Washington [Mr. MITCHELL], the Senator from Florida [Mr. PEPPER], and the Senator from Georgia [Mr. RUSSELL], and the Senator from Montana [Mr. WHEELER] are detained on public business.

The Senator from Arkansas [Mr. FULBRIGHT] and the Senator from Rhode Island [Mr. GREEN] are absent on official business.

Mr. WHERRY. The Senator from Michigan [Mr. FERGUSON] and the Senator from Wisconsin [Mr. WILEY] are absent by leave of the Senate as members of the committee appointed by the United States Senate to attend the Empire Parliamentary Conference in Bermuda.

The Senator from Vermont [Mr. AIKEN], the Senator from Nebraska [Mr. BUTLER], the Senator from North Dakota [Mr. LANGER], the Senator from Minnesota [Mr. SHIPSTEAD], and the Senator from North Dakota [Mr. YOUNG] are absent by leave of the Senate.

The Senator from Maine [Mr. BREWSTER], the Senator from West Virginia [Mr. REVERCOMB], the Senator from New Jersey [Mr. SMITH], and the Senator from Indiana [Mr. WILLIS] are necessarily absent.

The PRESIDENT pro tempore. Seventy-one Senators having answered to their names, a quorum is present.

MESSAGE FROM THE HOUSE

A message from the House of Representatives, by Mr. Chaffee, one of its reading clerks, announced that the House had agreed to the amendment of the Senate to the bill (H. R. 5060) to amend section 1 of the act entitled "An act to fix the salaries of officers and members of the Metropolitan Police force, the United States Park Police force, and the Fire Department of the District of Columbia," approved May 27, 1924.

The message also announced that the House had passed the following bills, in which it requested the concurrence of the Senate:

H. R. 4051. An act to grant to enlisted personnel of the armed forces certain benefits in lieu of accumulated leave;

H. R. 4410. An act to amend the act entitled "An act to authorize the Commissioners of the District of Columbia to make regulations to prevent and control the spread of communicable and preventable diseases," approved August 11, 1939;

H. R. 5970. An act to permit the members and stockholders of charitable, educational, and religious associations incorporated in the District of Columbia to vote by proxy or by mail; and

H. R. 6516. An act to increase the salaries of the Metropolitan Police, the United States Park Police, the White House Police, and the members of the Fire Department of the District of Columbia.

ENROLLED BILL SIGNED

The message further announced that the Speaker had affixed his signature to the enrolled bill (H. R. 5060) to amend section 1 of the act entitled "An act to fix the salaries of officers and members of the Metropolitan Police force, the United States Park Police force, and the Fire Department of the District of Columbia,"

approved May 7, 1924, and it was signed by the President pro tempore.

DISPOSITION OF EXECUTIVE PAPERS

The PRESIDENT pro tempore laid before the Senate a letter from the Archivist of the United States, transmitting, pursuant to law, a list of papers and documents on the files of several departments and agencies of the Government which are not needed in the conduct of business and have no permanent value or historical interest, and requesting action looking to their disposition which, with accompanying papers was referred to a Joint Select Committee on the Disposition of Papers in the Executive Departments.

The PRESIDENT pro tempore appointed Mr. BARKLEY and Mr. BREWSTER members of the committee on the part of the Senate.

PETITION

The PRESIDENT pro tempore laid before the Senate a resolution adopted by the American Christian Palestine Committee, of Indianapolis, Ind., relating to the establishment of the Jewish National Home in Palestine, which was referred to the Committee on Foreign Relations.

PEACETIME MILITARY TRAINING

Mr. CAPPER. Mr. President, I ask unanimous consent to present for appropriate reference and to have printed in the RECORD a letter I have received from John C. White, associate director of the Board of Christian Education, Philadelphia, Pa., embodying a resolution adopted by the General Assembly of the Presbyterian Church in the United States of America, at Atlantic City, N. J., on May 28, 1946, confirming their opposition to peacetime conscription for military training, and recommending the support of any measure such as the Martin resolution which calls for universal abolition of peacetime conscription.

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

DEPARTMENT OF SOCIAL
EDUCATION AND ACTION,
BOARD OF CHRISTIAN EDUCATION,
PRESBYTERIAN CHURCH IN
THE UNITED STATES,
Philadelphia, Pa., June 3, 1946.

MY DEAR SENATOR: The statement given below is submitted for your consideration. It is the deliberate recommendation of the officially representative governing body of the Presbyterian Church in the United States of America, voted on at the one hundred and fifty-eighth general assembly, convening at Atlantic City, N. J., May 28, 1946. The commissioners to the general assembly are elected by the 268 Presbyteries from every section of the United States, and these Presbyteries, in turn, are the direct official bodies created by the 8,600 churches of our denomination with its 2,175,000 members.

"That general assembly (1) affirm its opposition to the adoption of peacetime conscription for military training or service; (2) recommend the support of any measure such as the present Martin resolution which calls for universal abolition of peacetime conscription, and (3) call for the termination of inductions under the Selective Service Act in favor of voluntary enlistment to provide the military forces needed for our international commitments and national defense in an atomic age."

We know you are seeking the public's will in such matters as vitally affect our national welfare. It is to record the public sentiment of these thoughtful American citizens, speaking without any selfish interest at stake, that we are sending this communication to you.

Respectfully yours,

JOHN C. WHITE.

VIEWS OF WISCONSIN FARM IMPLEMENT DEALERS ON OPA

Mr. LA FOLLETTE. Mr. President, I have been requested to present a statement with regard to the situation confronting the farm implement dealers of Wisconsin. I ask that it may be printed in the RECORD as a part of my remarks.

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

A PLEA FOR A MORE USEFUL OPA

Is the OPA serving American small business best by the May 10, 1946, amendment? We Wisconsin implement dealers believe not. Why not?

First. What does the amendment of May 10, 1946, do? It amends MPR 246 and MPR 133; this decreases dealers' trade discounts 20 percent.

Second. Why is this decrease in dealers' traditional trade discounts serious to our business life? The information received from OPA's 149 usable questionaires does not appear to present a complete picture of what this decrease in dealers' trade discounts means to each of us. Using a simple, direct form, we have obtained the following data in 6 days (data compiled by Mr. M. R. Williams, secretary of Wisconsin Implement Dealers Association):

Result of 288 operating statements, Dec. 31, 1945, to May 1, 1946

Number of dealers	Percentage	Average net profit	Average net loss	Average sales volume
100	70.2	$978.16	----------	----------
62	29.8	----------	$786.79	----------
288	100.0	453.33	----------	$12,623.69

Important:

(1) These are preamendment figures.

(2) December 21, 1945 to May 1, 1946, represents 50 percent of annual sales.

(3) Only 5 percent are corporations. Many are partnerships.

Conclusion:

(1) Net profit equals only 3.6 percent of total sales.

(2) Average monthly income is $113.08.

Is this paltry sum the payment for technical skill, capital investment, and long hours? Are we OPA Administrator's greedy profiteers? Can any of us remain in business on such a margin?

Be reminded again: These are preamendment figures. Picture our problem today with the additional burden of a 20 percent decrease in dealers' trade discounts, and a predicted low volume of power equipment shipped to the dealers. Gentlemen, our plight is desperate! We must have immediate action! Should this action fail to be forthcoming, four courses of action are open to the individual dealer:

(1) Close our doors,

(2) Curtail services on food-producing equipment,

(3) Hide pride and sell in the black market, or

(4) Openly defy the order and restore the normal margin.

We are not greedy for profits; we intend to be as patriotic during reconversion as we have been during the war. However, we are firmly convinced that Congress now must limit the powers of the OPA: provisions should be made in the law for restoration of all traditional discounts. These discounts came into being under highly competitive conditions in a highly competitive trade. This will safeguard all distributors of goods and services in the future.

There are 20,000 of us in this country; 975 of us are from Wisconsin. We need your legislation!

M. R. WILLIAMS,
Secretary, Wisconsin Implement Dealers Association, Madison, Wis.

Presented by George A. Martiny, June 8, 1946.

JOSEPH F. WALSH.

REPORTS OF COMMITTEES

The following reports of committees were submitted:

By Mr. HOEY, from the Committee on Immigration:

H. R. 3441. A bill to provide for the naturalization of Master Sgt. Gearhard Neumann; without amendment (Rept. No. 1446).

By Mr. KNOWLAND, from the Committee on Immigration:

H. R. 233. A bill for the relief of Hamsah Omar; without amendment (Rept. No. 1445).

By Mr. MORSE, from the Committee on Claims:

H. R. 3185. A bill for the relief of the estate of Senia Lassila, deceased; with amendments (Rept. No. 1447);

H. R. 3391. A bill for the relief of Lawrence Portland Cement Co.; without amendment (Rept. No. 1448);

H. R. 3494. A bill for the relief of the J. B. McCrary Co., Inc., and for other purposes; without amendment (Rept. No. 1449); and

H. R. 4693. A bill for the relief of Richard C. Ward; without amendment (Rept. No. 1450).

By Mr. BUSHFIELD, from the Committee on Indian Affairs:

S. 1564. A bill authorizing the issuance of a patent in fee to Shadrick Ponca; with amendments (Rept. No. 1442);

S. 1566. A bill authorizing the issuance of a patent in fee to Wilma Brandon Irving; with an amendment (Rept. No. 1443); and

S. 1695. A bill authorizing the issuance of a patent in fee to Louis Runs Above; without amendment (Rept. No. 1444).

By Mr. ELLENDER, from the Committee on Claims:

S. 1965. A bill for the relief of the estate of C. Benjamin Stapleton; with an amendment (Rept. No. 1452);

H. R. 1460. A bill for the relief of D. C. Todd; without amendment (Rept. No. 1455);

H. R. 2954. A bill for the relief of John Hamlet; with an amendment (Rept. No. 1453).

H. R. 3031 A bill for the relief of Walter A. Moffatt; without amendment (Rept. No. 1456);

H. R. 3622. A bill for the relief of Mrs. Hazel M. Skaggs; without amendment (Rept. No. 1457);

H. R. 4245. A bill for the relief of Jose Villafane Munoz; without amendment (Rept. No. 1458);

H. R. 4251. A bill for the relief of the estate of the late Francisca Sanchez Figueroa; without amendment (Rept. No. 1459);

H. R. 4331. A bill for the relief of Esequiel (Frank) Padilla and others; without amendment (Rept. No. 1460);

H. R. 4339. A bill for the relief of Fannie C. Fugate; without amendment (Rept. No. 1461);

H. R. 4419. A bill for the relief of Mrs. James Plumb; with an amendment (Rept. No. 1454);

H. R. 4495. A bill for the relief of William G. Roman; without amendment (Rept. No. 1462);

H. R. 5000. A bill for the relief of Marion Powell, a minor; without amendment (Rept. No. 1463);

H. R. 5091. A bill for the relief of Mrs. Mary A. Honnell; without amendment (Rept. No. 1464); and

H. R. 5811. A bill for the relief of the legal guardian of David Owens, Jr.; without amendment (Rept. No. 1465).

By Mr. WALSH, from the Committee on Naval Affairs:

S. 2247. A bill to permit the Secretary of the Navy to delegate the authority to compromise and settle claims against the United States caused by vessels of the Navy or in the naval service, or for towage or salvage services to such vessels, and for other purposes; without amendment (Rept. No. 1467);

S. 2291. A bill to authorize the Secretary of the Navy to transfer a vessel to the American Antarctic Association, Inc.; without amendment (Rept. No. 1468);

S. 2292. A bill for the relief of the Miami Herald, the Key West Citizen, and the Miami Daily News; without amendment (Rept. No. 1469);

H. R. 4525. A bill for the relief of Oran Edmund Randall Rumrill; without amendment (Rept. No. 1470); and

H. R. 4863. A bill to establish the date of acceptance of a commission as lieutenant (junior grade), United States Naval Reserve, by William Leon de Carbonel to be June 1, 1941, and the date of reporting for active duty to be December 9, 1941, and for other purposes; without amendment (Rept. No. 1471).

POLICY WITH RESPECT TO CREATION OR CHARTERING OF CERTAIN CORPORATIONS—REPORT OF A COMMITTEE

Mr. KILGORE. Mr. President, from the Committee on the Judiciary, I ask unanimous consent to report favorably with amendments the bill (S. 2223) to establish and effectuate a policy with respect to the creation or chartering of certain corporations by act of Congress, and for other purposes, and I submit a report (No. 1451) thereon. I hope the Members of the Senate will consider the measure carefully because it deals with a question of congressional policy. It provides, as to the corporations commonly called congressionally chartered corporations, standards for their operation, and means of controlling them and requiring audits of their operations. At the present time there are a great number of such corporations, and they offer a chance for exploitation. That situation has led the Judiciary Committee to report the bill.

The PRESIDENT pro tempore. Without objection, the report will be received, and the bill will be placed on the calendar.

DISTRICT OF COLUMBIA APPROPRIATION BILL, 1947

Mr. O'MAHONEY. Mr. President, from the Committee on Appropriations, I ask unanimous consent to report favorably with amendments the bill (H. R. 5990) making appropriations for the government of the District of Columbia and other activities chargeable in whole or in part against the revenues of such District for the fiscal year ending June 30, 1947, and for other purposes, and I submit a report (No. 1466) thereon.

The PRESIDENT pro tempore. Without objection, the report will be received, and the bill will be placed on the calendar.

NOTICE OF MOTION TO SUSPEND THE RULE—AMENDMENT

Mr. O'MAHONEY. Mr. President, along with the bill, I submit a notice in writing to suspend the rule.

The notice submitted by Mr. O'MAHONEY, is as follows:

In accordance with rule XL of the Standing Rules of the Senate, I hereby give notice in writing that it is my intention to move to suspend paragraph 4 of rule XVI for the purpose of proposing to the bill (H. R. 5990) making appropriations for the government of the District of Columbia and other activities chargeable in whole or in part against the revenues of such District for the fiscal year ending June 30, 1947, and for other purposes, the following amendment, namely: On page 2, line 1, strike out "6,000,000" and insert in lieu thereof "$10,000,000."

Mr. O'MAHONEY also submitted an amendment intended to be proposed by him to House bill 5990, the District of Columbia appropriation bill for 1947, which was ordered to lie on the table and to be printed.

(For text of amendment referred to, see the foregoing notice.)

BILLS INTRODUCED

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

By Mr. O'MAHONEY (for himself and Mr. OVERTON):

S. 2324. A bill to fix the amount of the annual payment of the United States toward defraying the expenses of the Government of the District of Columbia; to the Committee on the District of Columbia.

By Mr. RADCLIFFE:

S. 2325. A bill to provide for the distribution of nonappropriated moneys derived from the operation of officers' clubs of the Army of the United States; to the Committee on Military Affairs.

By Mr. McFARLAND (for himself, Mr. McCARRAN, Mr. KNOWLAND, Mr. JOHNSON of Colorado, Mr. MAYBANK, Mr. GEORGE, and Mr. KILGORE):

S. 2326. A bill to incorporate the Amvets, American Veterans of World War II; to the Committee on the Judiciary.

EXTENSION OF EMERGENCY PRICE CONTROL AND STABILIZATION ACTS OF 1942—AMENDMENTS

Mr. THOMAS of Oklahoma submitted an amendment, and Mr. CAPEHART submitted four amendments intended to be proposed by them, respectively, to the bill (H. R. 6042) to amend the Emergency Price Control Act of 1942, as amended, and the Stabilization Act of 1942, as amended, and for other purposes, which were severally ordered to lie on the table and to be printed.

Mr. RADCLIFFE (for himself and Mr. FULBRIGHT) submitted an amendment intended to be proposed by them, jointly, to the bill (H. R. 6042) to amend the Emergency Price Control Act of 1942, as amended, and the Stabilization Act of 1942, as amended, and for other purposes, which was ordered to lie on the table and to be printed.

THIRD URGENT DEFICIENCY APPROPRIATIONS, 1946—AMENDMENT

Mr. JOHNSTON of South Carolina submitted an amendment intended to be proposed by him to the bill (H. R. 6601) making appropriations to supply deficiencies in certain appropriations for the fiscal year ending June 30, 1946, and for prior fiscal years, to provide supplemental appropriations for the fiscal year ending June 30, 1946, and for other purposes, which was ordered to lie on the table and to be printed, as follows:

In the committee amendment on page 2, strike out lines 6 to 11, inclusive, and insert in lieu thereof the following:

"For the payment of twenty-one pages for the Senate Chamber, at $5 per day each, for the period July 1, 1946, to December 31, 1946, both dates inclusive, fiscal year 1947, $19,320."

FISCAL RELATIONS BETWEEN THE GOVERNMENT OF THE UNITED STATES AND THE DISTRICT OF COLUMBIA (S. DOC. NO. 203)

Mr. O'MAHONEY. Mr. President, I present a report of the Subcommittee on the District of Columbia of the Committee on Appropriations on fiscal relations between the Government of the United States and the District of Columbia, and ask unanimous consent that it may be printed as a Senate document, and also referred to the Committee on the District of Columbia. This report of the subcommittee has been approved by the full committee.

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

HOUSE BILLS REFERRED

The following bills were severally read twice by their titles and referred, as indicated:

H. R. 4051. An act to grant to enlisted personnel of the armed forces certain benefits in lieu of accumulated leave; to the Committee on Military Affairs.

H. R. 4410. An act to amend the act entitled "An act to authorize the Commissioners of the District of Columbia to make regulations to prevent and control the spread of communicable and preventable diseases," approved August 11, 1939;

H. R. 5970. An act to permit the members and stockholders of charitable, educational, and religious associations incorporated in the District of Columbia to vote by proxy or by mail; and

H. R. 6516. An act to increase the salaries of the Metropolitan Police, the United States Park Police, the White House Police, and the members of the Fire Department of the District of Columbia; to the Committee on the District of Columbia.

ADDITIONAL DISTRICT JUDGE FOR NORTHERN DISTRICT OF CALIFORNIA—CONFERENCE REPORT

Mr. McCARRAN submitted the following report:

The committee of conference on the disagreeing votes of the two Houses on the amendment of the House to the bill (S. 1163) to provide for the appointment of one additional district judge for the northern district of California, having met, after full and free conference, have agreed to recommend and do recommend to their respective Houses as follows:

That the Senate recede from its disagreement to the amendment of the House and agree to the same with an amendment as follows:

In lieu of the matter proposed to be inserted by the House, insert the following: *"Provided, That unless the President shall, not later than July 1, 1946, submit a nomination*

to the Senate to fill the office hereby created, then in that event this Act shall be of no force and effect."

And the House agree to the same.

PAT MCCARRAN,
ERNEST W. MCFARLAND,
ALEXANDER WILEY,
Managers on the Part of the Senate.

HATTON W. SUMNERS,
EMANUEL CELLER,
C. E. HANCOCK,
Managers on the Part of the House.

Mr. McCARRAN. Mr. President, the conference report deals with Senate bill 1163, which was introduced by the Senator from California [Mr. DOWNEY]. It provided for two additional judges in the northern district of California. The bill as reported by the Senate Judiciary Committee provided for one additional judge for the northern district of California. The bill, as passed by the House, contained provision for one temporary judge for the northern district of California. The conference committee agreed upon provision for one permanent judge for the northern district of California. The record showed that there was great necessity for such a judge because of the congestion of business.

I move the adoption of the conference report, which has been agreed to by the House of Representatives.

The PRESIDENT pro tempore. Is there objection to the present consideration of the report?

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

Mr. McCARRAN. I yield.

Mr. WHITE. Is the matter which the Senator has outlined the only thing to which the bill relates?

Mr. McCARRAN. It is the only thing to which the bill relates.

Mr. WHITE. Is the agreement which has been reached satisfactory to the Senators from California?

Mr. McCARRAN. It is satisfactory to the Senators from California.

The PRESIDENT pro tempore. Is there objection to the present consideration of the report?

There being no objection, the report was considered and agreed to.

EXTENSION OF PRICE CONTROL AND STABILIZATION ACTS

The Senate resumed consideration of the bill (H. R. 6042) to amend the Emergency Price Control Act of 1942, as amended, and the Stabilization Act of 1942, as amended, and for other purposes.

The PRESIDENT pro tempore. The question is on agreeing to the committee amendment, which is a substitute for the bill, and is therefore open to amendment. An amendment to the committee amendment, under the practice of the Senate, will be in the first degree only.

(The amendment reported by the Committee on Banking and Currency is to strike out all after the enacting clause and insert:)

That section 1 (b) of the Emergency Price Control Act of 1942, as amended, is amended by striking out "June 30, 1946" and substituting "June 30, 1947."

SEC. 2. Section 6 of the Stabilization Act of 1942, as amended, is amended by striking out "June 30, 1946" and substituting "June 30, 1947."

SEC. 3. Title I of the Emergency Price Control Act of 1942, as amended, is amended by inserting after section 1 thereof a new section, as follows:

"PURPOSES AND POLICIES IN THE TRANSITION PERIOD

"SEC. 1A. (a) Objectives: The Congress hereby affirms—

"(1) that because of abnormally excess spending power in relation to the presently available supply of commodities, rapid attainment of production equal to the public demand is one of the necessary and urgent objectives for the prevention of inflation and for the achievement of a reasonable stability in the general level of prices and rents, cost of living and costs of production (including labor costs), for the purposes set forth in section 1 of this act and for the further purposes of protecting the real value of benefits provided by law for veterans and their dependents, of keeping faith with purchasers of United States War Bonds, and of making possible a successful transition to a peacetime economy of maximum employment, production, and purchasing power under a system of free enterprise;

"(2) that unnecessary or unduly prolonged controls over prices and rents and use of subsidies would be inconsistent with the return to such a peacetime economy and would tend to repress and prevent the attainment of this and the other goals herein declared; and

"(3) that adequate prices are necessary stimulants to the production thus desired and the expeditious attainment of said goals.

"(b) Declaration of decontrol policy: Therefore, is is hereby declared to be the policy of the Congress that the Office of Price Administration, and other agencies of the Government, shall use their price, subsidy, and other powers to promote the earliest practicable balance between production and the demand therefor of commodities under their control, and that the general control of prices and the use of subsidy powers shall, subject to other specific provisions of this act, be terminated as rapidly as possible consistent with the policies and purposes set forth in this section and in no event later than June 30, 1947, and on that date the Office of Price Administration shall be abolished.

"(c) Recommendations by the President to the Congress: (1) As soon as practicable after the amendment of this section and in any event on or before January 15, 1947, the President shall recommend to the Congress such further legislation as in his judgment is needed to establish monetary, fiscal, and other policies which are adequate to supplement the control of prices and wages during the balance of the fiscal year 1947, and to insure that general control of prices and wages can be terminated by the end of that fiscal year without danger of inflation thereafter.

"(2) On or before April 1, 1947, the President shall report to the Congress what, if any, commodities or classes of commodities, including housing accommodations, are in such critically short supply as to necessitate, in his judgment, the continuance of the powers granted by this act as to them after June 30, 1947, together with his recommendations as to established departments or agencies of the Government (other than the Office of Price Administration) which should be charged with the administration of such powers.

"(d) Decontrol of nonagricultural commodities: (1) On or before December 31, 1946, the Administrator shall decontrol all nonagricultural commodities not important in relation to business costs or living costs, and prior to that date shall proceed with such decontrol as rapidly as, in his judgment, will be consistent with the avoidance of a cumulative and dangerous unstabilizing effect. In no event shall maximum prices be maintained after December 31, 1946, for any nonagricultural commodity or class of commodities unless the same has been expressly found by the Administrator to be important in relation to business costs or living costs.

"(2) The Administrator shall provide for the prompt removal of maximum prices in the case of any nonagricultural commodity whenever the supply thereof exceeds or is in approximate balance with the demand therefor (including appropriate inventory requirements) and it appears that prices of the commodity will not rise as a result of the action, or that although prices of the commodity will rise as a result of the action (i) they will not exceed a true reflection of current costs (as determined by the normal accounting methods of the particular industry with which the commodity is identified) plus reasonable profits and (ii) the increase will not be such as to unstabilize dangerously the prices of other important commodities or (taking account of increases in prices of other commodities which would result from application of the same decontrol standard) to jeopardize seriously the attainment of a reasonable stable peacetime economy.

"(3) Whenever, after a reasonable test period, it appears that the market prices of a nonagricultural commodity which has been decontrolled pursuant to this section have risen in a manner which is inconsistent with the applicable decontrol standard, the Administrator, with the advance consent in writing of the Price Decontrol Board established under subsection (h), shall reestablish such maximum prices for the commodity, consistent with applicable provisions of law, as in his judgment may be necessary to effectuate the purposes of this act.

"(e) Agricultural commodities: (1) On the first day of the first calendar month which begins more than 30 days after the date of enactment of this section, the Secretary of Agriculture shall certify to the Price Administrator each agricultural commodity which such Secretary determines to be in short supply. Thereafter, on the first day of each succeeding calendar month, the Secretary shall certify modifications of such certification by adding other agricultural commodities which have become in short supply and by removing from such certification such commodities the prices of other important commodities or (taking account maximum price shall be applicable with respect to any agricultural commodity during any calendar month which begins more than 30 days after the date of enactment of this section), unless such commodity is certified to the Price Administrator under this paragraph as being in short supply.

"(2) (A) Whenever the Secretary of Agriculture determines that maximum prices applicable to any agricultural commodity which is in short supply are impeding the necessary production of such commodity, he may recommend to the Price Administrator such adjustments in such maximum prices as the Secretary determines to be necessary to attain the necessary production of such commodity.

"(B) The Secretary of Agriculture by December 31, 1946, shall recommend to the Price Administrator the removal of maximum prices on all agricultural commodities whether or not in short supply, not important in relation to business costs or living costs, and prior to that date shall make such recommendations as rapidly as, in his judgment, will be consistent with the avoidance of a cumulative and dangerous unstabilizing effect.

"(C) Within 10 days after the receipt of any recommendation under this subsection for the adjustment of maximum prices applicable to any agricultural commodity, or for

the removal of maximum prices on agricultural commodities not important in relation to business costs or living costs, the Price Administrator shall adjust or remove such maximum prices in accordance with such recommendations.

"(3) (A) Price controls with respect to livestock, poultry, and eggs, and food and feed products processed or manufactured in whole or substantial part from livestock, poultry, or eggs, shall be removed not later than June 30, 1946.

"(B) Price controls with respect to milk, and food and feed products processed or manufactured in whole or substantial part from milk, shall be removed not later than June 30, 1946.

"(4) Whenever the Secretary of Agriculture determines that an agricultural commodity with respect to which maximum prices have been removed is in short supply and that the reestablishment of maximum prices with respect thereto is necessary to effectuate the purposes of this act, the Secretary, with the written consent of the Price Decontrol Board, may recommend to the Administrator, and the Administrator shall establish, such maximum prices with respect to such commodity, consistent with applicable provisions of law, as in the judgment of the Secretary are necessary to effectuate the purposes of this act.

"(5) For the purposes of this section—

"(A) an agricultural commodity shall be deemed to be in short supply unless the supply of such commodity equals or exceeds the requirements for such commodity for the current marketing season;

"(B) the term 'agricultural commodity' shall be deemed to mean any agricultural commodity and any food or feed product processed or manufactured in whole or substantial part from any agricultural commodity.

"(6) Notwithstanding any other provision of this or any other law, except as provided in subsection (h), the Secretary of Agriculture, in exercising his functions under this act, shall not be subject to the direction or control of any other appointive officer or agency in the executive branch of the Government, and no such officer or agency shall undertake to exercise any direction or control over the Secretary of Agriculture with respect to the exercise of such functions. The Secretary of Agriculture may at any time withdraw his approval of any action with respect to which his approval is required under this act, and upon the withdrawal of his approval such action shall be rescinded.

"(7) No maximum price and no regulation or order under this act or the Stabilization Act of 1942, as amended, shall be applicable with respect to any agricultural commodity, or any service rendered with respect to any agricultural commodity, unless a regulation or order establishing a maximum price with respect to such commodity had been issued under this act prior to April 1, 1946.

"(f) Saving provision: Nothing in this section shall limit the Administrator's authority to remove maximum prices for any nonagricultural commodity, or any agricultural commodity with the approval of the Secretary of Agriculture, at an earlier time than would be required by this section, if in his judgment or in the judgment of the Secretary of Agriculture, as the case may be, such action would be consistent with the purposes of this section.

"(g) Petitions for decontrol: (1) If in the judgment of the industry advisory committee appointed by the Administrator in accordance with section 2 (a) of this act to advise and consult with him with respect to a commodity, the policies and standards set forth in this section require the removal of maximum prices for such commodity, it may file a petition for the removal of such maximum prices. In the case of any nonagricultural commodity, such petition shall be filed with the Administrator in accordance with regulations prescribed by him. In the case of agricultural commodities, such petition shall be filed with the Secretary of Agriculture in accordance with regulations prescribed by him and shall request that he make an appropriate certification or recommendation to the Price Administrator. The petition shall specifically state the grounds upon which the committee believes such action to be required and shall be accompanied by affidavits or other written evidence in support thereof.

"(2) Within 15 days after receiving a petition filed in accordance with the provisions of this subsection, the Administrator or the Secretary of Agriculture, as the case may be, shall either grant the petition or inform the committee in writing why in his judgment the standards for decontrol stated in subsections (d) and (e) have not been satisfied with respect to the commodity involved. If the petition is not granted in full, the Administrator or the Secretary, as the case may be, shall, within 10 days after the receipt of a request by the committee for further consideration of its petition, hold a hearing before himself or before a deputy administrator (or, in the case of the Secretary, before such officer as he may designate) at which the committee may present its argument in support of the petition. The Consumers Advisory Committee and the Labor Advisory Committee appointed by the Administrator shall be given notice of any such hearing and an opportunity to present their views with respect to the petition and may, not later than 5 days prior to such hearing, present in writing evidence relating thereto. Within 15 days after such hearing, the Administrator or the Secretary, as the case may be, shall either grant the petition in full or furnish the industry advisory committee with a statement in writing of his reasons for denying it in whole or in part, together with a statement of any economic data or other facts of which he has taken official notice in connection with such denial.

"(3) At any time within 30 days after the denial in whole or in part, following a hearing, of a petition filed under this subsection, the petitioning industry advisory committee may petition the Price Decontrol Board established under subsection (h) for a review of the action of the Administrator or the Secretary of Agriculture. If the Administrator or the Secretary, as the case may be, fails to act upon a petition within the time prescribed by paragraph (2), the industry advisory committee may, at any time within 30 days after the expiration of the time so prescribed, petition the Price Decontrol Board for removal of maximum prices on the commodity involved.

"(4) Nothing in this section shall be construed to take away or impair any right of any person to protest, in accordance with the provisions of sections 203 and 204 of this act, the further maintenance of maximum prices for a commodity under the standards of subsection (d) or (e): *Provided*, That the filing of such a protest or of a petition under paragraph 3 of this subsection shall not be grounds for staying any proceeding brought pursuant to section 205 of this act or section 37 of the Criminal Code, and no retroactive effect shall be given to any judgment setting aside a provision of a regulation, order, or price schedule under the standards set forth in this section.

"(h) Price Decontrol Board: (1) There is hereby established as an independent agency in the executive branch of the Government a Price Decontrol Board, to be composed of three members appointed by the President by and with the advice and consent of the Senate. Not more than two members of the Board shall be members of the same political party. Two members of the Board shall constitute a quorum, and a vacancy in the membership of the Board shall not impair the power of the remaining members to exercise its functions. Members of the Board shall receive compensation at the rate of $12,000 a year.

"(2) The Board shall appoint and fix the compensation of a secretary for the Board and such other officers and employees as may be necessary to enable it to perform its functions. The Board may make such expenditures as may be necessary for performing its functions. The Board may, with the consent of the head of the department or agency concerned, utilize the facilities, services, and personnel of other agencies or departments of the Government. The Board shall maintain an office in charge of its secretary in the District of Columbia, which shall be open on all business days for the receipt of petitions for review and the transaction of other business of the Board. The Board shall prescribe regulations and procedures for the conduct of its business which will provide for summary disposition, with the utmost expedition consistent with sound decision, of petitions filed with the Board

"(3) A petition made under subsection (g) (3) shall specifically state the grounds upon which the petitioning industry advisory committee believes that maximum prices on the commodity involved should be removed. A copy of such petition shall forthwith be served on the Administrator or the Secretary, as the case may be, who shall within such time as may be fixed by the Board certify and file with the Board a transcript of such portions of the proceedings in connection with the petition under subsection (g) as are material. Such transcript shall include a statement in writing of the Administrator's or Secretary's reasons for believing that maximum prices on the commodity involved should not be removed, together with a statement of any economic data or other facts of which he has taken official notice. At the earliest practicable time the Board shall conduct a hearing upon the petition, at which the Administrator or the Secretary, as the case may be, and the committee shall be given an opportunity to present their views and argument orally or in writing. If application is made to the Board by either party for leave to introduce additional evidence, the Board may permit such evidence to be introduced or filed with it if it deems it material and determines that such evidence could not reasonably have been offered or included in the proceedings under subsection (g). At the earliest practicable time after the hearing on any petition, the Board shall make and issue an order specifying the extent, if any, to which maximum prices on the commodity involved shall be removed. The Board shall order the removal of such maximum prices if and to the extent that in its judgment the standards of decontrol stated in subsection (d) or (e) have been satisfied with respect to the commodity involved. The Administrator shall remove maximum prices with respect to the commodity in question within such time and to such extent as shall be specified in the order of the Board. Orders of the Board shall not be subject to modification or review by any other department or agency or by any court.

"(4) No petition may be filed with the Board with respect to any commodity within a period of 3 months after the issuance of an order of the Board with respect to the same commodity.

"(5) The members of the Board may serve as such without regard to the provisions of sections 109 and 113 of the Criminal Code (18 U. S. C., secs. 198 and 203) or section 19 (e) of the Contract Settlement Act of 1944, except insofar as such sections may prohibit any such member from receiving compensation in respect of any particular matter which is within the jurisdiction of the Board.

"(6) If the number of petitions filed with the Board should at any time become so great as to prevent the Board from promptly conducting hearings upon such petitions, the Board shall appoint such hearing commissioners as it deems necessary in order to expedite the transaction of its business. The Board may authorize one or more of the hearing commissioners so appointed to conduct the hearing upon any petition under this subsection and to exercise the authority of the Board with respect to such hearing. After a hearing conducted before a hearing commissioner, the commissioner shall make recommendations consistent with this subsection to the Board concerning its action with respect to the petition. If the Board approves such recommendations, it shall issue an order in conformity therewith. If the Board does not approve such recommendations, the Board may issue such order as it deems proper upon the record or may conduct a new hearing upon the petition before the Board."

SEC. 4. Subsection (b) of section 2 of the Emergency Price Control Act of 1942, as amended, is amended by adding at the end thereof a new paragraph as follows:

"After the date upon which this paragraph takes effect, the Administrator, when establishing rent ceilings on hotels or when passing upon applications for adjustments of rent ceilings on hotels, is authorized to take into consideration the distinction between transient hotels and residential or apartment hotels, including the difference in the investment, operation, expenses, and mechanical details of operation between the transient hotels and the residential and apartment hotels, and is directed to classify separately by regulation (1) transient hotels, (2) residential and apartment hotels, and (3) tourist courts, rooming houses, and boarding houses."

SEC. 5. (a) The last paragraph of section 2 (e) of the Emergency Price Control Act of 1942, as amended by the Stabilization Extension Act of 1944, shall not apply with respect to operations for the fiscal year ending June 30, 1947, of the Commodity Credit Corporation and the Reconstruction Finance Corporation: *Provided,* That with respect to such corporations and such operations, the making of subsidy payments and buying for resale at a loss shall be limited as follows:

Payments and purchases may be made with respect to operations for the fiscal year ending June 30, 1947, which involve subsidies and anticipated losses as follows:

(1) With respect to rubber produced in Latin America and Africa for which commitments were made before January 1, 1946, $31,000,000.

(2) With respect to copper, lead, and zinc, in the form of premium price payments, $100,000,000: *Provided,* That (A) premiums shall be paid on ores mined or removed from mine dumps or tailing piles before July 1, 1947, though shipped and/or processed and marketed subsequently thereto; and that (B) the premium price plan for copper, lead, and zinc shall be extended until June 30, 1947, on terms not less favorable to the producer than heretofore and (i) adjustments shall be made to encourage exploration and development work, (ii) adequate allowances shall be made for depreciation and depletion, and (iii) all classes of premiums shall be noncancelable unless necessary in order to make individual adjustments of income to specific mines.

(3) With respect to purchases by the Reconstruction Finance Corporation, of such tin ores and concentrates as it deems necessary to insure continued operation of the Texas City tin smelter.

(4) With respect to noncrop programs, 1946 crop program operations and the 1947 crop program operations relating to sugar, flour, petroleum, petroleum products, and other domestic and imported materials and commodities, $969,000,000: *Provided,* That the operations authorized under this subparagraph (4) shall be progressively reduced, shall be terminated not later than May 1, 1947, and shall not cost more than $629,000,000 during the last 6 months of the calendar year 1946. Operations shall not be carried out under authority of this subparagraph (4) with respect to any commodity for any period during which maximum prices on such commodity are not in effect under the Emergency Price Control Act of 1942, as amended, or the Stabilization Act of 1942, as amended. No new subsidy or purchase and sale operations shall be undertaken under the authority of this subparagraph (4), and no change shall be made in the basis of any existing operations for which funds are made available under this subparagraph which will increase the rate of any subsidy or the rate of loss incurred with respect to any commodity.

(b) When any direct or indirect subsidy to an industry is reduced or terminated, any maximum price applicable to the product affected shall be correspondingly increased.

(c) Where roll-back subsidies have previously been or presently are in effect, and have been discontinued, or shall hereafter be discontinued, the industries which have received such subsidies shall be permitted to increase their ceiling prices at least an amount equivalent to the amount of the discontinued roll-back subsidy. Such price increase shall become effective either upon discontinuance of the roll-back subsidy or upon passage of this act, whichever date is the later. For the purposes of this paragraph, the term "roll-back subsidies" means subsidy payments, or purchases and sales of a commodity at a loss by the Government of the United States (including any Government-owned or controlled corporation), or contracts therefor, which resulted directly or indirectly in the lowering of ceiling prices below the maximum price levels established by the Office of Price Administration prior to the institution of the subsidy payments or purchases and sales at a loss, or the execution of the contracts therefor, whichever date is the earlier.

(d) Nothing in this act shall be constructed to affect the provisions of Public Laws 30, 38, 164, and 328 of the Seventy-ninth Congress, or to prevent the use of the sums authorized in such laws to fulfill obligations incurred prior to July 1, 1946, with respect to operations prior to such date.

SEC. 6. Section 2 (i) of the Emergency Price Control Act of 1942, as amended, is amended to read as follows:

"(i) For the purposes of this act and the Stabilization Act of 1942, as amended, fish, and other sea foods shall be deemed to be agricultural commodities, and commodities processed or manufactured in whole or substantial part from fish or other sea foods shall be deemed to be manufactured in whole or substantial part from agricultural commodities: *Provided,* That the provisions of section 3 of the Stabilization Act of 1942, as amended, shall not be applicable with respect to fish and other sea foods and commodities processed or manufactured in whole or substantial part therefrom, but the maximum price established for any fish or sea food commodity or for any commodity processed or manufactured in whole or substantial part therefrom shall not be below the average price therefor in the year 1942."

SEC. 7. Section 2 (j) of the Emergency Price Control Act of 1942, as amended, is amended by inserting before the period at the end thereof a semicolon and the following: "or (5) as authorizing any regulation or order of the Administrator to fix a quantity or percentage of any product which any seller may sell to any buyer."

SEC. 8. Section 2 (k) of the Emergency Price Control Act of 1942, as amended, is amended by inserting the words "or service establishment" after the words "seller of goods at retail."

SEC. 9. Section 2 of the Emergency Price Control Act of 1942, as amended, is amended by adding at the end thereof the following new subsections:

"(o) No maximum price shall be applicable to any item served in any restaurant or other eating establishment if such item consists in whole or major part of a commodity to which no maximum price is applicable with respect to sales to restaurants and other eating establishments, unless the maximum price of such item, when sold by such restaurant or other eating establishment, is determined, under the applicable maximum price regulation or order, by the addition of a customary margin to the acquisition cost of such item.

"(p) After July 1, 1946, no maximum price regulation or order shall be issued or continued in effect requiring any seller to limit his sales by any weighted average price limitation based on his previous sales.

"(q) In the case of any retail industry, the principal sales of which consisted during the calendar years 1939 to 1941, inclusive, of sales of a commodity or commodities the production or retail distribution of which has been reduced, for a period of 3 years beginning on or after March 2, 1942, by 75 percent or more below such production or retail distribution for the calendar years 1939 to 1941, inclusive, as a result of the operation of any governmental regulation or restriction, the Administrator shall not, in establishing maximum prices under this section, reduce established peacetime retail trade discounts or mark-ups or dealer handling charges for any such commodity before the retail unit sales of such commodity for a period of 6 months shall have reached the average annual retail unit sales thereof for the calendar years 1939 to 1941, inclusive.

"(r) In the case of any wholesale industry, the principal sales of which consisted during the calendar years 1939 to 1941, inclusive, of sales of a commodity or commodities, the production or wholesale distribution of which has been reduced for a period of 3 years beginning on or after March 2, 1942, by 75 percent or more below such production or wholesale distribution for the calendar years 1939 to 1941, inclusive, as the result of the operation of any governmental regulation or restriction, the Administrator shall not in establishing maximum prices under this section reduce established wholesale trade discounts or normal wholesale markups for any such commodity prevailing on March 2, 1942, before the wholesale unit sales of such commodity for a period of 6 months shall have reached the average annual wholesale unit sales thereof for the calendar years 1939 to 1941, inclusive.

"(s) No maximum price regulation or order shall require the reduction of the established peacetime discounts or markups for the sale of any manufactured or processed commodity (treating as a single commodity for the purposes of this paragraph all commodities in a line of related commodities which, for the purpose of establishing manufacturers' and processors' maximum prices, have been placed by the Office of Price Administration under a single regulation) if the retail, wholesale, or other distributive trade selling such commodity shows that the commodity constituted approximately one-half or more of the gross sales income of a majority of the persons engaged in such trade in 1945 and that, in the preceding quarter of 1946 or 1947, the deliveries of such commodity to such distributive trade were less than 100 percent of the deliveries thereof in the corresponding quarter of 1945."

SEC. 10. (a) The second sentence of section 205 (e) of the Emergency Price Control Act of 1942, as amended, is amended to read

as follows: "In any action under this subsection, the seller shall be liable for reasonable attorney's fees and costs as determined by the court, plus whichever of the following sums is greater: (1) Such amount not more than 3 times the amount of the overcharge, or the overcharges, upon which the action is based as the court in its discretion may determine, or (2) an amount not less than $25 nor more than $50, as the court in its discretion may determine: *Provided, however,* That such amount shall be the amount of the overcharge or overcharges if the defendant proves that the violation of the regulation, order, or price schedule in question was neither willful nor the result of failure to take practicable precautions against the occurrence of the violation."

(b) Section 205 (e) of the Emergency Price Control Act of 1942, as amended, is amended by adding at the end thereof the following new paragraphs:

"The Administrator may not institute any action under this subsection on behalf of the United States, or, if such action has been instituted, the Administrator shall withdraw the same—

"(1) if the violation arose because the person selling the commodity acted upon and in accordance with the written advice and instructions of the Administrator or any regional administrator or district director of the Office of Price Administration; or

"(2) if the violation arose out of the sale of a commodity to any agency of the Government, or to any public housing authority whose operations are supervised or financed in whole or in part by any agency of the Government, and such sale was made pursuant to the lowest bid made in response to an invitation for competitive bids.

"The Administrator shall not institute or maintain any enforcement action under this subsection against any manufacturer of apparel items where the Administrator shall determine (1) that the transactions on which such proceeding is based consisted of the manufacturer's selling such an item at his published March 1942 price list prices instead of his March 1942 delivered prices, and (2) that the seller's customary pricing patterns for related apparel items would be distorted by a requirement that his ceilings be the March 1942 delivered prices. The Administrator's determinations under this paragraph shall be subject to review by the Emergency Court of Appeals in accordance with sections 203 and 204."

SEC. 11. The third sentence of paragraph (2) of section 205 (f) of the Emergency Price Control Act of 1942, as amended, is amended to read as follows: "If any such court finds that such person has violated any of the provisions of such license, regulation, order, price schedule, or requirement after the receipt of the warning notice, such court shall issue an order suspending the license to the extent that it authorizes such person to sell the commodity or commodities in connection with which the violation has occurred, or to the extent that it authorizes such person to sell any commodity or commodities with respect to which a regulation or order issued under section 2, or a price schedule effective in accordance with the provisions of section 206, is applicable; but no suspension shall be for a period of more than 12 months, and if the defendant proves that the violation in question was neither willful nor the result of failure to take practicable precautions against the occurrence of the violation, then in that event no suspension shall be ordered or directed."

SEC. 12. Section 3 of the Stabilization Act of 1942, as amended, is amended by adding at the end thereof the following new paragraphs:

"On and after the date of the enactment of this paragraph, it shall be unlawful to establish, or maintain, any maximum price applicable to manufacturers or processors, for any major item in the case of products made in whole or major part from cotton or cotton yarn or wool or wool yarn, unless the maximum price for such major item is fixed and maintained at not less than the sum of the following:

"(1) The cotton or wool cost (which must be computed at not less than the parity price or the current cost, whichever is greater, of the grade and staple of cotton or wool used in such item, delivered at the mill);

"(2) A weighted average of mill conversion costs; and

"(3) A reasonable profit (which shall not be less than a weighted average profit for each unit of such item equal to the weighted average of the profit earned on an equivalent unit of such item during the period 1939 to 1941, both inclusive).

"In order to provide an incentive for increased production of cotton textiles and to compensate for increased costs of operation which are involved in obtaining such increased production, the maximum price applicable to any producer for textile products made in whole or major part from cotton shall, during any calendar month, be 5 per centum above the maximum price otherwise established with respect to such products, if the production at the mill or mills operated by such producer (determined on the basis of pounds of cotton used) during the preceding calendar month was at least equal to 90 percent of the average monthly production at such mill or mills (determined on the same basis) during the calendar year in which the production at such mill or mills was the greatest for any calendar year during the period 1936 to 1945, both inclusive."

Mr. BARKLEY. Mr. President, I am asking the indulgence of the Senate to make what I hope will be a very brief statement as to the action of the Committee on Banking and Currency in reporting House bill 6042, extending the Emergency Price Control Act and the Stabilization Act. The Senate will recall that as passed by the House the Price Control Act and the Stabilization Act were extended to the 31st day of March 1947, which is a 9-month extension beyond the date of expiration on the 30th day of this month. The Senate committee extended the act to the 30th of June 1947; in other words, a year's extension instead of a 9-month extension. The committee felt that it was better from every standpoint to extend the acts for the entire fiscal year ending June 30 next year rather than extend them to a midperiod, March 31. The Senate will recall that the President asked that these extensions be simply made of the acts as they existed, the effect of which was that the President recommended the extension of the OPA without amendment, leaving in the hands of the Administrator the decision with respect to particular actions relating to price ceilings and other matters within the purview of the law.

I think it might be stated that from the very beginning it was obviously impossible to secure an extension of the Price Control and Stabilization Acts without some amendments; and there were written into the bill some amendments to which I am sure the President would not object, and which were not objected to by the Office of Price Administration itself. Of course I suppose no one would dispute the fact that it is regrettable that the acts have to be extended at all. Personally I would be most happy if the situation justified a termination of all controls and regulations on the date of the expiration of the present laws, a little more than two weeks from now. But that is impossible from my viewpoint and from the viewpoint of the committee, and obviously it was impossible from the viewpoint of the House, and I anticipate that it will be impossible from the viewpoint of the Senate—that is to eliminate, to terminate, all controls under the Stabilization Act and the Price Control Act when the two acts expire on the 30th day of this month. Therefore the committee set about to see what amendments might be adopted looking toward the final elimination of these controls on a definite date in the future to be fixed by the Congress; and in both bills, the House bill and the Senate bill, provision is made for the termination of the Office of Price Administration on a date to be fixed in the law itself. In the bill reported by the Senate committee that date is June 30, 1947, with a provision that, if as that date approaches the situation is such that there still lingers a necessity for some further controls in special fields, the President may designate the agency of the Government which may administer any further controls in any field, but in any event the Office of Price Administration ceases to exist under the Senate bill on June 30, 1947.

The committee felt impelled to write into the bill that limitation and that date of termination as definitely as possible in order to give notice to the country and to everyone who might be interested that, so far as Congress is concerned, no further effort would be made to extend the OPA beyond the 30th of June 1947. Of course we all hope that by the time that date arrives there will be no necessity for any further price controls to be administered by any agency of the Government. But it was possible—and we realized the possibility—that when that time comes, as to some isolated field of activity it may be unwise to stop controls on a particular date, even a year hence; and if there should be such a field its administration would be covered by some existing agency of the Government to be designated by the President.

So, Mr. President, the first two sections of the bill, sections 1 and 2, merely extend the life of the acts until the 30th of June 1947.

The committee undertook to write into the bill a declaration of policy. Therefore, section 3 of the pending bill adds a new section, 1A, to title I of the Emergency Price Control Act, which states certain policies to be followed with respect to the administration of price control and the removal of price control during the period of transition to a peacetime economy.

Most of us here remember what occurred following World War I, at which time there was a pronounced inflation in prices and in values. That inflation continued for a period, and then there was a slump, and then the inflation was resumed and carried on until the late 1920's and the early 1930's. There resulted a terrific debacle, in which the bottom fell

out of everything, and we entered upon the most disastrous depression in the history of the United States.

In writing a policy for the guidance of the OPA and for the information of the country, and in order that Congress might be on record with respect to its objectives and its intentions, the bill goes on to state that the—

Rapid attainment of production equal to the public demand is one of the necessary and urgent objectives for the prevention of inflation and for the achievement of a reasonable stability in the general level of prices and rents, cost of living, and costs of production. * * *

That unnecessary or unduly prolonged controls over prices and rents and the use of subsidies would be inconsistent with the return to such a peacetime economy and would tend to repress and prevent the attainment of—

The goals stated in the act.

That adequate prices are necessary stimulants to the production thus desired and the expeditious attainment of said goals.

That is a declaration of policy with which I think no one will seriously quarrel. We all desire that production shall be stimulated as rapidly as possible. We all realize that there is a larger backlog of expendable money in the United States now than within the recollection of any of us, if not within the history of the country; that due to war restrictions and the necessity for organizing our entire industrial plant for the war effort there has been a shortage of goods covering a wide and almost universal field; and that it is in the interest of a stable economy that as soon as possible there shall be a balance between production and demand.

The attainment of that balance has been delayed by interruptions due to controversies between labor and management growing out of wages and conditions of employment. This retarding of the reconversion effort may have been unavoidable. Looking back at it now as it has dragged its length across the country since the first of the year, it seems to have been unavoidable. But whether it was inevitable or unavoidable, or whether it could have been avoided, it has taken place; and to the extent to which it has interrupted production it has retarded the attainment of a balance between supply and demand, between production of goods and their purchasability by those who had money with which to purchase them. We all hope that in the very near future these controversies will be resolved and that full employment and full production will be attained according to the goal and standards set out in the Employment Act which we passed at this session of Congress, and that when that time arrives it will be unnecessary for the Government to impose more controls or to retain any at all except those which may be ordinarily necessary to protect the people against overcharges and violations of the antitrust law and other permanent and standardized laws and regulations upon the subject.

So I believe that all of us, without regard to our position on this bill or any amendments which were adopted by the committee or which may be adopted by the Senate, not only look forward to but yearn for the day when the Government of the United States will find it no longer necessary to interpose its power or its regulations in order to protect people against greed, rapacity, or unwise misadjustments of our economic situation.

The bill declares it to be the policy of Congress—

That the Office of Price Administration, and other agencies of the Government, shall use their price, subsidy, and other powers to promote the earliest practicable balance between production and the demand therefor of commodities under their control, and that the general control of prices and the use of subsidy powers shall, subject to other specific provisions of this act, be terminated as rapidly as possible consistent with the policies and purposes set forth in this section and in no event later than June 30, 1947, and on that date the Office of Price Administration shall be abolished.

It also provides that—

The President shall recommend to the Congress such further legislation as in his judgment is needed to establish monetary, fiscal, and other policies which are adequate to supplement the control of prices and wages during the balance of the fiscal year 1947, and to insure that general control of prices and wages can be terminated by the end of that fiscal year without danger of inflation thereafter.

Of course, the President could do that anyway. Under the Constitution it is made the duty of the President to inform and advise the Congress from time to time concerning the state of the Union and to recommend legislation which he thinks is necessary. Therefore this provision in the statement of policy was not necessary so far as giving the President any power is concerned; but the committee thought it advisable to impress upon the President the need for alertness in bringing to the attention of Congress, not later than next January 15, the situation with respect to the control policy and program for the remainder of the fiscal year ending June 30, 1947. So we have put it in there by way of emphasis more than anything else. It does not add anything to the power of the President, but calls his attention to the fact that the Congress desires that, not later than the 15th of next January, he shall communicate to Congress any recommendations covering "monetary, fiscal, and other policies which are adequate to supplement the control of prices and wages during the balance of the fiscal year 1947."

I take it for granted that that will arouse no particular controversy in the Senate, or in the country, or in the conference which may take place following the passage of this bill by the Senate.

This new section in title I of the Emergency Price Control Act, section 1A, also contains stipulations with reference to the decontrol of nonagricultural commodities. I may say that the bill in its provisions for decontrol divides commodities into two categories. One is nonagricultural commodities and the other includes agricultural commodities and products manufactured in whole or substantial part from agricultural commodities.

This section of the bill provides for the removal of maximum prices on nonagricultural commodities not important in relation to business costs or living costs. The Price Administrator is directed to proceed with the decontrol of these commodities as rapidly as in his judgment will be consistent with the avoidance of a cumulative and dangerous unstabilizing effect. Maximum prices on all such commodities are to be removed on or before December 31, 1946; and after that date no maximum price may be maintained for a nonagricultural commodity or class of commodities "unless the same has been expressly found by the Administrator to be important in relation to business costs or living costs."

In other words, under that provision of the bill the Administrator is required to assemble, not only in his mind, but in his agency, all those nonagricultural commodities which are not essential or important with relation to the cost of production, the cost of manufacture, or the cost of living. When he has done that he is directed to take all such commodities and all classes of such commodities from under price control not later than the 31st day of December. The bill goes on to state a general rule for the removal of maximum prices in the case of nonagricultural commodities, regardless of whether such commodities are important in relation to business costs or living costs. This rule is that maximum prices shall be promptly removed whenever the supply of a commodity exceeds or is in approximate balance with the demand therefor, including appropriate inventory requirements, of course, and when it also appears that prices of the commodity will not rise as a result of the decontrol, or that if they do rise as a result of decontrol, they will not exceed a true reflection of current costs which are to be determined by normal accounting methods, plus reasonable profits; and, second, that the increase will not be such as to unstabilize dangerously the prices of any important commodities that would jeopardize seriously the attainment of a reasonably stable peacetime economy. Under this provision it is the duty of the Administrator to remove the maximum prices upon his own initiative when the applicable decontrol standards are satisfied. However, provision is made in the latter parts of this section for industry advisory committees to petition the Administrator for decontrol when such committees believe that the applicable decontrol standards have been satisfied; and in case of adverse action by the Administrator upon the petition, provision is made for an appeal to an independent price decontrol board which is set up under the terms of this bill, which may order the Administrator to remove the maximum prices. In other words, in regard to nonagricultural products, and without regard to whether they bear an important relation to the cost of business or the cost of living, the Administrator is directed, in effect, and it becomes his duty, to remove the maximum prices on his own initiative or without any appeal on the part of anybody or without any obligation on the part of anybody, when the standards set out in the bill are satisfied.

Section 1A is quite lengthy and has many subsections. I may state that it was originally introduced in the committee by me as an amendment to the bill. It was referred to a subcommittee, and the subcommittee worked it over and came back with the subsection practically as it now stands in the bill. The subcommittee made several amendments to it, but it was agreed to after full discussion in the committee, without, as I now recall, sharp division insofar as the committee membership was concerned.

In relation to agricultural commodities, let me say again that we have divided commodities into nonagricultural and agricultural groups. For some time there has been a feeling among the farmers and their representatives that the Secretary of Agriculture should have more to do with the regulation of prices and practices on farm products than he was given under the law as it was originally enacted or it was amended thereafter. So, Mr. President, the committee wrote into the bill a provision relating to and making distinctions between agricultural commodities and nonagricultural commodities. As to agricultural commodities, the bill contains new provisions relating to the removal of maximum prices on such commodities, the adjustment of maximum prices, and other provisions relating to the administration of maximum prices on agricultural commodities. It provides that the Secretary of Agriculture shall certify to the Price Administrator each agricultural commodity which the Secretary determines to be in short supply. An agricultural commodity will be in short supply for the purposes of this act unless the supply of such commodity equals or exceeds the requirements for such commodity for the current marketing season. We all realize that agricultural commodity prices are seasonal and that the supply of agricultural commodities in relation to the demand for them is seasonal, depending upon many elements which no one can control, one of the chief of which is the weather.

The bill further provides that no maximum price may be applicable to any agricultural commodity during any calendar month which begins more than 30 days after the enactment of this section, unless such commodity is certified by the Secretary of Agriculture as being in short supply. In other words, upon the enactment of this law—which means, of course, its approval by the President—during any calendar month which begins more than 30 days thereafter, unless the Secretary of Agriculture certifies to the Price Administrator that the commodity is in short supply, no price ceiling shall be placed upon or continued upon that commodity.

It also provides that whenever the Secretary of Agriculture determines that a maximum price on an agricultural commodity which is in short supply is impeding the necessary production of such commodity, he may recommend to the Price Administrator such adjustments in such maximum price as the Secretary determines to be necessary to attain the necessary production of such commodity, and the Price Administrator is required to adjust the price according to the recommendation of the Secretary of Agriculture. In other words, in effect the bill places price control over agricultural commodities in the hands of the Secretary of Agriculture, although it comes in a roundabout way to him through the Price Administrator.

The bill also contains provisions relating to decontrol in regard to agricultural commodities not important in relation to business costs or living costs. The standard established in that respect is the same as the standard which is set up in the bill in regard to nonagricultural commodities. The Secretary of Agriculture is directed to recommend to the Price Administrator the removal of maximum prices on such commodities as rapidly as in the judgment of the Secretary will be consistent with the avoidance of a cumulative and dangerous unstabilizing effect. In other words, for decontrol over agricultural commodities which are not important with relation to the costs of business or the cost of living the bill sets up the same standards that it sets up with reference to nonagricultural commodities, and all such removals will take place on or before December 31, 1946. In other words, any commodity, whether agricultural or nonagricultural, which is found not to be important with respect to the cost of business or the cost of living, is directed by this bill to be taken out from under control not later than the 31st of December 1946.

Subsection (e) of this section, which, as I have said, is a lengthy one, provides specifically that price controls with respect to livestock, poultry, eggs, milk, and food and feed products processed or manufactured in whole or in substantial part from livestock, poultry, eggs, or milk shall be removed not later than June 30, 1946. In other words, under the bill in its present form, these categories of commodities are taken out from under the general decontrol provisions and are specifically ordered to be decontrolled on or before the 30th day of June, this year. I refer to livestock, which, of course, means meat products and all forms of meat—poultry and eggs, milk, and food products processed or manufactured in whole or in substantial part from any of these.

In that respect, this bill differs from the House bill. The House bill undertook, by general language, to provide a sort of a formula for decontrol, but it did not decontrol any of these products on any specified date. It did not deal specifically with the products about which I am now speaking, such as livestock, poultry, eggs, and so forth, except to provide that subsidies on meat shall cease to be paid after June 30 of this year. But nowhere in the House bill, as I recall, is there any provision for fixing the date of decontrol in regard to any of these food products.

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

Mr. BARKLEY. I yield.

Mr. DOWNEY. Does the Senator from Kentucky prefer not to be interrupted while he is making his statement?

Mr. BARKLEY. It does not matter. I do not wish to become involved in any argument over the provisions of the bill. I am now merely stating what the bill provides.

Mr. DOWNEY. Of course, I do not wish to get into any argument with my distinguished leader.

Mr. BARKLEY. No; that is all right. The Senator may ask his question.

Mr. DOWNEY. I was wondering what was the testimony before the committee with reference to the amount of increase which may be expected in connection with meat, dairy, and poultry products, if price control over those products is entirely removed on June 30 of this year?

Mr. BARKLEY. The testimony before the committee with regard to all those subjects, I may say, was quite varied. It depended a great deal on who was testifying. What was claimed with regard to the subject depended to a great extent on who was testifying. Those who wanted price controls to be removed—and they comprised many sincere and able persons throughout the country who honestly believed that price controls should be removed, that the situation in regard to prices, would be improved, and that the production of commodities would be sufficient to meet the demand if all these controls were entirely removed—believed that the situation resulting therefrom would be a great improvement over the existing situation. Many other persons, among them being representatives of the Office of Price Administration itself, and the Secretary of the Treasury, who will soon be the Chief Justice of the United States, as well as many others, including business, labor, and civic organizations of various kinds, testified before the committee that the removal of price controls over this large element of food to which I have referred would increase the price of food and therefore the cost of living generally.

The increase in the cost of living resulting from an increase in the cost of food will not be proportionally as great or the increase in the cost of food itself if we consider only food. The cost of food is not all, although it is a large part, of the family budget of expenses.

In the minority views, signed by four members of the committee, including the Senator from California [Mr. DOWNEY], it is claimed that the removal from price control of all these commodities, including not only those which I have named but cotton, wool, and others which are dealt with in the bill, will result in an increase in cost to the American people of about $8,000,000,000 a year. I do not know how much the cost of living directly related to food would be increased by reason of taking these products out from under price regulation. I have a feeling that it would be substantial. But whether it would be $8,000,000,000 I do not know, and I frankly doubt whether anyone may claim to have the last word on the subject, because it is bound to be more or less speculative.

I might say also that the situation with regard to livestock and meat, which was emphasized by the testimony before the committee, presented a picture somewhat different from that of poultry and poultry products, and even dairy prod-

ucts. It appeared that of all products, so far as control by regulation or price impositions are concerned, meat has become the most difficult to handle or to regulate. The testimony before the committee tended to show, I believe, that although there is more livestock in the United States at the present time than at almost any previous time in history—approximately 81,000,000 head of cattle—it is more difficult to obtain meat in the markets, grocery stores, and butcher shops in this country today than it has been at any time since price control went into effect.

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

Mr. BARKLEY. I yield.

Mr. McFARLAND. There was also testimony before the committee to the effect that 80 percent of the meat is being sold through the black market.

Mr. BARKLEY. Yes; I know that.

Mr. HICKENLOOPER. Mr. President, will the Senator yield to me for a question?

Mr. BARKLEY. I yield.

Mr. HICKENLOOPER. With reference to the question of the Senator from California concerning the estimated increase in the price of meat, I would suggest that, in my opinion, the most authoritative estimate of what will be the temporary increase in the price of meat has been given through publications of the Bureau of Agricultural Economics in its livestock section. In the statements which it has made the Bureau has been substantially accurate in the past. It has made the positive statement that upon the removal of price control over meat, considering the fact that the subsidy will be taken off, we may expect a temporary rise during the adjustment period in the price of meat, generally, of between 15 and 20 percent. That is the opinion of the United States Bureau of Agricultural Economics, and its past record for accuracy leads me to believe that the estimate which it has made is perhaps the most accurate and authoritative estimate which can be obtained with regard to what will happen.

Mr. VANDENBERG. Mr. President, I ask the able majority leader if the estimade which he has given purports to represent a permanent load, or a temporarily increased cost covering the temporary bulge pending the time when we shall return to full production.

Mr. BARKLEY. The estimate is not my estimate.

Mr. VANDENBERG. I understand that.

Mr. BARKLEY. It is an estimate which is contained in the minority views, and I understand it to be based upon information obtained from the Office of Price Administration. I think it may be interpreted as meaning that the increase, so long as it may last, based upon the removal of controls, would be at the rate of approximately $8,000,000,000 a year, in connection with all these commodities which will be, according to the terms of this bill, decontrolled. How long that temporary situation will last, I would not undertake to say. It seems to me that it will be temporary, but it may last for 6 months or even a year, depending entirely on how rapidly we can resume the ordinary channels of production.

There was testimony before the committee which showed, as I recall, that more than 80 percent—about 85 percent—of the meat and livestock products are going through what we call illegitimate channels—that is, going through what we call the black market. I referred in the committee while the Secretary of Agriculture was on the stand to a statement made to me by a representative of one of the large packers in the United States that, whereas formerly he processed about 7,000 head of livestock a week, he was now able to get only 500 head a week because he would not pay more than the ceiling price fixed by the OPA, whereas others were holding out the attraction to farmers and livestock dealers and others that they would pay more than the ceiling price, and that temptation was inducing the sale of a very large quantity of livestock to such processors. This resulted in higher prices, as it is claimed, to the consumers than would be paid if the livestock were being processed through the legitimate channels of business which acknowledge and obey the ceiling price fixed by the OPA.

Mr. VANDENBERG. The question I ask the Senator is whether or not those who made the estimates which he quotes also made any estimates as to the length of time this bulge would persist before there would be reached the stabilization that would result from very full production.

Mr. BARKLEY. I do not recall that they estimated how long it would take. In his testimony before the committee, Mr. Anderson, Secretary of Agriculture, acknowledged the very grievous situation that exists in the livestock and meat industry, and when I referred to the statement made to me about the difference between 7,000 head of livestock a week and 500 a week, he said that that was about the average situation with respect to the large processors of meat. In the course of his testimony he stated that they had imposed a new quota which he thought would alleviate the situation, and I read in a newspaper a day or two ago that since it has been in force it has alleviated it to the extent of about 9 percent in the case of the legitimate processors of meat. He was asked the question how long it would take to determine whether this new quota system would be effective, and he said he thought 90 days, and he suggested that if it did not do so within 90 days he would favor taking price controls entirely off of livestock immediately. Later, he modified that a little, but the testimony that he gave in the committee stands, I think, substantially as I have stated.

Mr. VANDENBERG. I should like to submit this thought to the Senator for his comment: I think he is quite correct when he says that nobody can say that he knows the answer to this problem. Obviously we have got to proceed by trial and error, and I have thought heretofore in some instances we were proceeding solely by error instead of by trial. But since that is a fact and since some day we have got to take a chance on restoring free competition and full production, I wonder if it would not be worth while to make a deliberate and conscious experiment with a key industry by way of complete decontrol with the perfectly conscious understanding that none of us can say what the result will be. But if it be thus done, say, with meat and dairy products for the purpose of a clinical demonstration to determine who is right and who is wrong in this perpetual argument as to what would happen under total decontrol, would it not be wise for us deliberately to make a conscious experiment with one key industry of that nature, and see if we cannot learn something by it.

Mr. BARKLEY. The committee evidently thought that it was worth while to experiment with not simply one but three different categories of the products that enter largely into the food supply of the country, because it provided not only for the decontrol of all livestock and meats and everything made from livestock, but also extended decontrol to dairy and poultry products. The idea of the Senator from Michigan and the idea of the committee evidently was that it was worth while to do that, but the question is whether they selected the right commodity upon which to experiment in the establishment of a sort of clinical institution without knowing what effect it would have on the guinea pig while the process is going on.

Mr. VANDENBERG. Furthermore, if this experiment is to be tried, from my point of view it ought to be tried with the whole-hearted cooperation of the administrators, as well as the legislators, and a general agreement that they were going to undertake the experiment to see what the answer is.

Mr. BARKLEY. The difference between what the bill does in regard to these categories and the recommendations of the Office of Price Administration is that the bill takes all controls off on the 30th day of this month, and thereafter and no cooperation is required. There will be no further cooperation because on the 30th day of this month price controls are taken off livestock and meat, poultry, eggs, and everything made from them. The difference in viewpoint was whether to do that on a given date and so soon or to allow these products to be decontrolled under a given formula that Congress may write with reference to decontrol.

I think frankly that the meat situation presents the worst problem that confronts not only the OPA but the American Congress and the American people. It seems utterly incredible to me that, with more livestock in the United States than ever before, meat cannot be purchased in grocery stores or butcher shops anywhere in the United States; and yet we are told that it is being sold, that it is going into the black market, that producers are getting more than the ceiling price for their livestock, and are offering meat. That being true, it seems difficult to understand why it is so difficult for the ordinary family of the United States to obtain a supply of meat.

Mr. VANDENBERG. I agree with the Senator a hundred percent, but, since

we confront that imponderable, is it wise simply to continue the system under which the difficulty has arisen which the Senator describes? Is it not wise to make an experiment to find out whether there is any validity in the argument that total decontrol of a given industry will within a reasonable time produce stability?

Mr. BARKLEY. The committee evidently thought it was wise to do this not simply as an experiment but as a determination of the Congress with respect to the control of the products mentioned in this category. I saw in yesterday morning's Washington Post the statement that a meat famine will occur in the United States within a week, notwithstanding the multiplicity of heads of cattle and a supply per head for the American consumers which is as large as ever before. That prediction of immediate famine is based on the fact that all controls come off on the 30th of this month and nobody who owns anything that goes into meat products will sell any of it until the 1st day of July. I am not asserting that it is true, but I say that it is predicted.

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

Mr. BARKLEY. I am yielding to the Senator from Michigan.

The point is that that will be the inevitable consequence of fixing any date on which there will be decontrol of any specific thing which is now under the price-control law.

I have frequently quoted Artemus Ward, who once said one man has as much human nature as another, if not more. I suppose if I were producing livestock or processing it and I thought I could get a larger price by holding it off the market until after July 1, I might be tempted to do so. I would not attribute to myself any greater virtue than I attribute to anyone else.

When we come right down to it, it is a strike against the sale of what we have, whether it be commodities, or brawn and muscle in one's arm. It is a refusal to dispose of what one has to sell, whether it be labor or a commodity, until one gets the higher price.

Mr. VANDENBERG. The Senator would agree that, in the long run, the only hope we have for stabilizing our economy at a high level, and getting permanent protection against inflation, is through the restoration of full production and free competition. Is not that so?

Mr. BARKLEY. Oh, yes; I agree to that proposition.

Mr. VANDENBERG. How are we ever to approach that objective except as we proceed by a conscious trial of an effort to decontrol? If we proceed as the Senator is recommending, when and where and how does the Senator contemplate we would ever get rid of the controls?

Mr. BARKLEY. In my remarks here I am not recommending anything.

Mr. VANDENBERG. Nor am I; I am merely exploring the facts.

Mr. BARKLEY. I did not care to get into any argument over the decontrol of meats or anything else until some proposition comes before the Senate by an amendment, which I imagine will be offered, to strike the appropriate section out of the bill so as to leave the decontrol of meats, poultry, and dairy products on the same basis, with the same formula set up, as applies to other products. Although I am glad to engage in this preliminary discussion, I imagine when such an amendment is offered the subject will be gone into more fully than I had intended to go into it. I appreciate very much the difficulty which confronts all of us in regard to these particular products.

Mr. VANDENBERG. The Senator will understand that I am not arguing particularly about meats and dairy products in this connection. I am rather asking the fundamental and abstract question whether, in this imponderable situation which we all confront, when no one can say, "I know the answer," it would not be the part of wisdom to proceed deliberately and consciously, by trial and error, choose a key industry, perhaps not only one, perhaps automobiles, perhaps lumber, although meat and dairy products seem to me to be highly eligible for the purpose; but without identifying the industry, would not the Senator agree that it would be worth while to choose a key industry and try total decontrol, and see what the record would be?

Mr. BARKLEY. That might be. Yet I am not so certain that before we found what the record showed the entire act would have expired again next June, although I would hope that in any key industry which was decontrolled by act of Congress on the 30th of June of this year, or the 31st of December, under the sections I have previously discussed, it certainly would not require anything like a year, and I would hope not require 6 months, to ascertain whether we had done the right thing, or whether we had chosen the right key industry with which to experiment. If it turns out that we have not chosen the right key industry with which to experiment, the cost to the American people may be more than the evidence we obtain by the experiment is worth. That is a question which no one can answer in advance.

Mr. VANDENBERG. I merely wish to make one observation, then I shall cease interrupting the Senator.

Mr. BARKLEY. I am glad to give any information I can, although I confess in advance, and emphasize, that I do not have the last word on any of these propositions.

Mr. VANDENBERG. Nor has anyone else. Anyone who is less frank than the Senator simply is not frank.

What I am trying to say is simply that it seems to me that, if we were totally to decontrol everything, drop OPA overnight, we would have chaos in this country almost beyond description. On the other hand, it seems to me that, if we do not soon get back to full production under free competition, we are going to have economic chaos under OPA as is, which will have almost the same net result.

So what I am saying is that I do not see how it is safe or wise for us virtually to continue OPA as is without any experiment in alternative methods. It seems to me that the thing we should be trying to do is the sort of thing at least the committee report looks toward, that is, a conscious experiment in total decontrol and in a limited channel to see what happens.

Mr. BARKLEY. I think the bill offers that opportunity. Whether it goes too far in picking more than one category I will not attempt to say. The same thing, in effect, applies to woolen and cotton textiles and the products thereof that applies to these others, but they are not a part of the food supply. The same theory is applied to other commodities in which there is supply equal to the demand, but they are not dealt with in this bill.

I might mention two or three other categories as to which there might be quite as much justification for immediate decontrol as in the case of meats, dairy products, or poultry. But it is a question whether in undertaking to experiment with something that is in a mess, as everyone admits is the case with meat, we go too far and take in too wide a radius in our experimentation in a category that means the American food table. I am not arguing that now. I am merely calling attention to it. I suppose it will be argued ad infinitum when amendments are offered dealing with it, and it is my hope that amendments will be offered which we may argue, without general discussion and debate, and criticism of OPA, or the NAM, or any other organization. I hope we may get down to brass tacks and consider amendments which will affect the bill.

Mr. McFARLAND and other Senators addressed the Chair.

The PRESIDING OFFICER. Does the Senator from Kentucky yield; and if so, to whom?

Mr. BARKLEY. I yield first to the Senator from Arizona.

Mr. McFARLAND. I hope the Senator will call attention to the fact that the bill provides for recontrol of these products in the event the so-called experiment does not work.

I may say to the Senator from Michigan that the control of these products is itself an experiment. The administration is experimenting all the time in an effort to find how to make it work. The testimony was to the effect that 80 percent of the meat is being sold through the black markets. Whether that is a correct figure, I am not able to say. But we know that a large percentage of it is being sold through the black markets. The Office of Price Administration is continually experimenting to find how to prevent the black market.

The Senator from Kentucky mentioned the fact that we would have a meat famine.

Mr. BARKLEY. I was quoting a newspaper. I did not say that, and I do not say it, but I called attention to it because it is important to keep in mind that, no matter whether we have labor to sell or have a commodity to sell, we are all alike, we are all human, and we are not going to forego an advantage which may accrue to us by holding off whatever we have for a week or a month.

Mr. McFARLAND. I did not mean to leave the impression that the Senator was giving that as his own statement. He was quoting from a newspaper. But I did want to call to the attention of the

Senate the fact that under the quota system, which has recently been reestablished, some of the cattlemen tell me they had fat cattle sold to legitimate packers, but the packers could not now take them because it would put them beyond their quota, and it resulted in less meat going to the legitimate market. They claim that this experiment on meat is what is causing the shortage to the consuming public. There is a difference of opinion as to that which we can go into a little later.

Mr. BARKLEY. That is true. I might say also that the State Department represented to me, and, through me, to the committee, that the effect of the decontral of all these products on the 30th of June would be to intensify the feeding of cattle and poultry with the grains which are available in order that the owners might fatten them in a more expeditious way and put them on the market at a higher price, and that that would very materially interfere with our program to help feed the hungry in other parts of the world. I do not know to what extent that may be true, but the committee did not seem to pay much attention to it.

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

Mr. BARKLEY. I yield to the Senator from California.

Mr. DOWNEY. In connection with the very wise suggestion made by the Senator from Michigan that we might pick out a particular product for decontrol as an admittedly experimental measure, I should like to say that if that were done with automobiles or radios or washing machines or other durable goods, the American public could at least protect itself, in the event of a marked increase, by staying out of the market. But this bill picks out the vital necessities of food upon which the masses of the people must live, meat, dairy and poultry products, and if there is an increase of 25 or 50 percent, as some of us at least fear, although we are not dogmatic about it, the people cannot stay out of the market so long as their money lasts.

Moreover, I think it is unfortunate to have picked out these products, for the reason already suggested by our able majority leader. We now have a critically short grain market, with poultry, dairy, and meat producers competing with an unlimited price scale for grain. I do not believe, however much the Department of Agriculture and OPA may seek to hold down the grain prices, that it can be done, and that means that the increase in cost of meat, poultry, and dairy products will carry with it the increased price of grain, and then of bread, and then of cereals, and we will have placed upon the great masses of our people, already with insufficient income, a marked increase in cost of 80 percent of the food products of the Nation.

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

Mr. BARKLEY. I yield.

Mr. VANDENBERG. I wish to say to the Senator from California that I was dealing with the general subject of a conscious and deliberate experiment. Perhaps there is a subordinate argument as to what should be chosen for that purpose. I was not undertaking to argue that meat and dairy products necessarily are the proper choices, but I do not see how we are ever going to get out of this empasse until we take a substantially representative industry as a whole and make a deliberate and conscious experiment with decontrol as a whole.

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

Mr. BARKLEY. I yield.

Mr. DOWNEY. I clearly understood the position of the Senator from Michigan, and indeed he had mentioned automobiles himself as being a subject for experiment. Before I sit down I should like to say a word further. The distinguished Senator from Iowa [Mr. HICKENLOOPER] said that it is anticipated there will be only a 15-percent increase in the cost of meat. If the figures I have are correct, the subsidy alone amounts to the equivalent of 16 percent of the price at which meat is now being sold, and I think we must anticipate a marked increase in the price of meat if the control is released.

Mr. BARKLEY. The bill provides that wherever a subsidy is discontinued there shall be a corresponding increase in the price of the commodity which is the subject of the subsidy. Whatever percentage that would be I suppose is ascertainable. I cannot give in each category what the percentage would be on milk or cheese or livestock or anything on which a subsidy is now being paid. But there is a direction in the bill that whenever a subsidy is removed, whether by act of Congress or in any other way, there shall be corresponding increase in the price of the commodity.

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

Mr. BARKLEY. I yield.

Mr. HICKENLOOPER. I wanted to make a statement for the information of the Senator from California before he left the Chamber. I am sorry he has just left. My statement respecting the increased price of meat was made on the best authority that I know of in the United States, again I repeat, the United States Department of Agricultural Economics. Its very best estimate is that without controls meat will go up from 15 to 20 percent, at least temporarily. There is a 5-cent subsidy generally across the board on meat. If the controls are taken off, that subsidy, of course, will have to be paid by the American people, who are already paying it now by way of taxes, and so it will not cost the American people, as such, any increase in price.

Mr. BARKLEY. The cost will fall on different people, some of them in the poor classes.

Mr. HICKENLOOPER. But the point I want to make is that it is reliably estimated, in my opinion, at least I think the evidence has not been shaken or controverted, that approximately 80 percent of the meat being eaten by the American people today has been transacted for in the black market, sometimes at the slaughtering level—I think more than 50 percent at the slaughtering level—and almost all of it at the retail level, and depending on the type of meat obtained the prices run from as much as 50 cents to a dollar a pound over and above the OPA ceiling. So the American public that wants to eat meat today is paying an unconscionable price for that meat. A little later in the debate I hope to go into that with more facts and figures, but the matter came up just now and I wanted to mention it.

Let me say one other thing. The Senator from Kentucky referred to a news article published in a newspaper yesterday written by, I believe, Mr. Bowles. The day before a similar article appeared in the newspapers, the author of which was alleged to be a spokesman for the OPA, so I do not know who wrote it. That article predicted a meat famine.

Mr. BARKLEY. The article I referred to is an article by the United Press.

Mr. HICKENLOOPER. In the article a meat famine was predicted. I call attention to the fact that we have a meat famine in the country today. That meat famine has been in progress for some months, because meat has been diverted from the legitimate channels for the reason that legitimate slaughterers simply cannot go into the market and buy in competition with the black-market prices. That is the point I wanted to make.

Mr. BARKLEY. No matter what channel it is going through, legitimate or illegitimate, it still mystifies me why if all these cattle are being slaughtered, wherever they are being slaughtered, there is a scarcity of meat in the market place.

Mr. HICKENLOOPER. Because a great many people do not know where to go to buy it in the black market.

Mr. BARKLEY. It is being sold to somebody. Those who have the meat are not allowing it to spoil.

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

Mr. BARKLEY. I yield.

Mr. WHERRY. I should like at this point to place some figures in the RECORD, inasmuch as the distinguished majority leader has brought up the subject. I wish to give the very latest figures from Omaha, Nebr., relative to the cattle receipts and the number of cattle slaughtered in that market in the first 5 months of this year compared with the first 5 months of 1941, because the distinguished Senator has just asked a question which must be answered. His question is: Where is the meat? If the cattle are being killed either legitimately or illegitimately, where is the meat? Some people doubt that the cattle are being killed. Some people apparently cannot give the reasons to substantiate their belief as to where the cattle are going.

Ending May 31, 1941, there were received in the Omaha market 466,199 head of cattle. Of that amount of cattle received in that period, that is up to May 31, 1941, there were killed in that market 325,210 head, and sold and distributed through the legitimate channels. I have not figured out the percentage, but nearly 75 percent of the cattle received in the Omaha market were slaughtered and sold through legitimate channels. In that period ending May 31, 1941, nearly 75 percent of the cattle received

in the Omaha market were killed in the Omaha market.

Let us now take the figures for the same period in 1946, ending May 31. There were received in the Omaha market during that period more cattle than in the corresponding period in 1941. In the 5-month period in 1946 there were 732,168 head of cattle received in the Omaha market. But the cattle killed in that market during that period were only 292,981. Think of that! Out of nearly 800,000 head of cattle received, 292,000 were killed in that market.

Where did the cattle go? I have a letter from the president of the Union Stockyards, a former Member of Congress, a man who has been a stockman all his life, and who knows the cattle business from one end to the other. I wish to quote the last paragraph of his letter. His name is Harry Coffee, president of the Union Stockyards. The letter is dated June 10. I have just received it. He gives the comparison which I have just mentioned:

> This shows that rail shipments of slaughter cattle from the market for the first 5 months of this year were over 350,000 head as compared with 49,000 the first 5 months of 1941. Last week the four major packers in Omaha purchased roughly 15 percent of the receipts. Order buyers shipped out about 70 percent and the local independent killers took about 7 percent.

The order buyers are the buyers who sell to the nearly 26,000 little packing plants which have grown up overnight, which do not depend upon subsidies, and which sell meat at black-market prices to shippers throughout the country. That is where the meat is going. Seventy percent of the 732,000 head went into the little packing plants which are wasting the offal, and which are not even inspected plants. They are distributing the meat which is sold in 83 percent of the grocery stores of the country, at whatever prices they can get. Those statements are based upon facts.

> Order buyers shipped out about 70 percent and the local independent killers took about 7 percent. The other 10 percent went to feeder buyers.

The 10 packers there killed only 13 percent.

In answer to the distinguished Senator from California [Mr. DOWNEY], who spoke about feeding and finishing steers, let me say that less than 10 percent of those cattle went back to the feed lots of the country. That is how fearful feeders are in the present cattle situation.

Mr. BARKLEY. Mr. President, all this discussion about cattle and meat will be duplicated when amendments are offered dealing with that subject.

Mr. WHERRY. The distinguished majority leader made the statement that there would be a meat famine. The meat is here. The only famine is in what we call the legitimate or Bowles market. The black market is setting the price of meat today. If we can take the meat out of the black market, prices will seek their own level. More than 80 percent of the meat is going into the black market today.

Mr. BARKLEY. Mr. President, I wish to proceed with a discussion of the bill. I do not care to enter into a lengthy discussion of the meat situation. I did not intend to discuss it in detail, but I was asked a question about it.

Mr. WHERRY. I thank the distinguished Senator.

Mr. BARKLEY. This question will be argued when that part of the bill is reached, and I think we might forego the discussion at this time.

Mr. WHERRY. I thank the Senator for the time which he allowed me. I thought his statement ought to be answered.

Mr. BARKLEY. We could spend the whole day discussing meat, but I have no intention of doing so.

Mr. WHERRY. The Senator may have no such intention, but I propose to spend all the time I can possibly take.

Mr. BARKLEY. I merely made the remark that we could spend all day discussing the meat situation. I did not mean to cut the Senator off, or to intimate that I had the power or the desire to do so. I am trying to explain what the bill does, and I do not wish to enter into arguments which will arise later in connection with amendments which will be thrashed out before the Senate.

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

Mr. BARKLEY. I yield.

Mr. EASTLAND. If meat is decontrolled, what effect will that have on our shipments of grain abroad?

Mr. BARKLEY. A while ago I stated that the Secretary of State sent me a memorandum which I read to the committee. It was emphasized by the Under Secretary of State and by the Assistant Secretary of State, Mr. Clayton, that the decontrol of meat at this time would intensify the use of grains in the feeding of stock so as to fatten the animals more speedily and get them on the market in order to obtain higher prices for them, and that such action would materially cripple our efforts to send grain abroad for starving people. I presented that question to the committee, but so far as I can tell the committee was not influenced at all.

Mr. EASTLAND. My information is that practically all the grain we are shipping abroad is wheat, and that wheat is not used to feed animals. The reason I ask the Senator the question is this: I will not be a party to diverting a great amount of grain to feed livestock and at the same time permitting people to starve to death. I am simply asking for information.

Mr. BARKLEY. I cannot tell the Senator to what extent decontrol of the three categories, dairy products, livestock, and poultry, would divert from their objective grains which are exportable to feed human beings and result in the grains being turned into meat because of the prospect of an increase in the price of meat and livestock. While it is true that wheat is not ordinarily fed to cattle, it is fed to poultry, and it can be fed to cattle. To some extent it is fed in a general mixture of stock feed and dairy feed. Wheat, corn, and other grains are used.

Mr. EASTLAND. Did the statement show whether we were exporting corn abroad?

Mr. BARKLEY. No. The memorandum was very brief, and did not go into details. However, the statement was made that the decontrols mentioned would cripple the program of sending grains to starving people abroad.

Mr. EASTLAND. I thank the Senator.

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

Mr. BARKLEY. I yield.

Mr. TAFT In the interest of accuracy, in connection with the statement made by the Senator from California [Mr. DOWNEY] as to the effect of the removal of subsidies, as testified to by Mr. Bowles himself the result would be an increase of approximately 5 cents a pound, on the average, for meat.

Mr. BARKLEY. I believe the Senator from California stated——

Mr. TAFT. He said that there would be an increase of approximately 10 percent. I think his estimate was somewhat high.

Mr. BARKLEY. The increase would be about 5 cents a pound?

Mr. TAFT. Yes.

Mr. BARKLEY. The bill also provides that the Secretary of Agriculture shall be under the control of no other appointive officer of the Government. He is to be unfettered in his recommendations. That provision was placed in the bill in order to nullify a previous provision of the law that he could be directed by the Office of Economic Stabilization to do certain things. Therefore the committee wrote into the bill the provision that the Secretary of Agriculture shall be under the control of no one below the President of the United States.

The committee also wrote in a provision that no order or regulation should be made with respect to any agricultural commodity upon which no price ceiling had been placed prior to April 1, 1946. That was acknowledged to be for the purpose of nullifying the order issued by the Office of Price Administration with respect to margins in the purchase of cotton. In the order there were increased marginal requirements for the purchase of cotton. This provision would nullify and repeal that order.

The bill provides that a petition for decontrol may be made by the industry advisory committee which has been established for any commodity. Such committees have been established under existing law for most important commodities. The industry advisory committees are appointed, under the Price Control Act, by the Administrator. They may petition with respect to a commodity for the removal of maximum prices for such commodity if in the judgment of the committee the policies and standards set forth in this section require the removal of maximum prices for certain commodities. The petitions are to be filed with the Price Administrator in the case of nonagricultural products, and with the Secretary of Agriculture in the case of agricultural products. The bill provides for prompt consideration of such petitions.

One of the most persistent complaints against the OPA in the past—and I have registered such a complaint—has been with respect to delay in obtaining a decision on applications for price adjust-

ments or for the removal of maximum prices. I realize how difficult it is for an organization no more largely staffed than the OPA, and which can staff its organization only within the appropriations made by Congress, to keep efficient men and women as the time approaches for the termination of the OPA and they are looking elsewhere for permanent employment as soon as they lose out under the OPA. However, regardless of that factor, it has been a source of much complaint that there have been delays in the consideration of applications of all kinds.

The committee provided for a decontrol board, which is to be an independent agency composed of three men to be appointed by the President and confirmed by the Senate. They may determine, on petition of an industry advisory committee, for review of the decision of the Price Administrator in the case of nonagricultural commodities, or the Secretary of Agriculture in the case of agricultural commodities, whether there shall be removal of maximum prices. The bill provides that such petitions shall be promptly acted upon. The whole object of setting up the decontrol board is to bring about prompt and independent action in determining whether price controls shall be continued on particular commodities or whether they shall be removed in response to a petition filed by an industry advisory committee.

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

Mr. BARKLEY. I yield.

Mr. CONNALLY. I should like to ask the Senator from Kentucky how the bill deals with subsidies generally. Is there to be any repeal of subsidies, or does the bill pick out only certain commodities in that respect? It seems to me that subsidies cannot be justified at all. I cannot see why the Treasury should pay money out of the Treasury to help people buy food or to help them pay for their clothes, and all that.

Mr. BARKLEY. Section 5 of the bill, as reported, deals with subsidy operations. Subsection (a) authorizes the Commodity Credit Corporation and the Reconstruction Finance Corporation to engage in operations for the fiscal year ending June 30, 1947, involving the making of subsidy payments and the buying of commodities for resale at a loss, which operations otherwise would be prohibited under section 2 (e) of the Emergency Price Control Act. The operations are authorized in amounts which involve subsidies and anticipated losses not to exceed $1,100,000,000, which is a very decided reduction from the amount of subsidies now being paid and which heretofore have been paid under the authority of Congress through the Commodity Credit Corporation and the Reconstruction Finance Corporation. The bill provides that of the $1,100,000,000, $31,000,000 is authorized for operations with respect to rubber, and $100,000,000 is authorized for operations with respect to copper, lead, and zinc in the form of premium payments. The bill also provides that out of the total of $1,100,000,000, the use of $969,000,000 is authorized for operations with respect to non-crop programs, 1946 crop program operations, and 1947 crop program operations relating to sugar, flour, petroleum, petroleum products, and other domestic and imported materials and commodities. We provide in the bill that the operations authorized under this provision relating to the $969,000,000 shall be progressively reduced, and shall be terminated altogether not later than May 1, 1946, and shall cost not more than $629,000,000 during the last 6 months of the calendar year 1946. In other words, by the bill we shall have reduced the time for the payment of subsidy operations to the first of next May, and we shall have reduced the amount of subsidy payments to $1,100,000,000; and we have provided that not more than $629,000,000 of that amount shall be paid during the last 6 months of the present year. We also provide that where price ceilings and controls are taken off, no subsidy shall thereafter be paid on the product, unless price controls should be restored upon the product.

Mr. President, we have also provided in the bill that any seafood products shall be regarded as agricultural products, under the bill. That may seem a little anomalous, but that is what the committee has decided to do, and probably there are some reasons for it.

I do not wish to go into any further detail with respect to the provisions of the bill. I disagreed with some of the amendments offered in the committee and with some which are included in the bill. I realize the difficulty which confronted the committee and which confronts Congress and the American people. There is a widespread difference of honest opinion with respect to the best policy to pursue in regard to all these matters. All I can say is that all that the Senate and the House of Representatives and, later, the conference committee of the two Houses, if the bill goes to conference, as I assume it will, will be able to do is to do the best they can, in their sound judgment, to deal with this problem—unpleasant as it is, even in its best phases—in a way that will bring about, as soon as practicable, without serious delay to our economy, the resumption of the normal way of doing business through the normal channels of doing business. At the same time we should keep in mind the fact that we have been a sick nation economically ever since the beginning of the war, and that we cannot adopt here, any more than could be adopted in a clinic or a hospital, sudden remedies which might be disastrous for the patient because of his long siege of abnormal conditions and situations which were made necessary by the war out of which we have come.

There was in the bill as passed by the House a provision known as the Crawford amendment. It dealt with automobiles. The Senate kept that provision in the bill, in substance, and added to it a provision as to farm implements, which provides dealer discounts, margins, and matters of that sort which prevailed prior to the war.

In the bill as passed by the House there was also the Wolcott amendment, which we have not included in this bill. There was also the Gossett amendment, which we have not included in this bill. Those provisions, as I recall, were offered on the floor of the House. They relate to a formula for profits and a formula for decontrol. These are matters which, in the bill as now reported, are covered in another way, at least in part, by provisions which I suppose will be discussed as consideration of the bill proceeds.

Mr. President, that is all I have to say at this time. I hope we may get speedily down to the offering of whatever amendments are to be offered, and that we shall be able to dispose of them promptly. I have not discussed here, except incidentally, the provisions which have been made with respect to either cotton or wool, and I do not think it is necessary for me to go into that matter now, because probably amendments dealing with cotton and wool and their products will be offered.

I hope we may proceed rapidly to the consideration of all amendments which will be offered to this measure, and that we may deal with them fairly and in the light of conditions as we can understand them to the best of our ability, and that we shall dispose of this measure promptly and send it back to the other House with whatever amendments we may adopt. If it must go to conference, as I assume it will, I hope that we may get it disposed of and get it on the desk of the President at as early a date as is possible, in order that he may have some time prior to the expiration of the present law to study and determine what action he will take in regard to it.

I now yield the floor.

Mr. HAWKES. Mr. President, will the majority leader yield to me for a moment, for a statement?

Mr. BARKLEY. I yield.

Mr. HAWKES. I am very deeply interested in what the Senator has said, and I am particularly impressed with the fact that he admits, as he has, that no one definitely knows the right way to get out of this situation. That is one fact that is positive.

I wish to make this observation because I think the Senator from Kentucky and I and all other Members of the Senate and the American people should understand that we cannot get back to where we were when we started this program and we cannot reach the goal we seek without placing upon the people some hardships and restrictions which they will have to endure during the transition period, and that we must all try to cooperate and work together in order to attain our objective with the least possible disturbance and injustice.

I am particularly impressed with the position the majority leader has taken, namely, that none of us knows the exact answer. I believe that every Member of the Senate is conscientious in wishing to stimulate production so that it will be ample to satisfy demands at the earliest possible time. That is the one thing we must have if we are to stop inflation.

I think it is obvious to all of us that when we speak of ceiling prices and prices which may occur as the result of the removal of the present controls, we must

always think of what the black-market prices have been and are now. The ceiling prices established by the OPA directives are one thing, and the black-market prices which individuals must pay if they wish to get certain materials when they need them are another thing. For instance, I was talking to the elevator girl in our hotel, today, and she made a very interesting observation.

Mr. BARKLEY. Mr. President, is that a daily habit of the Senator from New Jersey? [Laughter.]

Mr. HAWKES. That is a daily habit of mine, absolutely. She is a colored girl, and a very fine colored girl. She was talking about this matter, and she said, "What good does it do to have a ceiling price, if you cannot get the things you need at those prices? I cannot get the things I need at the regular stores and prices because they are only to be found in the black market."

Mr. BARKLEY. Mr. President, I think it should be said in behalf of the OPA that from the beginning we have never given it sufficient money to enable it to employ a sufficient number of enforcement officers to follow up the black market, and that is particularly true with respect to meat and livestock products and related products. How successful they could have been if they had had all the force they required in order to inspect every place where a cow, sheep, hog, or chicken had been killed, or where a cow was milked, I cannot say. If they had had a sufficient number of men to keep in touch with all those matters, I do not know how much more successful they would have been. But I am convinced that they have never at any time had a sufficient number of enforcement officers, under the appropriations which we have provided for them, to enforce the law as we expected it to be enforced when it was enacted, and as the people thought it would be enforced. The fault does not lie altogether with the OPA. The fault lies as well with other persons, such as those who have been unwilling to restrict themselves even by reasonable regulations, All the American people must bear their share of whatever responsibility may have accrued for the failure to enforce the law as it was originally intended by Congress to be enforced in order to hold down inflation and maintain prices within reasonable bounds.

Mr. President, we have another problem which I have not discussed. To discuss it at length now would take me into another field. We are confronted with the question of how much can we increase the cost of living by whatever we may do before there will be a resumption of demands for increased wages on the part of men who work, and a resumption of the strike situation which has not yet been composed completely. All those considerations enter into whatever we may decide to do. They emphasize all the more strongly what I have said, namely, that none of us has the last word on what is the wise course to pursue. We can only do the best we know how, and, by the light which God Almighty has provided for us, place our feet in the right path and have the courage to keep them there.

Mr. HAWKES. Mr. President, I leave this reflection with the able Senator from Kentucky. Throughout my lifetime thus far, whenever I have been confronted with the necessity of making a very important decision I made it with the knowledge that there was no way in the world ever to back up and find out if what I had done could have been done better in some other way than the way which I had chosen. Therefore, the Senator must exercise his judgment in the interest of all the people, and I am sure that he is just as interested as I am in preventing inflation and seeing that the people have the necessary food products and clothing at reasonable prices within their reach.

Mr. BARKLEY. I thank the Senator.

Mr. President, I appreciate the fact that I have consumed considerable time of the Senate. In fact, I have consumed more time than I had intended to consume. I now yield the floor.

Mr. WAGNER. Mr. President, as chairman of the Committee on Banking and Currency, I find myself in the strange position of presenting to this body my vigorous opposition to the committee's majority report on the extension of price, wage, and rent control. The majority report found its way to the Senate floor, as the junior Senator from Colorado [Mr. MILLIKIN] has said, "without objection and without enthusiasm." The senior Senator from Kentucky made it clear that in reporting the measure to the floor, he was not indicating approval of its various provisions.

It is with regret, rather than recrimination, that I express my strong personal dissent and that of the committee minority to the bill which the majority has reported. I regard this issue as one of momentous importance to our present and future economic security and to our relations with the other nations of the world. Against the background of grave problems abroad and troublesome times at home, I urge the Senate to reject most of the amendments to existing law proposed by the committee's majority report.

It is my considered judgment that the bill reported by the committee majority would write the death sentence for effective price, wage, and rent stabilization in the United States. From this viewpoint of effective stabilization, adoption of this bill would be little different, in ultimate effect, from the immediate expiration of the existing laws.

The real issue before the Congress, therefore, must be made unmistakably clear. Should the Government make a fight to the finish against inflation in the next 12 months, or should it surrender unconditionally and immediately expose the Nation to unrestrained economic forces?

When the issue of price-control extension first arose early this year, there were some persons who sincerely believed, and openly stated, that we should do away altogether with price control. This forthright position was buried under an avalanche of public protest. But the same result can and has been achieved by specific decontrols and general crippling amendments. In my judgment, we cannot assign to a Government agency the grave responsibility of protecting this country from inflation, and then hamstring it with amendments which would immediately compel it to allow prices to soar. The public must understand that their Government will not be in a position to protect them against rising living costs if Congress in fact removes that protection.

Despite pessimistic reports to the contrary, production in this country has mounted to record peacetime levels. It will take vast strides forward when the last of the major industrial disputes are settled. Employment in civilian enterprise is at an all-time peak. But manpower and materials shortages in particular commodities still prevent our great industrial potential from being fully realized. The big fact—seldom understood—is that as the stream of products flows from the factories, it is rapidly absorbed by the accumulated demand for civilian goods. It will require 6 or 8 months for the greatest possible outpouring of goods fully to meet these accumulated wartime demands. It will require a year for the economy to regain a general balance. Even then, in housing and perhaps a few other fields, scarcities must still be expected.

The demand for consumer and industrial goods today is backed up by high current earnings and the huge wartime savings of individuals and businesses. If we can keep our heads at this critical time, those savings can be a guaranty of prosperity to this Nation for years to come. If, instead, we abandon all protection for the value of the dollar, the people will rapidly attempt to convert their dollars into goods. This flood of funds will drive prices up until a buyer's strike or a speculator's panic puts an end to this frantic spending—and prices collapse.

We enacted the price control law in January 1942 because it was obvious that inflation was inevitable if the law of supply and demand were permitted to fix prices at a time when the demand for goods and services greatly exceeded the available supply. It is perfectly clear that the inflationary forces which led us to enact the original price control law have not yet subsided, and that we cannot risk the dangers to our economy which would result from the free operation of the law of supply and demand at this time. Yet that is what some Senators seem to be demanding.

It is folly to suppose that the value of the dollar can be maintained if price controls are taken off more than half the Nation's food products in the face of the acute pressure of demand for meat, milk, butter, and many other food products.

I do not believe that effective price control can be maintained over the rest of the economy if the most important foods are decontrolled. Such hopes of stability as might be entertained are blasted by other proposed amendments which assure widespread price increases.

With all the earnestness I can command, I urge the Senate to consider the

effects of these amendments on every group in America—farmers, veterans, workers, small businessmen, teachers, and millions of elderly people on fixed retirement incomes.

These amendments would raise the prices of food, clothing, and household electrical appliances. More than half the cost of living would immediately be affected. They would raise the prices of the farmer's tractor and his wife's washing machine. Veterans seeking to enter new businesses would find the value of their GI loans dissipated by inflated costs. These amendments in ultimate effect, would depreciate the value of every businessman's reserves, whether small or large. They would impoverish charities and endowed institutions.

The majority's proposals, if adopted, would inevitably destroy the hard-won industrial peace which now seems possible. Most of the major industry-wage contracts are behind us. These issues have been worked out and settled. There is every prospect today that stable wage rates can be maintained if the cost of living remains reasonably stable. It seems almost incredible that the majority would invite the early reopening of the wage issue by making inevitable soaring living costs in the coming months.

It is equally astonishing to find a majority of the Senate Banking and Currency Committee favoring a course which would doom to early collapse the intricate international financial arrangements the Senate has worked so hard to develop. Financial recovery abroad will be impossible if the value of the dollar is depreciated by inflation.

But more than the currencies of the world are at stake. We are taking chances with people's lives, not merely with their pocketbooks. Decontrol of meat and dairy products would start a bidding contest for grain among American meat producers, dairy farmers, flour millers, and poultry raisers.

The program of grain shipments to fight famine abroad could not survive that contest. At the same time, a competitive scramble for grain would result in serious hardships to important segments of American industry, especially the dairy and livestock industries.

Mr. President, there is a widespread belief that these amendments leave our vital rent control program intact. I am convinced that this is far from the truth. Principles of equity and justice would make it impossible to keep ceilings on rents at present levels while the living costs of millions of landlords, many of them small holders with fixed incomes, are permitted to rise.

I cannot understand the wave of defeatism in the war against inflation. It is true that the country has had a succession of difficult reconversion pricing problems this winter and spring. But last year and the year before we had similar critical supply and price problems in several commodity fields. At those times neither the committee, the Congress nor the Office of Price Administration allowed itself to be stampeded. The stabilization laws were renewed in effective form. By tightening up controls here and liberalizing them there, by intensifying enforcement, and by enlisting increased public and business cooperation, the OPA, working with other departments and agencies of the Government, gave very essential aid in meeting the crises of these preceding years. That aid is equally essential to meet the critical problems we now face. The real need is for Congress to assure industry and the public that they will not be exposed to a race between unpredictable costs and prices.

The proposed amendments have been presented in the guise of clearing the way for unlimited production. Our World War I experience shows clearly that they will not accomplish that objective. On the contrary, the prospect of sizable price rises encourages the withholding and speculative hoarding of raw materials and parts. This keeps vital supplies off assembly lines and slows both production and sales. It does not cure shortages; it aggravates them. The present withholding of livestock is just one example of how this tragic process operates.

Some of the shortage situations which were most troublesome a few months ago are already improving rapidly. Lumber output has risen from a monthly rate of 1.5 billion board feet in December to 2.6 billion in March, a rate which should make it possible to attain the Civilian Production Administration's 1946 production goal. Wool fabric for men's suits which in December was being produced at the rate of 15.6 million yards had climbed to 20.3 million yards in April. The production of men's suits is also climbing steadily, with 1946 production estimated to exceed 1939 output by 27 percent. Production of cotton fabric for men's shirts is now above both the 1939 and the 1945 rates. Production of nylons is soaring.

In the first 5 months of this year, the total output averaged more than three pairs apiece for every woman and girl in America old enough to wear them. I am not maintaining that the stabilization laws must be renewed without amendment. I recognize that the problem of terminating the stabilization controls as rapidly as the safety of the Nation will permit calls for some appropriate changes, as the distinguished majority leader told us earlier today in the statement which he made. Certain inequities which exist can be and are corrected by this bill without serious effect upon the price level. And under an amendment which I approve, OPA itself and its various regulations would terminate by June 30, 1947.

That would give the country one full year for the transition to free enterprise under normal conditions. Controls would then have to be kept on only a few items still in short supply, and on rents, through established agencies of the Government.

In my judgment, a critical review of OPA's price record shows that charges of unreasonable rigidity are exaggerated. The record shows that OPA has systematically increased ceilings for hundreds of industries since VE-day. To meet cost and production conditions since that date, OPA has taken 825 industry-wide price actions. In addition to these industry actions, thousands of price adjustments have been authorized for individual firms.

As a result of these actions, the committee has been informed, the agency has not only completed most of its reconversion pricing job but has almost finished the price adjustments called for under the President's wage-price policy. While, even in the absence of inflationary amendments, some further price increases would still be required, general price stability is now well within reach.

At this time, I will address myself solely to those amendments approved by the committee which I regard as especially destructive of effective price stabilization and control.

These amendments fall in three groups: First, the amendments to decontrol specific commodities; second, the textile and clothing amendments; and third, the amendments giving special pricing privileges to dealers in certain articles, such as automobiles.

There is a fourth amendment which has given me serious concern, even though it does not have the direct inflationary impact of the three groups of amendments I have mentioned.

This amendment gives to the Secretary of Agriculture the power, under certain conditions, to direct increases in the ceilings of any agricultural commodity or any processed food or feed product as well as the power to pass on the decontrol of such products. It also gives him unlimited power to withdraw approval for any maximum price which he has previously approved. In other words, while the Price Administrator is responsible to the Nation for maintaining stable prices, the amendment would drastically interfere with his ability to fulfill his responsibility.

This separation of power from responsibility imposes at the same time a burden on a Cabinet officer which he has expressly told the committee he does not wish. It also runs counter to the request of the President expressed in his letter to the chairman of the committee which appears on page 5475 of the CONGRESSIONAL RECORD, May 23, 1946. In that letter the President stated:

> I earnestly repeat my earlier request that the Congress quickly reenact the stabilization laws without any amendments that would jeopardize economic stability. I ask, too, that, as President, I not be handicapped by amendments destroying my authority to vest responsibility for effective coordinated administration of the laws in those departments and agencies of the Government which I believe can best carry out the stabilization policies.

To return to the three groups of amendments which I mentioned earlier, I should like to discuss, first, the amendments which remove price controls from specific foods.

I believe that the removal of price ceilings should be guided by general standards laid down by the Congress. I agree with the committee amendment that the application of such standards should be reviewed by a body free from any possiblity of interest in the continued administration of controls. The

bill therefore provides that the decontrol decision made by the Price Administrator and the Secretary of Agriculture, should be subject to review by an independent bipartisan decontrol board.

Under that amendment, the case for decontrol for each commodity can be tested clearly on its merits. Decontrol will be required only if supply is in balance with requirements. In the case of nonagricultural commodities, where imperfections in competition may lead to the manipulation of prices, further safeguards are provided to assure against inflationary consequences. These safeguards appear at page 17 and 18 of the bill as reported. This plan gives authority to make the initial decisions to the Price Administrator and the Secretary of Agriculture.

It also provides a way for an industry advisory committee, as the distinguished Senator from Kentucky [Mr. BARKLEY] stated today, to obtain a prompt decision from the Administrator or the Secretary. If the decision is not satisfactory, the industry can appeal to the bipartisan Price Decontrol Board which the amendment creates.

Given this machinery, there is no good reason not to entrust it with the decontrol of meat, poultry, eggs, milk, and all their food and feed products. The majority in committee rejected a proposal that these items be given first priority by the Secretary of Agriculture in considering decontrol. Apparently the majority realizes that most of these products would not qualify for decontrol by the Secretary of Agriculture or the Board, under the standards for farm products which the committee itself has written, at the suggestion of the distinguished Senator from Alabama [Mr. BANKHEAD], the farmer's ablest champion—and I hope he is better today. The fact seems to be that demand is so far above supply in the case of most of these products that decontrol would certainly be followed by an inflationary rise in price.

These are not the only specific items which the committee was urged to decontrol. The hearings show sincere and earnest testimony for immediate decontrol of such other items as industrial machinery and equipment, construction materials, petroleum and its products, perishable agricultural commodities, fruits and vegetables, dairy processing equipment, boilers and radiators, rents on FHA—financed war housing projects, military production, and hotel rates. This is only a partial list, Mr. President, where are we to stop once we begin this process of specific decontrols by legislative action?

The majority fails to explain how they expect the Price Administrator to maintain stable prices for the rest of the economy when controls are removed from the basic food products, an action which would compel the decontrol of grains, flour, bread, and cereals. In total effect this amendment would compel decontrol of about 60 percent of food products which in turn represent 40 percent of the cost of living.

Moreover, we cannot have inflation on one side of a supermarket and stabilized prices on the other. Nor can we allow inflation in the grocery store and the butcher shop and still hope for stabilized prices in the dry goods store, the hardware store, and the laundry in the same block. Our economy is far too closely interrelated for us to hope to avoid the full consequences of the amendments.

Some of those who conceded that price rises would result from the removal of ceilings from meat and dairy products argue that these rises would be flare-ups which would be quickly quenched by a flood of new goods. They disregard the biological fact that milk production can expand only as bigger dairy herds are built up over a number of years.

They neglect the economic fact that, if cream is shifted to butter, it creates a shortage for the ice cream producer. The grain available to feed cattle, hogs, and poultry for the market is sorely limited. Decontrol will cause more dollars to change hands but it offers no magic which can turn scarcity into abundance.

The only outcome of this action would be to expose the meat, dairy, milling, and poultry industries to a wild inflation of their grain costs. This would disrupt supplies and production in all four industries.

Let me also make it very clear that decontrol cannot solve the problem of equalizing the supplies in surplus and deficit areas.

Before the committee acted the OPA and the Department of Agriculture had launched a vigorous slaughter-control program. It was already beginning to show promising results when the committee's action in approving meat decontrol gave to all growers and feeders an immediate incentive to withhold shipments and thus prevented a fair test of the plan's effectiveness. If, instead, Congress were now to give firm backing to the stabilization authorities, the current meat problem would largely be brought under control just as it was last summer.

For milk, butter, cheese, ice cream, and other manufactured dairy products, a new pricing and distribution control program has now been announced by OPA and Agriculture. It is too new for its effectiveness to be demonstrated in action, but I am confident that we are now on the way to an effective solution of the big dairy problem we faced earlier in the year.

Any attempt to estimate the cost of these specific decontrol amendments to the consumer is an obviously impossible task unless the estimate is artificially limited to the direct effect of decontrol on the principal products involved. On this basis, OPA has furnished us with an estimate of a 40- to 50-percent average rise in meat prices. This means that decontrol would add from $2,600,000,000 to $3,250,000,000 to the Nation's meat bill.

For milk, the abandonment of subsidies alone would immediately raise prices 2 cents a quart; and if meat, millers, dairy producers, and poultry producers begin bidding grain prices upward, prices would soon rise at least 2 cents a quart more. To add 4 cents a quart to the Nation's milk bill would mean $900,000,000 a year to the consuming public. Accompanying rises in the prices of butter, cheese, ice cream, and other manufactured dairy products could readily boost the total to about $1,500,000,000.

Despite the fact that the present supply of poultry is good, the rise in the prices of meat would force a rise in grain and feed prices. Before long this would result in higher poultry prices. A 10-percent rise would cost the public $160,000,000.

In total, the immediate costs of these proposed food decontrol amendments would be between $4,350,000,000 and $6,000,000,000. But their indirect costs would dwarf their direct costs. The 50-percent rise in the level of these prices which a year's spiral of inflation could easily bring would, for example, cut deeply the value of the $145,000,000,000 our people have saved during the war. This would seriously undermine the buying power upon which markets, production, and jobs depend.

Now I should like to turn briefly to the textile and clothing amendments, which are more fully discussed in the minority views attached to the majority report. These amendments—on pages 39 and 40 of the bill—are especially unfortunate and ill-advised, coming at just the time when the return of veterans to civilian life increases greatly the demand for apparel and the fabrics from which they are made. This is no time to weaken stabilization measures in this field. The special pricing formula would make sure that textile ceilings will go up with any advance in the price of the raw material, although mill profits are now well above peacetime and have every prospect of rising further. The prosperous cotton textile industry is singled out for additional favored treatment through a special product-by-product pricing method that spells inevitable increases in all cotton-clothing prices. The special 5-percent production bonus offered cotton mills would sidetrack production to nonessential heavy items, such as chenille bedspreads, and encourage withholding of deliveries of needed items in months when the bonus was not payable.

Essential items, such as cloth for men's shirts, women's and children's dresses, and work clothes, on which OPA has already provided a 5 percent incentive increase, would suffer.

The special prices for the wool-textile industry, also provided by the bill, would add needlessly to the high prices which veterans and others are already paying for wool suits. This favored consideration is unwarranted since wool fabric production is booming and wool mill profits are high.

Most important of all the blows to stable clothing prices is the abolition of MAP. The maximum average price plan simply requires manufacturers to deliver the same proportions of low- and high-priced clothing as they delivered in 1943. Its purpose is to assure a supply of less expensive clothing. With a steady improvement in fabric supplies and development by OPA of means to prevent or correct individual hardship, MAP is becoming an effective and equitable device for fighting inflation in clothing prices. Abolition of MAP would not produce one more shirt, suit, or dress. It would only clear the way for manufacture of high-priced, high-profit items.

What will these textile and clothing amendments cost the consumer? The ending of MAP alone would probably add about $1,000,000,000 to the public's clothing bill in the next 6 to 9 months. Even if there were no increases in cotton prices, the other amendments would add another quarter billion to the consumer's bill. And each penny rise in cotton prices would cost about $60,000,000 more in the price of clothing. A rise of only 4 more cents in the market price of cotton would add another quarter billion dollars.

Now, I would like to talk briefly about the special pricing privileges for dealers. During this dangerously inflationary period there is no justification for raising prices in the absence of a sound reason for doing so. Yet the Crawford amendment, as adopted by the House and approved by the committee majority, would legislate higher prices for automobiles, radios, and most large household appliances, without justification. This special-interest legislation will cost the consumers of this country on the average $85 more for popular priced cars and more for higher priced cars. It ignores the fact that dealers are already averaging $68 more on these cars than they would be getting in peacetime. Moreover, this group of dealers has not suffered hardship during the war. Their lucrative repair and used car business made auto dealers generally more prosperous in wartime than they had been in the prior peacetime period.

These special cost absorption amendments for a special group will probably take more than half a billion dollars from consumers and put this money in the pockets of distributors, most of whom, without this legislative windfall, would be enjoying a prosperity greater than they have ever known.

Mr. President, I have served in this body for nearly 20 years. Together most of us here have faced the crisis of the war and the transition to peace. For the good of our country we have made many difficult decisions.

But never before in peacetime have we had in our hands a decision on which so much of this Nation's future depends. Almost every American has his eyes on our big goal of full employment, expanded production, high farm income, and steady profits. To reach this goal we must have big markets. Big markets depend on prices large numbers of people can pay. These markets are now within our grasp. If we cast our votes for an action that will destroy the value of our people's pay checks and savings, these markets will disappear. After a whirlwind of false prosperity in which price increases will vie with wage increases, buying will slow up; orders will be cut; production will go down; jobs will vanish; paper profits will turn to real losses; and poverty will demoralize our people.

I trust that with economic victory in sight, the Senate of the United States will not surrender to the forces of inflation. I ask each Senator to look into the future of this vast productive country of ours, and to cast his vote for policies which will ensure to our people the full fruit of their heritage.

Mr. President, I ask unanimous consent that the minority views on House bill 6042 be printed in the RECORD at this point.

Mr. BARKLEY. I suggest that the Senator include in his request the report of the committee which sets forth the views of the majority.

Mr. WAGNER. Mr. President, I ask that the report of the committee together with the minority views may be printed in the RECORD at this point.

There being no objection, the report to accompany H. R. 6042 and the minority views were ordered to be printed in the RECORD, as follows:

REPORT TO ACCOMPANY H. R. 6042, TOGETHER WITH THE MINORITY VIEWS

The Committee on Banking and Currency, to whom was referred the bill (H. R. 6042) to amend the Emergency Price Control Act of 1942, as amended, and the Stabilization Act of 1942, as amended, and for other purposes, having considered the same, report the bill with an amendment and recommend that the bill as amended do pass.

PERSONAL STATEMENT BY MR. BARKLEY

It is urgently necessary that this bill be reported for the consideration of the Senate, in order that action may be taken with respect to the extension of the Emergency Price Control Act and the Stabilization Act. I am reporting the bill for and on behalf of the committee and at the request of the committee. I wish to make it clear, however, that in submitting this report to the Senate, I do not indicate my approval of all of the provisions of the bill as it is reported from the committee. In fact, I strongly disagree with several of them, and I have reserved the right to oppose on the floor of the Senate any or all of the provisions of which I do not approve.

EXPLANATION OF THE BILL

The bill is reported from the committee with an amendment in the nature of a substitute for the text of the bill as it was passed by the House of Representatives. The statement below indicates comparisons between the provisions of the bill as reported from the committee and the provisions of the bill as passed by the House, in instances where such provisions are readily comparable.

EXTENSION OF ACTS

Sections 1 and 2 of the reported bill extend the Emergency Price Control Act of 1942 and the Stabilization Act of 1942 until June 30, 1947. The House bill extended these acts until March 31, 1947. The extension provided by this legislation is subject to the provisions in the existing law which authorize the termination of both acts at any time by proclamation of the President or by concurrent resolution of the Congress.

PURPOSES AND POLICIES IN THE TRANSITION PERIOD

Section 3 of the bill adds a new section 1A to title I of the Emergency Price Control Act, which states certain policies to be followed with respect to the administration of price control and the removal of price control during the period of transition to a peacetime economy.

Objectives: Subsection (a) of this new section states that the rapid attainment of production equal to the public demand is one of the necessary and urgent objectives for the prevention of inflation and for the achievement of a reasonable stability in the general level of prices and rents, cost of living, and costs of production; that unnecessary or unduly prolonged controls over prices and rents and use of subsidies would be inconsistent with the return to a healthy peacetime economy and would tend to repress and prevent the attainment of the goals stated in the act; and that adequate prices are necessary stimulants to the desired production and the expeditious attainment of said goals.

Declaration of decontrol policy: Subsection (b) of the new section declares the policy of Congress that the Office of Price Administration, and other agencies of the Government, shall use their price, subsidy, and other powers to promote the earliest practicable balance between production and demand in the case of commodities under their control, and that the general control of prices and the use of subsidy powers shall be terminated as rapidly as possible consistent with the policies and purposes set forth in this section and in no event later than June 30, 1947, and that on that date the Office of Price Administration shall be abolished.

Recommendations by the President: Subsection (c) of the new section provides that the President shall recommend to the Congress as soon as practicable and in any event on or before January 15, 1947, such further legislation as in his judgment is needed to establish monetary, fiscal, and other policies which are adequate to supplement the control of prices and wages during the balance of the fiscal year 1947, and to insure that general control of prices and wages can be terminated by June 30, 1947, without danger of inflation thereafter. This subsection also provides that on or before April 1, 1947, the President shall report to the Congress what, if any, commodities or classes of commodities, including housing accommodations, are in such critically short supply as to necessitate, in his judgment, the continuance of price control or rent control as to them after June 30, 1947, together with his recommendations as to established departments or agencies of the Government which should be charged with the administration of such control.

Decontrol of nonagricultural commodities: Subsection (d) of the new section 1A relates to the decontrol of nonagricultural commodities. First, paragraph (1) of this subsection provides for the removal of maximum prices on nonagricultural commodities not important in relation to business costs or living costs. The Price Administrator is directed to proceed with the decontrol of these commodities as rapidly as, in his judgment, will be consistent with the avoidance of a cumulative and dangerous unstabilizing effect. Maximum prices on all such commodities are to be removed on or before December 31, 1946, and after that date no maximum price may be maintained for any nonagricultural commodity or class of commodities unless the same has been expressly found by the Administrator to be important in relation to business costs or living costs. Paragraph (2) of subsection (d) states a general rule for the removal of maximum prices in the case of nonagricultural commodities, whether or not such commodities are important in relation to business costs or living costs. This rule is, that maximum prices shall be promptly removed whenever the supply of a commodity exceeds or is in approximate balance with the demand therefor (including appropriate inventory requirements) and it also appears that prices of the commodity will not rise as a result of the decontrol or that although prices of the commodity will rise as a result of decontrol (i) they will not exceed a true reflection of current costs (determined by normal accounting methods) plus reasonable profits and (ii) the increase will not be such as to unstabilize dangerously the prices of any important commodities or (taking into account increases in prices of other commodities which, would result from application of the same standard) to jeopardize seriously the attainment of a reasonably stable peacetime economy. Under this subsection, it is the duty of the Administrator to remove maximum prices upon his own

initiative when the applicable decontrol standards are satisfied; however, provision is made in the later parts of this section for industry advisory committees to petition the Administrator for decontrol when such committees believe that the applicable decontrol standards have been satisfied and, in case of adverse action by the Administrator upon such a petition, further provision is made for an appeal to an independent Price Decontrol Board which may order the Administrator to remove maximum prices. Paragraph (3) of subsection (d) provides that the Price Administrator, with the advance consent in writing of the Price Decontrol Board, may reestablish maximum prices for a nonagricultural commodity which has been decontrolled under this section, if the market prices of such commodity have risen in a manner which is inconsistent with the applicable decontrol standard.

Agricultural commodities: Subsection (e) contains provisions relating to the removal of maximum prices on agricultural commodities, the adjustment of such maximum prices, and other provisions relating to the administration of maximum prices on agricultural commodities. Paragraph (1) of this subsection provides that the Secretary of Agriculture shall certify to the Price Administrator each agricultural commodity which the Secretary determines to be in short supply. An agricultural commodity will be in short supply for the purposes of this section, unless the supply of such commodity equals or exceeds the requirements for such commodity for the current marketing season. No maximum price may be applicable to any agricultural commodity during any calendar month which begins more than 30 days after the enactment of this section, unless such commodity is certified by the Secretary of Agriculture as being in short supply. Paragraph (2) of subsection (e) provides that whenever the Secretary of Agriculture determines that maximum prices on any agricultural commodity which is in short supply are impeding the necessary production of such commodity, he may recommend to the Price Administrator such adjustments in such maximum prices as the Secretary determines to be necessary to attain the necessary production of such commodity; and the Price Administrator is required to adjust such maximum prices in accordance with such recommendations. This paragraph (2) also contains a provision relating to the decontrol of agricultural commodities not important in relation to business costs or living costs. The Secretary of Agriculture is directed to recommend to the Price Administrator the removal of maximum prices on such recommendations. This provision is ment of the Secretary, will be consistent with the avoidance of a cumulative and dangerous unstabilizing effect, and he is to recommend the removal of maximum prices on all such unimportant commodities by December 31, 1946. The Administrator is required to remove maximum prices in accordance with such recommendations. This provision is comparable to that contained in paragraph (1) of subsection (d) of this section for the removal on or before December 31, 1946, of maximum prices on all unimportant nonagricultural commodities. Paragraph (3) of this subsection (e) provides specifically that price controls with respect to livestock, poultry, eggs, and milk, and food and feed products processed or manufactured in whole or substantial part from livestock, poultry, eggs, or milk, shall be removed not later than June 30, 1946. Paragraph (4) of this subsection provides that whenever the Secretary of Agriculture determines that an agricultural commodity with respect to which maximum prices have been removed is in short supply and that the reestablishment of maximum prices with respect thereto is necessary to effectuate the purposes of the Price Control Act, the Secretary, with the written consent of the Price Decontrol Board, may recommend to the Administrator, the reestablishment of price controls with respect to such commodity, and that the Administrator shall reestablish such controls upon such recommendation. This provision for restoring price controls in the case of an agricultural commodity is applicable in the case of agricultural commodities specifically decontrolled by the provisions of this section as well as in the case of agricultural commodities decontrolled under the general formula in this section or otherwise. Paragraph (5) of this subsection defines the term "agricultural commodity" to mean any agricultural commodity and any food or feed product processed or manufactured in whole or substantial part from any agricultural commodity. It follows, of course, that any commodity which is not an agricultural commodity within the meaning of this definition is to be treated as a nonagricultural commodity for the purposes of this section.

Paragraph (6) of this subsection (e) provides that the Secretary of Agriculture, in exercising his functions under the Emergency Price Control Act, shall not be subject to the direction or control of any other appointive officer or agency in the executive branch of the Government, except to the extent that a review of his decisions by the Price Decontrol Board is provided for in this section, and that no such officer or agency shall undertake to exercise any direction or control over the Secretary of Agriculture with respect to the exercises of such functions. This paragraph also provides that the Secretary of Agriculture may at any time withdraw his approval of any action with respect to which his approval is required under the Emergency Price Control Act, and that upon the withdrawal of his approval such action shall be rescinded. This provision is related to section 3 (e) of the present law, which requires that written approval of the Secretary of Agriculture be obtained for actions taken under the Price Control Act with respect to agricultural commodities and with respect to regulations, orders, price schedules, and other requirements applicable to processors with respect to food or feed products processed or manufactured in whole or substantial part from agricultural commodities.

Paragraph (7) of this subsection (e) provides that no maximum price and no regulation or order under the Price Control Act or the Stabilization Act shall be applicable with respect to any agricultural commodity, or any service rendered with respect to any agricultural commodity, unless a regulation or order establishing a maximum price with respect to such commodity had been issued under this act prior to April 1, 1946. This provision will not prevent the restoring of maximum prices in the case of a commodity upon which maximum prices had been in effect prior to April 1, 1946, even though maximum prices upon such commodity had been removed and were not in effect on April 1, 1946, nor will it prevent the maintenance of maximum prices upon a commodity if a regulation or order establishing maximum prices upon such commodity had been issued prior to April 1, 1946, even though such regulation or order did not take effect until after that date. On the other hand, the provision will prohibit other types of regulations and orders as well as maximum prices in the case of any agricultural commodity unless a regulation or order had been issued prior to April 1, 1946, establishing a maximum price on such commodity. Thus, in the case of cotton, the recent order relating to margin requirements for futures trading, although not a maximum price regulation or order, will be made inapplicable because maximum prices with respect to cotton were not established prior to April 1, 1946.

Saving provision: Subsection (f) of the new section 1A provides that nothing in this section shall limit the authority to remove maximum prices at an earlier time than would be required by the section.

Petitions for decontrol: Subsection (g) of this new section provides that the industry advisory committee appointed under the Price Control Act with respect to a commodity may file a petition for the removal of maximum prices on such commodity, if in the judgment of the committee the policies and standards set forth in this section require the removal of maximum prices for such commodity. Such petitions are to be filed with the Price Administrator in the case of nonagricultural commodities and with the Secretary of Agriculture in the case of agricultural commodities. The petition is to state the grounds upon which the committee believes the removal of maximum prices to be required and is to be accompanied by written evidence in support of the petition. The Administrator or the Secretary of Agriculture, as the case may be, must act upon the petition within 15 days after it is filed. If the petition is not granted in full, the Administrator or the Secretary, as the case may be, must, upon the request of the industry advisory committee, hold a hearing for the further consideration of the petition, and must within 15 days after the hearing make a decision upon the petition. If the petition is denied in whole or in part, such decision must be accompanied by a written statement of the reasons for denying the petition in whole or in part. If the Administrator or the Secretary has not granted the petition after the hearing, the petitioning industry advisory committee may petition the Price Decontrol Board, established under this section, for a review of the action of the Administrator or the Secretary. The special method which is provided in this section for the consideration of petitions for decontrol made by industry advisory committees does not take away or impair any right of any person subject to a maximum price regulation to protest the continued maintenance of maximum prices in accordance with the regular protested provisions of the Price Control Act.

Price Decontrol Board: Subsection (h) of the new section establishes a Price Decontrol Board as an independent agency in the executive branch of the Government. The Board is to be composed of three members appointed by the President by and with the advice and consent of the Senate. This Board is to have jurisdiction to review decisions of the Price Administrator and the Secretary of Agriculture in cases where those officers have failed or refused to remove price controls upon the petition of industry advisory committees. Upon such review the Board is to order the removal of maximum prices if and to the extent that in its judgment the standards of decontrol stated in subsections (d) and (e) have been satisfied with respect to the commodity involved. Also, as indicated above, price controls may be reestablished with respect to a commodity from which price controls have been removed only if the Price Decontrol Board gives its written consent to reestablishing such controls. This subsection contains provisions giving the Board such authority as is necessary to enable it to perform its functions and prescribing procedure to be followed with respect to petitions made to the Board.

CLASSIFICATION OF HOTELS

Section 4 of the bill as reported adds a new paragraph at the end of section 2 (b) of the Emergency Price Control Act, which provides that the Administrator in administering maximum rents on hotels is authorized to take into consideration the distinction between transient hotels and residential or apartment hotels, and is directed to classify separately by regulation (1) transient hotels, (2) residential and apartment hotels, and (3) tourist courts, rooming houses, and

boarding houses. There is a section in the bill as it passed the House which is similar to this section of the reported bill, except that it does not require the separate classification of the three categories specified above.

SUBSIDY OPERATIONS

Section 5 of the bill as reported relates to subsidy operations. Subsection (a) authorizes the Commodity Credit Corporation and the Reconstruction Finance Corporation to engage in operations for the fiscal year ending June 30, 1947, involving the making of subsidy payments and the buying of commodities for resale at a loss which would otherwise be prohibited under the last paragraph of section 2 (e) of the Emergency Price Control Act of 1942, as amended. Such operations are authorized in amounts which involve subsidies and anticipated losses not in excess of $1,100,000,000 in the aggregate, in addition to an authorization for the purchase of such tin ores and concentrates as may be necessary to insure continued operation of the Texas City tin smelter. Of the $1,100,000,000, $31,000,000 is authorized for operations with respect to rubber produced in Latin America and Africa for which commitments were made before January 1, 1946, and $100,000,000 is authorized for operations with respect to copper, lead, and zinc, in the form of premium-price payments. The bill provides that the premium-price plan for copper, lead, and zinc shall be extended until June 30, 1947, on terms not less favorable to the producer than heretofore and that adjustment shall be made in such plan to encourage exploration and development work, that adequate allowances shall be made for depreciation and depletion, and that all classes of premiums shall be noncancelable unless necessary in order to make individual adjustments of income to specific mines. Under subparagraph (4) of subsection (a), the remaining $969,000,000 of the $1,100,000,000 is authorized for operations with respect to noncrop programs, 1946 crop program operations, 1947 crop program operations relating to sugar, and operations with respect to flour, petroleum, petroleum products, and other domestic and imported materials and commodities. Subparagraph (4) requires that operations authorized thereunder shall be progressively reduced, shall be terminated not later than May 1, 1947, and shall cost not more than $629,000,000 during the last 6 months of the calendar year 1946. It is also provided that operations shall not be carried out under authority of subparagraph (4) with respect to any commodity for any period during which maximum prices on such commodity are not in effect, and that no new operations shall be undertaken under authority of this subparagraph, and that no change shall be made in the basis of any existing operations for which funds are made available under this subparagraph if such change would increase the rate of any subsidy or the rate of loss incurred with respect to any commodity. This provision, of course, does not prevent increases in subsidy payments where the plan now in effect already provides for such increases on a seasonal basis or because of fluctuations in the market price of a commodity or on other grounds already specified in the plan.

Subsection (b) of section 5 provides that when any direct or indirect subsidy is reduced or terminated, any maximum price applicable to the product affected shall be correspondingly increased.

Subsection (c) of this section provides that where roll-back subsidies have been in effect or are now in effect, and have been discontinued or shall hereafter be discontinued, the maximum prices of the commodities with respect to which such subsidies were paid shall be increased by an amount at least equivalent to the discontinued roll-back subsidy. The price increase is to become effective upon the discontinuance of the roll-back subsidy or upon the passage of this act, whichever is later. Consequently, no retroactive price increase is required in cases where the subsidy has heretofore been discontinued, as in the case in the shortening and vegetable-oil industry which would be affected by this subsection.

Subsection (d) of section 5 provides that nothing in this act shall be construed to affect the provisions of Public Laws 30, 88, 164, and 328 of the Seventy-ninth Congress, which are earlier laws authorizing subsidy operations.

FISH AND SEA-FOOD COMMODITIES

Section 6 of the bill as reported amends section 2 (i) of the Emergency Price Control Act of 1942, as amended, which now provides that no maximum price shall be established for any fishery commodity below the average price of such commodity in the year 1942. As amended by this bill, this subsection will provide that for the purposes of the Price Control Act and the Stabilization Act, fish and other sea foods shall be deemed to be agricultural commodities, and commodities processed or manufactured in whole or substantial part from fish or other sea foods shall be deemed to be manufactured in whole or substantial part from agricultural commodities. However, instead of making applicable to fish and other sea foods the provisions of section 3 of the Stabilization Act of 1942, which establishes for agricultural commodities pricing standards based on parity or the highest price prevailing between January 1, 1942, and September 15, 1942, the amendment provides that the maximum price for any fish or sea-food commodity or for any commodity processed or manufactured in whole or substantial part therefrom shall not be below the average price therefor in the year 1942. This amendment will have the effect of making applicable to fish and other sea foods the provisions of section 3 (e) of the Price Control Act relating to securing the written approval of the Secretary of Agriculture, and will also have the effect of making applicable to fish and other sea foods the decontrol standards which are provided for agricultural commodities.

LIMITING QUANTITY OF PRODUCTS SOLD TO ANY BUYER

Section 7 of the bill as reported adds to section 2 (j) of the Price Control Act a provision to the effect that nothing in such act shall be construed as authorizing any regulation or order of the Administrator to fix a quantity or percentage of any product which any seller may sell to any buyer. This provision would have the effect of discontinuing and prohibiting such limitations as that contained in Maximum Price Regulation 602, which provides that a manufacturer of nylon hosiery may not distribute a larger percentage of his product to wholesale outlets than he did in the base year, 1941.

HIGHEST PRICE LINE IN SERVICE ESTABLISHMENTS

Section 8 of the bill amends section 2 (k) of the Price Control Act so as to make applicable with respect to service establishments the provisions of that subsection which provide that no seller of goods at retail shall be required to limit his sales with reference to any highest price line offered for sale by him at any prior time.

SUBSECTIONS ADDED TO SECTION 2 OF THE PRICE CONTROL ACT

Section 9 of the bill as reported adds several new subsections at the end of section 2 of the Emergency Price Control Act of 1942.

Control of certain items in restaurants: The new subsection (o) which is added by this section of the bill provides that no maximum price shall be applicable to any item served in any restaurant or other eating establishment if such item consists in whole or major part of a commodity which is not under price control with respect to sales to such restaurant or other eating establishment, unless the maximum price of such item, when sold by such restaurant or other eating establishment, is determined by the addition of a customary margin to acquisition cost of such item.

Maximum average price plan: The new subsection (p) which is added by this section of the bill is the same as the corresponding provision of the bill as it passed the House. This subsection provides that no maximum price regulation or order shall be issued or continued in effect requiring any seller to limit his sales by any weighted average price limitation based on his previous sales. This provision will have the effect of eliminating the maximum average price plan under which manufacturers subject to it are restrained from delivering for sale in any quarter, goods averaging in price more than the weighted average price of the goods which he delivered for sale in a corresponding previous quarter.

Discounts in certain retail industries: The new subsection (q) which is added by section 9 of the bill provides that the Administrator shall not reduce established peacetime retail trade discounts or mark-ups or dealer-handling charges in the case of certain commodities whose production was discontinued or restricted during the war. This restriction would apply in the case of any retail industry whose principal sales during the calendar years 1939 to 1941, inclusive, consisted of sales of a commodity or commodities whose production or retail distribution was reduced for a period of 3 years beginning on or after March 2, 1942, by 75 percent or more below such production or retail distribution for the calendar years 1939 to 1941, inclusive, as a result of the operation of any governmental regulation or restriction. The restriction contained in this subsection would no longer apply after the retail unit sales of an affected commodity for a period of 6 months have reached the average annual retail unit sales thereof for the calendar years 1939 to 1941, inclusive. This provision is substantially the same as the corresponding provision of the House bill. The committee has made a clarifying change to indicate that the established discounts which must be preserved are the normal peacetime discounts and not those which are in effect upon the enactment of the act, and the committee has also made the provision applicable with respect to goods priced on a mark-up basis as well as goods priced on a discount basis.

Discounts for certain wholesale industries: The new subsection (r) which is added by this section of the bill makes the same kind of provision, except as to dealer handling charges, for wholesalers dealing in the commodities described above in subsection (q) as that subsection makes for retailers dealing in such commodities. This subsection is the same as the corresponding provision of the House bill except for some clerical changes.

Discounts for certain commodities: The new subsection (s) which is added by this section provides that no maximum price regulation or order shall require the reduction of the established peacetime discounts or mark-ups for the sale of any manufactured or processed commodity if the retail, wholesale, or other distributive trade selling such commodity shows that the commodity constituted approximately one-half or more of the gross sales income of a majority of the persons engaged in such trade in 1945 and that, in the preceding quarter of 1946 or 1947, the deliveries of such commodity to such distributive trade were less than the deliveries thereof in the corresponding quarter of 1945. For the purposes of this subsection, all commodities in a line of related

commodities which, for the purpose of establishing manufacturers' and and processors' maximum prices, have been placed under a single regulation are to be treated as a single commodity.

ENFORCEMENT AMENDMENTS

Section 10 of the bill as reported relates to the enforcement provisions of section 205 (e) of the act. Subsection (a) prevents the cumulation of the Administrator's claims, except for three times the actual overcharges, where he brings a treble damage action based on overcharges to a number of buyers. Under the present law, the Administrator might sue a grocer for $5,000 because of 100 overcharges of 10 cents each to 100 different buyers. Under the amendment the maximum recovery in that lawsuit would be $50. Had the overcharges been 20 cents each, the maximum recovery would be three times the overcharges or $60.

This subsection also provides that if the defendant in a treble damage action proves that his violation was neither willful nor the result of failure to take practicable precautions against its occurrence, the damages assessed shall be the amount of the overcharge. The effect of the amendment is to eliminate in such cases the $25 minimum prescribed by the present law.

Subsection (b) forbids the Administrator from instituting or maintaining an action if (1) the violation arose because the seller acted upon and in accordance with the written advice and instructions of the Administrator or any regional administrator or district director of the Office of Price Administration or (2) if the violation arose out of a sale to an agency of the Federal Government or to any public housing authority supervised or financed by such an agency if the sale was made pursuant to the lowest bid made in response to an invitation for competitive bids.

The second paragraph of this subsection is designed to forbid the institution or maintenance of an action by the Administrator in a situation like that brought to the attention of the committee by representatives of the work-glove industry. Suits are pending against several members of this industry under circumstances which in the judgment of the committee do not warrant the maintenance of an action. The amendment forbids enforcement action where the Administrator determines (1) that the violation consisted of an apparel manufacturer's selling an item at his published March 1942 price list prices instead of his March 1942 delivered prices, and (2) that his customary pricing patterns for related apparel items would be distorted by a requirement that his ceilings be the March 1942 delivered prices.

SUSPENSION OF LICENSES

Section 11 of the bill as reported amends section 205 (f) of the Emergency Price Control Act, relating to suspensions for violations of the act. The amendment made by this section of the bill provides that no suspension of a license shall be ordered or directed if the person charged with the violation proves that the violation in question was neither willful nor the result of failure to take proper precautions against the occurrence of the violation.

PRODUCTS MADE FROM COTTON AND WOOL

Section 12 of the bill as reported adds two new paragraphs to section 3 of the Stabilization Act of 1942, as amended. The first of these paragraphs relates to maximum prices applicable to manufacturers or processors of products made in whole or major part from cotton or cotton yarn or wool or wool yarn. Under existing law the price standards established in the law must be applied separately to each major item in the case of products made in whole or major part from cotton or cotton yarn. A question has arisen as to whether the cost price which must be used in determining the maximum price of a major item is the current cost of cotton of the grade and staple used in the item, where that cost is higher than the parity price. This amendment makes it clear that the current cost must be used for that purpose when it is higher than parity. The amendment also specifies that as to each such major item there shall be added to the cotton cost the weighted average of mill conversion costs and a reasonable profit. The reasonable profit is defined as not less than a weighted average profit for each unit of such item equal to the weighted average of the profit earned on an equivalent unit of such item during the period 1939 to 1941, both inclusive. This amendment also provides that the pricing standards applicable to major items made in whole or major part from cotton or cotton yarn under this paragraph shall also be applicable to major items made in whole or major part from wool or wool yarn. This paragraph is the same as the corresponding provision of the bill as it passed the House, except that the definition of a reasonable profit was not included in the House bill.

The second paragraph added by this section of the bill provides that a 5-percent increase in maximum prices for cotton textiles shall be allowed for producers who met certain production goals. The purpose of the provision is to provide an incentive for increasing production of cotton textiles and to compensate for increased costs of operation, such as third shifts, which are involved in obtaining such increased production. The producer is entitled to the 5-percent increase in any calendar month if his production during the preceding calendar month was at least equal to 90 percent of his monthly production during that one of the calendar years from 1936 to 1945, inclusive, in which his production was greatest. In most cases this would be the calendar year 1942, which was the peak year for the industry as a whole. The comparison between current production and production in the past period, for the purpose of determining whether or not the 90-percent goal has been achieved, is made on the basis of the total production of cotton textiles by the particular producer in question, such production being determined on the basis of pounds of cotton used.

MINORITY VIEWS

The bill reported by the majority of the Committee on Banking and Currency writes the death sentence for effective price, wage, and rent stabilization in the United States. It is our considered judgment that adoption of the bill as reported would be as dangerous to the economic safety of this country as the immediate expiration of the existing laws.

The issue before the Congress is clear: Should the Government make a fight to the finish against inflation in the next 12 months or should it surrender unconditionally and entrust the Nation now to the operation of untrammeled economic forces?

There are many persons who sincerely believe that surrender is the wiser course. In our judgment, they heed neither the lessons of experience nor the dictates of economic law; but, however unwise, their position is at least forthright. They would not charge a governmental agency with the grave responsibility of protecting this country from inflation and then hamstring that very agency by amendments which could have no other effect than to compel it to allow prices to soar. They would not delude the people of this country into believing that their Government is in a position to protect them against rising living costs when in fact it would not be.

Production in this country has mounted to record levels for peacetime. It will take vast strides forward as the last of the major industrial disputes are settled. Employment in civilian enterprise is at an all-time peak. But manpower and materials shortages in particular commodities still prevent our great industrial potential from being fully realized. Moreover, as the stream of products flows from the factories, it is rapidly absorbed by the almost insatiable demand for civilian goods. It will take 6 or 8 months for the greatest conceivable outpouring of goods to relax the tense inflationary pressures which now exist. It will take a year for the economy to achieve a general balance and, even then, in the housing and perhaps a few other fields, scarcities must still be expected.

The demand for consumer and industrial goods today is backed up by $145,000,000,000 in the wartime savings of individuals and businesses. If we can keep our heads at this critical time, those savings can be a guaranty of prosperity to this Nation for years to come. If, instead, we abandon all protection for the purchasing power of the dollar, people will begin to draw down their savings to buy goods at an ever-increasing rate. Inexorably the law of supply and demand will blow the price bubble up further and further until at length it will burst when pricked by a buyers' strike or speculators' panic.

We think it folly to suppose that the stability of the dollar will be maintained if price controls have to be taken off more than 50 percent, in dollar terms, of the Nation's food products at a time when pressures are acute on the prices of meat, milk, butter, and many other food products.

We do not see how this can be done and effective control retained over the rest of the economy, especially when a number of other amendments weaken the Administrator's ability to prevent unnecessary price increases.

We are especially concerned by the fact that the majority's proposals, if adopted, would inevitably destroy the hard-won industrial peace which the Nation is just now achieving. Stable wage rates cannot be maintained in industry if the cost of living soars upward in the coming months. The majority report, if adopted, would inevitably invite the early reopening of the wage issue throughout American industry.

It is equally astonishing to us to find a majority of the Senate Banking and Currency Committee favoring a course which would endanger the intricate international financial machinery to the development of which this committee has contributed so much. Financial recovery abroad will be impossible if the dollar is caught in the throes of inflation.

But more than the currencies of the world are at stake. We are taking chances with people's lives, not just with their pocketbooks. Decontrol of meat and dairy products will surely start a bidding contest for grain between American meat producers and dairy farmers. The program to fight famine by shipping grain abroad will not survive that contest. It is equally true that this scramble for grain will cause serious hardship to important segments of American industry, particularly the dairy and livestock interests.

The committee, throughout its 4 weeks of exhaustive hearings, received testimony from scores of witnesses and statements for the record from hundreds of others, all of which appear in the printed hearings. In addition, all Senators have received thousands of communications, letters, telegrams, and petitions bearing on one or more of the issues in the price-control bill. In evaluating this mass of data, representation, and opinion, we believe that the majority of the committee has lost sight of the great consuming public who pay the bill, the millions upon millions of wage earners and others living on salaries or fixed incomes, as well as the people as a whole who would suffer the major impact of an inflationary spree.

Certainly there is no reason for defeatism in the war against inflation simply because the OPA has been faced this past winter and spring by a succession of difficult and serious

problems in administering the price-control laws. Last year and the year before, this committee was confronted by evidence of a critical supply and price situation in several commodity fields. But neither the committee, the Congress, nor the Office of Price Administration allowed itself to be stampeded. The stabilization laws were renewed in effective form. By tightening up controls here and liberalizing them there, by intensifying enforcement, and by enlisting increased public and business cooperation, the OPA, working with other departments and agencies of the Government, succeeded in meeting the crises of these preceding years. We are confident that this year's problems can also be solved without undermining effective price control.

Some of the shortage situations which were most troublesome a few months ago are rapidly improving. Lumber output has risen from a monthly rate of 1.5 billion board feet in December to 2.6 billion in March, a rate which should make it possible to attain the CPA's 1946 production goal. Wool fabric for men's suits which in December was being produced at the rate of 15.6 million yards had climbed to 20.3 million yards in April. The production of men's suits is also climbing steadily, with 1946 production estimated to exceed 1939 output by 27 percent. The rate at which cotton fabric for men's shirts is being made is now above both the 1939 and the 1945 rates and the total output of shirts for the year will be at about the 1939 level. Production of nylons is soaring. Since January 1, 1946, the total output of nylon hosiery is estimated to average more than three pairs apiece for the 53,690,000 women and girls in America who are 14 years or older.

The fact that administrative solutions are being found for many of the most stubborn problems has not, however, led us to conclude that the stabilization laws must be renewed without amendment. We recognize that the problem of terminating the stabilization controls as rapidly as the safety of the Nation will permit calls for appropriate changes in the statutes. Moreover, the careful scrutiny which the committee has again given to the administration of these laws has disclosed certain minor inequities which are corrected by this bill without serious effect upon the price level.

We have carefully considered the question whether Congress should prescribe a new pricing standard such as that contained in the Wolcott amendment, adopted by the House, or in the Taft amendment, considered and rejected by this committee.

Assuming that the data needed to carry out these amendments could be procured and analyzed, they would compel countless unnecessary price increases. Moreover, these sweeping changes in the rules of the game in the closing year of price control would surely lead to business confusion and administrative chaos. The meritorious cases, already handled too slowly by OPA, would have to fight for place with hundreds of other cases not eligible for relief under the present rules and not deserving of it as a matter of fairness. In thus bogging down the administrative process, such amendments would fail in their purpose of aiding production. At a time when the country is crying for an outpouring of goods, there would be an unprecedented withholding from the market while industry was waiting for OPA to grind out the expected price increases. If justice clearly required drastic action, it would seem to us more sensible to do away with price control entirely rather than to paralyze its administration by imposing upon it an impossible task.

Fortunately, however, when the OPA's pricing record is examined, we see no evidence of need for a relaxation of OPA's pricing standards. We do not find the rigidity which the OPA's critics are accustomed to charge. The figures prove that the agency has been willing to increase ceilings for hundreds of industries since VE-day. Specifically, to meet cost and production conditions since that date, OPA has authorized a total of 825 industry-wide price actions, 263 of which were required to keep industry earnings from falling below peacetime levels or to satisfy other legal requirements, 231 to maintain or expand the supply of needed commodities, and 331 to provide adjusted ceilings for reconversion commodities, to correct price maladjustments, or to prevent price inequities. In addition to these industry actions, thousands of price adjustments were authorized for individual firms, chiefly through the OPA regional and district offices.

As a result of these actions, the committee has been informed, the agency has not only completed most of its reconversion pricing job but has almost finished the price adjustments called for under the President's wage-price policy. While, in the absence of inflationary amendments, some further price increases would still be required, general price stability is now well within reach.

In this statement of minority views, no effort will be made to discuss the committee's amendments which either meet with our approval or appear to us to create no substantial danger to the general welfare. The dangerous amendments fall into three groups: (1) The specific decontrol amendments; (2) the textile and clothing amendments; and (3) the amendments giving special pricing privileges to dealers in certain articles.

1. THE SPECIFIC DECONTROL AMENDMENTS

We believe that the removal of price ceilings should be guided by general standards laid down by the Congress. To be sure that the application of such standards may be reviewed by a body free from any possibility of interest in the continued administration of controls, we think it appropriate that decisions as to decontrol made by the Price Administrator and, as to agricultural commodities and food products, by the Secretary of Agriculture, should be subject to review by an independent board. These objectives we believe are reflected in the general decontrol amendment approved by the committee.

Under that amendment, the case for decontrol for each commodity can be tested on its merits. Decontrol will be required only if supply is in balance with requirements. In the case of nonagricultural commodities, where imperfections in competition may lead to the manipulation of price even where such balance may exist, further safeguards are provided to assure against inflationary consequences.

Authority to make the initial decisions is vested in the Price Administrator and in the Secretary of Agriculture, as the case may be. A fair and expeditious procedure is prescribed whereby an industry advisory committee can obtain a prompt decision from the Administrator or the Secretary, and then, if still dissatisfied, it can resort without delay to the bipartisan Price Decontrol Board which the amendment creates.

Given this machinery, why should the majority refuse to entrust to it the decontrol of meat, poultry, and milk, and their food and feed products? Only one reason is apparent to us, and that is the realization that some or most of these products might not qualify for decontrol under the standards the committee itself has written. In other words, the majority realize that supply is so far out of balance in the case of such products that decontrol would certainly be followed by an inflationary rise in price.

The majority do not explain how they expect the Price Administrator to maintain stable prices for the rest of the economy once controls have been removed from products subject to the specific decontrol amendments. The first additional victim of these decontrols would be grain ceilings, and their collapse would carry with it the hope of continued control of bread, flour, and cereals. When this had taken place, all effective restraints on price increases would have ended for 60 percent of food products which in turn represent 40 percent of the cost of living.

Moreover we cannot have inflation on one side of a supermarket and stabilized prices on the other. Nor can we allow inflation in the grocery store and the butcher shop and still hope for stabilized prices in the dry goods store, the hardware store, and the laundry in the same block.

Some of those who concede the price rises would follow the specific decontrol amendments lull themselves into false security by an easy optimism which sees these rises as flare-ups quickly quenched by a flood of goods to market. They disregard the biological fact that milk production can expand only as bigger dairy herds are built up and the economic fact that, if cream is shifted back to butter, it creates a shortage for the ice-cream producer. Herds on the range are large, but the grain to feed cattle, hogs, and poultry for the market is sorely limited. Decontrol will cause more dollars to change hands but it is no magic which can turn scarcity into abundance.

Moreover, decontrol cannot eliminate the problem of equalizing the supplies in surplus and deficit areas. To set the East bidding against the Midwest and the South for Wisconsin milk and butter will cost all three areas dear, but they still will be unable to get those commodities in the huge quantities they need to satisfy current demands.

We believe that both the meat and the dairy problems can be solved by proper administrative action. Before the committee acted, the OPA and the Department of Agriculture had launched a vigorous slaughter-control program. It was already beginning to show promising results when the committee's action in approving meat decontrol gave to all growers and feeders an immediate incentive to withhold shipments and thus prevented a fair test of the plan's effectiveness. If, instead, the Congress were now to give the stabilization authorities its firm backing, we believe that the current meat problem would largely disappear as it did last summer.

For milk and dairy products, a new pricing and distribution control program has been instituted still more recently by OPA and the Department of Agriculture. It is too new for its effectiveness to be demonstrated in action, but the stabilization authorities are confident that the new program will contribute greatly to the solution of the dairyman's difficult problems.

What these amendments would cost: Any attempt to evaluate in dollar terms what the specific decontrol amendments would cost the consumer is an obviously impossible task unless it is artificially limited by confining the estimate solely to the direct effect of decontrol on the principal products directly involved. On this basis, OPA has furnished us with an estimate of a 40- to 50-percent average rise in meat prices. With the Nation's meat bill mounting to 6.5 billion dollars, the estimated cost of meat decontrol would range from 2.6 billion dollars to 3.25 billion dollars.

For milk, the abandonment of subsidies alone would cost 2 cents a quart, and it is not difficult to project an early average rise of at least 2 cents a quart more. To add 4 cents to the Nation's milk bill would mean $900,000,000 to the consuming public. Accompanying rises in the prices of butter, cheese, ice cream, and other manufactured dairy products could readily boost the total to about 1.5 billion dollars.

Despite the fact that the present supply of poultry is good, the rise in the price of meat and the concurrent rise in the cost of feed which would be the inevitable result

of the measure would, OPA believes, be reflected before long in higher poultry prices. A 10-percent rise would cost $160,000,000.

Totaling the foregoing estimates yields the sum of between 4.35 and 6 billion dollars to be charged to the immediate account of these decontrol amendments. But their indirect costs would dwarf their direct. The 50-percent rise in the level of prices which a year's spiral of inflation could easily bring would, for example, cut drastically the value of those 145 billion dollars in wartime savings.

2. THE TEXTILE AND CLOTHING AMENDMENTS

The Price Administrator has repeatedly informed the committee that in few other fields has his job of controlling prices been harder than in that of apparel. Now, when the demand for things to wear and for fabrics from which to make them has been multiplied by the return of the veteran to civilian life, it seems to us that the least the Congress could do at this juncture would be to refrain from enacting amendments which might complicate the Administrator's task. But the majority would do the very opposite. The amendments they have approved strike a succession of sledge-hammer blows at vital points in the structure of textile and clothing price controls. These amendments operate to destroy the textile mills' normal incentive to resist undue rises in the cost of their chief raw material and substitute a potent inducement for the mills to encourage cotton speculation.

The majority have proposed an amendment to the special pricing formula in the 1944 Bankhead-Brown amendment to make sure that cotton textile ceilings will rise with any rise in the price of raw cotton. This amendment will free the industry from any obligation to absorb increased cotton costs despite the fact that preliminary returns for 1945 show that cotton yarn and textile mills were earning considerably more than the 23.4 percent on net worth which they earned in 1944. But more serious still is the fact that a continuing rise in raw cotton prices will give to the mills a steady flow of windfall profits on their cotton inventories.

The majority have also liberalized the special pricing formula still further by assuring to the industry, on a product-by-product basis, not merely its 1936–39 margin but its much more favorable 1939–41 margin. We see no reason why the prosperous cotton-textile industry should be singled out for this favored treatment, which spells certain increases in all cotton-clothing prices.

Still another amendment to the special pricing formula would afford to any cotton textile mill a 5-percent increase in price if in the preceding month it had used 90 percent or more of the cotton it had averaged per month in the calendar year when its production was greatest during the period 1936–45, inclusive. We can foresee nothing but higher prices resulting from the operation of this provision. Since it is not selective in its operation (except insofar as it puts a premium on producing heavy items such as chenille bedspreads), it will deflect production from the selected essential items in short supply on which OPA has already authorized a 5-percent incentive increase. Moreover, the simplest procedures for administering this provision which can be devised are certain to mean more red tape and reports for the conscientious businessman. At the same time opportunities for its exploitation by the less scrupulous are boundless. One of the most menacing possibilities is that mills will build up inventories by slowing down deliveries during the months when production is below the target and then, after 1 month's spurt in production, they will unload their accumulated stocks at the 5-percent higher price. There appears to be no effective way of preventing such a practice, despite its obvious detriment to the regular flow of cotton textiles to the apparel and other cotton-using industries.

The majority, following the action of the House, would allow the wool-textile industry also to enjoy the perquisites of the Bankhead-Brown pricing formula. There is no risk that this will lead to a rise in wool-fabric prices corresponding with rising prices for raw wool, since the market price of the latter is well below the ceiling on the basis of which wool textile ceilings are fixed. But the requirement that ceilings be calculated according to the formula for each major wool item will thrust a new and heavy administrative burden on OPA. With wool-fabric production booming and mill profits running at a high level, such price increases as might result from the repricing would constitute a gratuitous burden for the veteran and other buyers of wool suits, coats, and other items.

Most important of all the blows which the majority have struck against stable clothing prices is the abolition of MAP, the maximum-average-price plan, requiring manufacturers during any quarter to deliver goods at the same average prices as they delivered goods in the same categories in the corresponding quarter of 1943. MAP is also used for rayon and wool fabrics but has never been used for cotton textiles, for which direct production controls are practicable.

MAP is the only effective method which OPA has been able to devise to prevent the shift in production from low-priced to high-priced lines of apparel, a shift which accounted for most of the increases in clothing prices until the trend was brought to a virtual halt by MAP in the fall of 1945. With MAP out of the way, manufacturers will put their limited supplies of fabric to their most profitable use—the manufacture of high-price, high-profit items.

We recognize that the administration of MAP has been attended by considerable inconvenience to manufacturers and some hardship. Occasionally it has defeated its own objective. But the plan became fully operative at the most difficult period for the apparel industry, when production controls were being abandoned and the lower-cost fabrics were in acutely short supply. With steady improvement in the situation and in OPA's techniques for preventing and relieving individual hardship, MAP has been developing into an effective and equitable device for fighting inflation in clothing prices. Especially in those fields of apparel where the "styling up" of material affords to garment makers an easy way to concentrate production in their highest price lines, MAP should be preserved.

What these amendments would cost: We have asked OPA for its estimate of the cost of these amendments to the consumer. For MAP alone, the effect within the next 6 or 9 months is believed to be in the neighborhood of a billion dollars. The effect of the other amendments would depend largely on the price of raw cotton. Assuming, unrealistically, that cotton would not resume its upward movement, OPA estimates that these amendments would add another quarter-billion to the consumer's bill. OPA also estimates that a penny rise in cotton prices is reflected in a $60,000,000 rise in the price of clothing. Hence, to add still another quarter billion would require a rise of only four more cents in the market price of cotton.

The Congress would quickly reject a proposal to impose a Federal tax of a billion and more dollars on the things which people wear. We do not think the Congress should give to the textile and apparel industries the right to impose a levy of similar size on the consumer, the proceeds of which would flow into their private coffers.

3. SPECIAL PRICING PRIVILEGES FOR AUTO, APPLIANCE, AND FARM IMPLEMENT DEALERS

The basic principle for controlling inflation is not to raise prices in the absence of a sound reason for doing so. This principle has been ignored by the majority in their acceptance of the Crawford amendment, which was adopted by the House. This amendment would legislate higher prices for automobiles, radios, and most large household appliances. This would be done by abolishing OPA's rule requiring wholesale and retail trades selling these items to absorb necessary increases in manufacturers' prices so long as this will not reduce their gross margins below the level they actually realized in peacetime. To us, the OPA rule seems a fair one. We fail to appreciate the sanctity of a theoretical discount or mark-up which a dealer never actually realized. Common knowledge supports OPA's statistics (derived chiefly from industry sources) showing losses on trade-ins before the war.

This special-interest legislation will cost the consumers of this country on the average $85 for each Chevrolet, Ford, and Plymouth sold, and correspondingly more for higher-priced cars, and this despite the fact that dealers are already averaging $68 more on these cars than they would be getting if the average gross margin they realized in peacetime were applied to the October 1941 prices of the corresponding models.

We can see no justification or excuse for giving favored treatment to this group of distributors. The customary argument for price increases—that they will bring increased production—does not apply here. The apparent theory of the amendment that the dealers should receive postwar compensation for their wartime economic suffering is at best a dubious one. It is not a function of price control to try to even out the inevitable inequities of wartime. Moreover, the force of the argument is destroyed by OPA evidence that the lucrative repair and used-car business made auto dealers generally more prosperous in wartime than they had been in peace. Not only has the majority adopted the Crawford amendment, but it has added similar favored treatment for dealers in farm implements.

What these amendments would cost: OPA, in response to a request for an estimate of the cost of these amendments to the consumer, has pointed out that their amount will depend on the rate and timing of production in the industries involved. With this reservation, it believes that these amendments will take about $500,000,000 from consumers to put in the pockets of distributors, most of whom, without this legislative windfall, would be enjoying a prosperity greater than they have ever known.

One further amendment should be noted—an amendment which gives to the Secretary of Agriculture the power, on certain conditions, to direct increases in the ceilings of any agricultural commodity or any processed food or feed product, as well as to pass on the decontrol of such products. It also gives him the power, unlimited by conditions, to withdraw approval for any maximum price which he has previously approved.

Developments subsequent to the adoption of this amendment have raised a question as to its wisdom. The Secretary of Agriculture expressly advised the committee that he did not wish to exercise this authority. The President expressed his direct opposition to the proposal, by letter dated May 23, 1946, in the following words:

"I earnestly repeat my earlier request that the Congress quickly reenact the stabilization laws without any amendments that would jeopardize economic stability. I ask, too, that, as President, I not be handicapped by amendments destroying my authority to vest responsibility for effective coordinated administration of the laws in those departments and agencies of the Government which I believe can best carry out the stabilization policies."

Respectfully submitted.

ROBERT F. WAGNER.
SHERIDAN DOWNEY.
GLEN H. TAYLOR.
HUGH B. MITCHELL.

Mr. HICKENLOOPER. Mr. President, for use at a later date I should like to place two or three items of statistics in the RECORD at this time. I expect to refer to them a little later in discussing the meat and commodity situation.

With reference to the article in the newspaper of yesterday to which the majority leader referred a moment ago, while I do not have that article in my hand at the moment, it is my recollection that the article made the flat statement, credited to Mr. Bowles, that meat is now being withheld from the market in anticipation of a sharp price rise.

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

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

Mr. HICKENLOOPER. I yield.

Mr. BARKLEY. As I recall, Mr. Bowles was not quoted. The first paragraph of the article, which is a United Press dispatch, is as follows:

A meat famine will hit the Nation within a week if cattle and hog producers withhold their animals from the market, a spokesman for the Office of Economic Stabilization said last night.

Mr. HICKENLOOPER. That may not be the article to which I refer. There was an article in yesterday's newspaper and this morning's newspaper covering the same subject. I expect to refer to those articles at a later date.

Mr. BARKLEY. There is no direct quotation from Mr. Bowles or any other person who is identified.

Mr. HICKENLOOPER. I must have in mind another news article.

Mr. BARKLEY. That may be.

Mr. HICKENLOOPER. Mr. President, I should like to refer to the figures which I have received as to the receipts of cattle at the 12 leading central markets in the United States. I invite attention to the fact that for the week ending June 8, last Saturday, 156,500 were received at the 12 most important central markets in the United States. If Senators will bear in mind that figure, I wish to go back to the week ending May 25. For that week there were 142,417 cattle. There was a lesser number for that week than for the week ending June 8.

For the week ending May 18 there were 146,088 cattle received at the 12 leading central markets. For the week ending May 11 there were 151,482 cattle received. For the week ending June 1 there were 107,586. About 50,000 more cattle were received during the week ending June 8, last Saturday, than during the week before; and a substantially greater number were received during the week ending last Saturday at those central markets than were received in three similar periods in May.

The corresponding figures for last year show that for the week ending June 8 there were 206,617 cattle received; for the week ending June 1, 161,491; for the week ending May 25, 176,215; for the week ending May 18, 184,597; for the week ending May 11, 188,939; and for the week ending May 4, 207,540.

Those figures are for a year ago. I have the figures for April, May, and the first 2 weeks of June. I ask unanimous consent to have this table printed in the RECORD at this point as a part of my remarks.

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

Livestock receipts at 12 public markets

[Number of head]

Week ending	Cattle	
	1946	1945
Apr. 6	181,301	206,080
Apr. 13	184,991	219,812
Apr. 20	170,890	199,600
Apr. 27	177,545	203,300
Total	714,727	828,792
May 4	173,223	207,540
May 11	151,482	188,939
May 18	146,088	184,597
May 25	142,417	176,215
Total	613,210	751,291
June 1	107,586	161,491
June 8	[1] 156,500	206,617

[1] Preliminary.

Mr. HICKENLOOPER. I have certain figures on the average cattle prices on the Chicago market for the various grades, for April, May, and June, for the week of April 27, May 4, May 11, May 18, May 25, June 1, and June 8, and for the months of January, February, March, April, and May.

The OPA maximum adjusted price for Choice steers, adjusted for actual yield, is $16.70. That is all the legitimate packer can pay and remain in compliance. If he averages more than that he is out of compliance and loses his subsidy. Bear in mind that the black-market operator, theoretically limited in his resale, but who, if he is a law violator, actually sells for what he can get, can pay any price for cattle. The grade of cattle having an OPA maximum price adjusted for actual yield of $16.70, in the month of January averaged $17.77 on the Chicago market. In February they averaged $17.62, in each case approximately a dollar or a little more over what the legitimate packer could pay, on the average, for those cattle and remain in compliance under OPA regulations. In March the price was $17.60; in April, $17.54; in May, $17.58.

This tabulation shows the maximum price and the maximum adjusted price under OPA for actual yield, for two other grades of cattle, namely, medium steers, from 700 to 1,100 pounds, and canner cows, all weights. The significant thing—and I hope to discuss it at a little greater length later—is that prices for the medium steer class, that is, steers between 700 and 1,100 pounds, for which the OPA maximum price, adjusted for actual yield, is $12.75, which is all the legitimate packer can pay and remain in compliance, averaged more than $14 at the central market in Chicago ever since January. They have gone as high as $15. They were at $15 on June 1 of this year. That is $2.25 a hundredweight over what the legitimate packer could pay for them and remain in compliance.

A rather significant thing also is that in general the ceiling price for canner cows of all weights, which is the very cheapest grade of meat, has not been exceeded. It has followed the maximum price prescribed by OPA.

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

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

Cattle prices at Chicago

[Average of daily quotations]

	Choice steers, 1,100 to 1,300 pounds (AA)	Medium steers, 700 to 1,100 pounds (B)	Canner cows, all weights (C & C)
OPA maximum	$17.00	$13.00	$8.25
OPA maximum (adjusted for actual yield)	16.70	12.75	7.75
PRICES, 1946			
Months:			
January	17.77	14.02	7.33
February	17.62	14.22	7.56
March	17.60	14.51	7.77
April	17.54	14.76	7.59
May	17.58	14.73	7.36
Weeks:			
April 27	17.38	14.65	7.50
May 4	17.48	14.68	7.30
May 11	17.52	14.60	7.25
May 18	17.60	14.62	7.32
May 25	17.62	14.75	7.45
June 1	17.68	15.00	7.50
June 8	17.67	14.92	7.50

Mr. HICKENLOOPER. Mr. President, I wish to read into the RECORD a dispatch from the Chicago Journal of Commerce. It reads as follows:

OPA CRITICS SUPPORTED

An exodus from the Office of Price Administration is under way as officials and employees depart in expectation that Congress will curtail or liquidate the agency. An exception among those leaving OPA, however, is Leo F. Gentner, recently resigned as Regional Administrator for New York area.

Unlike many of his coworkers, Mr. Gentner is out of sympathy with the OPA policies which resulted in "holding the line" on nonexistent goods. Although he believes that price control was necessary during the war, Mr. Gentner now calls for a quick return to free markets.

"Isn't it better," Mr. Gentner asked in his letter of resignation, "to have suits available at $40 or $45 than to say, 'we are keeping prices of suits at $35, but we have no suits.' Retailers can't continue to absorb costs. A lot of these people are absorbed up to their necks now.

"Just because you lift price controls, the price doesn't automatically go sky-high. That doesn't always happen. I think the sooner we can return to the system of free enterprise, the better it will be."

In recent weeks OPA has revised upward the prices of some low-priced items in an effort to increase production, but in many cases the action has been too little and too late. Mr. Gentner himself says so.

The points made by Mr. Gentner are those which have been advanced for months by businessmen and others who are aware of OPA's shortcomings. But they were ignored or shrugged off until the policy makers, seeing the handwriting on the congressional walls, made a belated show of reasonableness.

That the guiding lights of OPA are still unwilling to adopt a policy of reason, however, is shown by their insistence upon extension of the Price Control Act without important amendment.

Mr. THOMAS of Oklahoma. Mr. President, the bill which is now before the Senate embraces some 40 pages. The

first 15 pages contain the text of the bill as passed by the House. The Senate committee saw fit to strike out the entire House bill, and then proceeded to add approximately 25 pages of new matter or old matter stated in a new way. So now we have before us the House bill, on the one hand, and the bill as reported by the Senate committee, on the other.

The bill as passed by the House, as I understand, was written very largely upon the floor of the House of Representatives. A number of provisions contained in the bill as passed by the House are not clear. The Senate committee undertook to clarify the provisions of the bill as passed by the House. Although I have not examined as carefully as I should the text of the bill as now reported to the Senate, I am of the opinion that the Senate committee text is more obscure and less understandable by an average person than the text of the bill as passed by the House.

Inasmuch as a number of items for decontrol are mentioned in the House version of the bill and likewise in the Senate committee version of the bill, the bill as passed by the House providing a certain formula for decontrolling certain commodities, and inasmuch as the Senate committee version mentions a number of commodities which the Senate committee recommends be decontrolled, I desire to offer an amendment. I shall ask that it be read at the desk. Thereafter, I shall ask that it be printed and lie upon the table. The amendment which I shall suggest is limited to agricultural commodities. In order that there may be no mistake in reading my handwriting, I shall take the liberty of reading the amendment myself.

It is intended to replace subparagraphs (A) and (B) of subsection (e) (3) of section 1A, as found on page 20 of the Senate text. I propose to strike out those two subparagraphs, and I shall read the text to be stricken:

(3) (A) Price controls with respect to livestock, poultry, and eggs, and food and feed products processed or manufactured in whole or substantial part from livestock, poultry, or eggs, shall be removed not later than June 30, 1946.

(B) Price controls with respect to milk, and food and feed products processed or manufactured in whole or substantial part from milk, shall be removed not later than June 30, 1946.

I propose as a substitute for those provisions, the following:

(3) Notwithstanding any provision of this act or any provision of title III of the Second War Powers Act of 1942, as amended, or any other law, Executive order or directive, no regulation, order, directive, or allocation shall be issued, made, or maintained (including directives for distribution or price schedules) with respect to timber, petroleum, cotton, milk, livestock, tobacco, poultry, fish and shellfish, grain, peanuts, fruits and vegetables, or any product processed in whole or substantial part therefrom: *Provided*, That no control shall be reimposed on any commodity mentioned in this paragraph or on any product processed in whole or substantial part therefrom unless expressly authorized and directed by the Congress in an act passed and approved subsequent to the approval of this act.

Mr. President, I ask that the amendment be printed and lie on the table.

The PRESIDING OFFICER. Does the Senator from Oklahoma offer the amendment at this time?

Mr. THOMAS of Oklahoma. I ask that the amendment be printed and lie on the table, to be called up after the bill has been sufficiently discussed to permit the Senate to vote upon amendments.

The PRESIDING OFFICER. The amendment will be received, printed, and lie on the table.

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

Mr. THOMAS of Oklahoma. I yield.

Mr. BARKLEY. I have expressed the hope that we may proceed immediately to the consideration of amendments. From my understanding of the matter, I do not think there will be much of what we may call general discussion of the subject. I hope that whatever amendments are to be offered will be offered and discussed promptly, rather than to have a general discussion of the whole bill. I think that will be the more logical way to proceed, and will result in speedier consideration.

Mr. THOMAS of Oklahoma. Mr. President, the majority leader has been quoted in the public press as having expressed the hope that the bill could be finally passed upon and gotten out of the way this week. That would lead some to understand that for the first day or so general debate would occur, and that amendments would be prepared and offered and printed and lie on the table, but that for the immediate future—specifically, this afternoon—amendments would not be offered and considered with the idea of having votes taken on them. I think it wholly unfair to commence voting on amendments until the Members of the Senate can be advised that we have reached such a stage in the process of consideration of the bill that the offering of amendments is in order.

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

Mr. THOMAS of Oklahoma. I yield.

Mr. BARKLEY. I do not recall what I said in regard to when I hoped the bill would be passed. I believe that I first expressed the hope that we would complete consideration of the bill by Thursday night. It may be that, in response to a question asked me by some Senator, I replied that I certainly hoped that we would dispose of the bill this week. I do not suppose that I am to be held to strict account for what I have been quoted as saying with reference to when consideration of any bill before the Senate could be completed.

Mr. President, we are not dealing with a new subject. We have been discussing the OPA for at least a year. It seems to me that any amendments which are to be offered should be offered and voted upon. I do not see any necessity for talking all day about the bill. It will be better to offer amendments and have them discussed and voted upon. I understand that there are such amendments which are to be offered.

Mr. THOMAS of Oklahoma. Mr. President, there are several amendments lying on the table which will be offered later on. Some of those amendments are, so far as their effect is concerned, embraced in the amendment which I have offered.

Mr. MOORE. Mr. President, I did not hear the amendment read. Is it different, in its effect, from the amendments which have been printed, and to which reference was made?

Mr. THOMAS of Oklahoma. It is practically the same except that it contains a proviso. The Senate committee reported to the Senate a bill proposing to decontrol certain commodities and products.

Mr. MOORE. Yes.

Mr. THOMAS of Oklahoma. In one section of the bill they provided that the Secretary of Agriculture could make a certificate, and on the basis of the certificate he could reimpose controls. That might take place the next day after the enactment of the law. Such a provision as that would add nothing helpful to the bill. If the bill should become enacted into law it would result in taking away from OPA supervision over livestock, meat products, poultry, eggs, milk, and milk products. But, the next day after the bill becomes law the Secretary of Agriculture could make a certificate to the effect that there was a shortage in supply of the commodities which I have named, and then reimpose price controls over them.

Mr. MOORE. In other words, the Senator from Oklahoma is pointing out that there would be much uncertainty in connection with the reimposition of controls, which would not be conducive to developing the confidence which the people should have in connection with increasing production. As I understand it, the decontrol provisions which it is proposed to put into effect, are not to be absolute.

Mr. THOMAS of Oklahoma. The amendment which I have offered, if adopted, would result in the permanent decontrol of certain farm commodities until the Congress authorized and directed the reimposition of controls.

Mr. MOORE. Under a new law.

Mr. THOMAS of Oklahoma. Yes.

Mr. President, I cast no aspersions upon those who drafted the committee amendments, but some of them have been so drawn as to permit the Director of the Office of Price Administration to do exactly as he pleases. I assert that so long as the Director succeeds in having the law extended for a year, and so long as he has his emergency court as now constituted, it will make no difference what kind of a law Congress passes. The Director will make his decision. His court will sustain the decision, and no other court will take jurisdiction over the matter, or oppose the decision which has been made. If we cannot write a law which will be sufficiently plain and definite, let us extend the effective date of the present act. If discretion is to be left to determine when price control is to be removed from the commodities which I have named, the proposed formula would be of no benefit to anyone.

Mr. McFARLAND. Mr. President, in order to recontrol these products the Secretary of Agriculture, or the OPA Administrator, must obtain consent of the decontrol board. That certainly represents assurance that recontrol will not be

imposed without some reason for doing so.

Mr. THOMAS of Oklahoma. Mr. President, if the decontrol board is created, it will be a board the members of which will be carefully selected.

Mr. BARKLEY. Does not the Senator from Oklahoma believe that the members of the board should be carefully selected?

Mr. THOMAS of Oklahoma. Yes; but not too carefully. [Laughter.] I believe the Senator understands what I mean.

Mr. BARKLEY. I certainly do.

Mr. THOMAS of Oklahoma. If we are to give one man the power of control over the domestic economy of the United States, let us say so, and not give to some person the power to appoint a board which will be under his domination. We recently saw an example of that. A great Cabinet officer was not in agreement with the gentleman whom I have in mind—Mr. Bowles. The Cabinet officer did not want to do what Mr. Bowles had asked him to do. He did not do what Mr. Bowles had asked him to do until he was ordered to do so. Then he had only two alternatives, namely, sign or resign. He chose to sign. That same situation may occur again. If the Board does not do what it is ordered to do it will be dismissed and a new board will be appointed.

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

Mr. THOMAS of Oklahoma. I yield.

Mr. BARKLEY. We have provided in this bill that, so far as the Secretary of Agriculture is concerned, he is not to be under the jurisdiction or the control of any other appointive officer. Of course, it would be incredible that Congress would say that a Cabinet officer should not be under the control of the President of the United States. But, with the exception of being under the control of the President, the Secretary of Agriculture will not be under the control of, or subject to the orders of, any person. In the case to which the Senator from Oklahoma has referred, the Stabilization Director had authority to instruct the Secretary of Agriculture, I believe, to issue certain orders. The provision to which I have referred in the bill is intended to take away from the Stabilization Director any control over the Secretary of Agriculture. The Secretary would be under the control of no one but the President of the United States himself. So far as the Board is concerned, its members are to be confirmed by the Senate. The Senate may reject the nominations of members for the Board if it sees fit to do so. The Board is to be a wholly independent agency.

Mr. THOMAS of Oklahoma. Mr. President, I remember that the distinguished Senator from Kentucky made the statement in his original presentation that no one except the President of the United States would have power to give instructions to the Administrator.

Mr. BARKLEY. The Secretary of Agriculture.

Mr. THOMAS of Oklahoma. The Secretary of Agriculture, or whoever it may be.

Mr. President, in the last extension of this act a direct provision was written in conference to the effect that, "Notwithstanding the provisions of the existing law, orders or directives, or the orders of any person"—and so forth. The words "orders of any person" were inserted to include the President of the United States. The Congress did not even want the President to negate any provision of the law.

I know the President of the United States is a very busy individual. He does not have time to consider matters of this kind. At least, not in all instances does he have sufficient time to consider the questions involved. He must accept the recommendations of associates and assistants in whom he has confidence. In the past, Congress has adopted provisions to which some of the authorities have paid no attention. Not long ago the Senator from Kentucky offered an amendment which was known, in the parlance of law, as the Barkley-Bates amendment. I assert that the Administrator of OPA evidently has never read that amendment, or if he has read it, he has paid no attention to it, because he has never complied with it.

I wish to read a section from another law which the Administrator either has not read, or, if he has, has paid no attention to. I call attention to the act approved October 2, 1942, Public Law 729, Seventy-seventh Congress. It is an act to amend the Emergency Price Control Act of 1942, to aid in preventing inflation, and for other purposes. I find in this law the following language on page 2:

> Provided further, That in fixing price maximums for agricultural commodities, and for commodities processed or manufactured in whole or substantial part from any agricultural commodity, as provided for by this act, adequate weighting shall be given to farm labor.

Mr. President, so far as I can tell, not a single agency of this Government has ever read that provision. If they have, they have paid no attention to it. I am not willing, so far as I am concerned, to leave any discretion on these controversial matters at any point where they can be made clear and definite. So the amendment I have submitted to the Senate for its consideration proposes to take out from under the controls of OPA the enumerated farm commodities.

Mr. President, there are only a few Senators on the floor at the present time, and I do not feel like discussing the matter to any extent. I content myself with saying that the amendment will be printed, and will be on our desks in the morning for the consideration of this body.

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

Mr. THOMAS of Oklahoma. I yield.

Mr. MAYBANK. I ask the distinguished Senator from Oklahoma if he intends to discuss the amendment more fully tomorrow.

Mr. THOMAS of Oklahoma. The items in the amendment are all agricultural. The Committee on Agriculture and Forestry held hearings on the various things mentioned in the amendment, and we have taken testimony, which comprises several volumes. I shall produce those volumes and discuss each of these items at a future time, before the amendment is voted on.

Mr. MAYBANK. I thank the Senator.

Mr. DONNELL. Mr. President, in the St. Louis Post-Dispatch for June 10, 1946, there appears an advertisement, over the signature of Armour & Co., entitled "Meat-Packing-Plant Lay-Offs—and the Reason Why." In the opening paragraph of this advertisement appears the following:

> Lately we have been compelled to lay off many men and women who have been with us for years and whose services we earnestly desire to retain.

Later in the same paragraph is this language:

> We take this means of explaining to our laid-off employees and their families—and the public—the circumstances which have brought about this deplorable situation.

Continuing, the advertisement says:

> We cannot give the usual amount of employment and the usual opportunity to earn wages primarily because the United States Office of Price Administration has burdened us with regulations which make it impossible for us to buy livestock, particularly cattle, in the numbers required to utilize our plant facilities and maintain normal employment.

Subsequently in the same advertisement there appears the following:

> Until we can bid in competition with the black market we cannot restore normal operations and provide the normal number of jobs in our cattle and beef and allied departments. And we cannot bid in competition with the black market while OPA holds us to its pricing regulations and until the law of supply and demand is permitted to operate in the Nation's meat markets.
>
> The black market will collapse when Armour & Co. and other law-abiding packers are free to buy and sell on a truly competitive basis. Our ability to utilize byproducts will permit us to pay more for cattle and sell beef for less than the black marketeers once competition is restored.

Mr. President, I ask unanimous consent that the entire advertisement to which I have referred be incorporated in the RECORD immediately following these remarks which I have made.

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

MEAT-PACKING-PLANT LAY-OFFS—AND THE REASON WHY

Lately we have been compelled to lay off many men and women who have been with us for years and whose services we earnestly desire to retain. Because Armour & Co. considers regular and continuous employment important along with earning returns on investments of owners and providing the best possible product and service to the consuming public we regret these lay-offs. We take this means of explaining to our laid-off employees and their families—and the public—the circumstances which have brought about this deplorable situation.

We cannot give the usual amount of employment and the usual opportunity to earn wages primarily because the United States Office of Price Administration has burdened us with regulations which make it impossible for us to buy livestock, particularly cattle, in the numbers required to utilize our plant facilities and maintain normal employment.

We say it is impossible and we have challenged OPA officials, union leaders, or any who think otherwise, to buy cattle for us in any number they are able and at any price they have to pay provided only that the price

be "in compliance" with OPA regulations. Thus far our challenge has not brought any result.

It is important to note that profit or lack of profit is not the issue involved and is not the reason for our inability to buy cattle.

The OPA has set maximum permissible prices which we may pay for the various grades of cattle and we are required under threat of severe penalties which include the possibility of imprisonment to buy within the price ranges prescribed.

When we obtain cattle within the prescribed price ranges we are said to be in compliance with OPA pricing regulations.

If we cannot buy the cattle we need within the OPA prescribed price ranges, we have to choose between—

(a) Buying at prices out of compliance and risking the severe penalties provided by OPA, or

(b) Reducing our cattle and beef operations to fit the numbers we are able to obtain in compliance.

Being law-abiding and legitimate operators, we simply are, in these circumstances, forced to reduce operations to fit the numbers we are able to obtain in compliance.

Black-market operators who do not seem to fear violating OPA price regulations are able to obtain cattle that we need and which we try to buy. Frequently the black-market operator's bids for the cattle are as little as 10 cents per hundredweight over the top price we are able to bid in compliance. Under existing regulations, when the black market bids even 10 cents per hundredweight above our compliance level, the black market gets the cattle and we cannot get them.

Until we can bid in competition with the black market we cannot restore normal operations and provide the normal number of jobs in our cattle and beef and allied departments, and we cannot bid in competition with the black market while OPA holds us to its pricing regulations and until the law of supply and demand is permitted to operate in the Nation's meat markets.

The black market will collapse when Armour & Co. and other law-abiding packers are free to buy and sell on a truly competitive basis. Our ability to utilize byproducts will permit us to pay more for cattle and sell beef for less than the black marketeers once competition is restored.

The public will benefit through restoration of competition in these several ways:

1. Increased supply of meat in retail markets where consumers can obtain it at prices which they themselves determine to be fair.

2. Removal of dangers growing out of insanitary conditions which frequently accompany black-market operations.

3 Recovery of byproducts lost in black-market operations but of great importance to users of pharmaceuticals and many other beneficial products.

4. Resumption of regular work schedules in departments which cannot now be operated because of OPA regulations.

We greatly regret our inability to offer regular employment to the many valued and skilled men and women who desire to work for us and who have worked for us but whom we are not now able to provide with work because of conditions beyond our control.

G. A. CARTWOOD,
President, Armour & Co.

PRESIDENT TRUMAN'S VETO OF THE CASE BILL

Mr. McCLELLAN. Mr. President, during the past 2 weeks the President of the United States has had under consideration for approval or disapproval H. R. 4908, commonly known as the Case bill. I supported that measure when it passed the Senate. During the time of the President's consideration of it I am sure that he received counsel, advice, and recommendations with respect to what he should do, what decision he should make, from many, many organizations and citizens of this Nation.

Mr. President, I felt that this measure was of that importance that after it appeared there was some doubt as to what action the President might take, I felt, as a Member of the United States Senate, having voted for the bill, that I should express to him my views and urge him to give this measure his approval.

Therefore, Mr. President, on the 8th of June I sent to the President of the United States a telegram in which I quoted from the President's radio message to the Nation on the night of May 24, 1946. In that telegram I said, among other things:

You said:

"But in any conflict that arises between one particular group, no matter who they may be, and the country as a whole, the welfare of the country must come first. It is inconceivable that in our democracy any two men should be placed in a position where they can completely stifle our economy and ultimately destroy our country. The Government is challenged as seldom before in our history. It must meet the challenge or confess its importance."

Mr. President, that is a part of the language in the message of the President of the United States to the American people on the night of May 24, 1946. I ask unanimous consent that the full telegram to which I have referred be incorporated at this point in the RECORD as a part of my remarks.

The PRESIDING OFFICER. Is there objection?

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

JUNE 8, 1946.

The PRESIDENT,
The White House,
Washington, D. C.:

In your radio address to the Nation on the evening of May 24, 1946, among other things, you said:

"But in any conflict that arises between one particular group, no matter who they may be, and the country as a whole, the welfare of the country must come first. It is inconceivable that in our democracy any two men should be placed in a position where they can completely stifle our economy and ultimately destroy our country. The Government is challenged as seldom before in our history. It must meet the challenge or conconfess its impotence."

Mr. President, your recognition and acknowledgment of this grave challenge and the assurances which you gave of your determination to meet it were most heartening and reassuring to the Congress and the American people. Some temporary relief from the then existing acute crisis has been achieved, but the causes that produce labor-industry strife and the concentration of power in the hands of two men, and in the hands of small and minority groups, under existing laws and to which you obviously referred, still obtain. Until the causes are removed and the tremendous power now placed in the hands of the few is curbed and restrained, the potential threat and challenge to the supremacy and sovereignty of government will remain ever present as a constant menace to law and order and peace in our industry-labor relationships.

H. R. 4908, the Case bill, passed by a large majority of both Houses of Congress and now before you, meets, in part, the challenge that now threatens our Government. If it becomes law, it will take no legitimate right away from organized labor, but will prohibit and prevent some evils and abuses that are now practiced.

The importance of this measure does not properly permit the influence of political considerations and expediency in weighing its merits and the pressing needs for its enactment. The public welfare and the preservation of this Government strongly appeal for your approval. I sincerely hope you will not yield to the persuasion of those who are counseling you to veto this bill. Let us not confess impotency to deal with this grave problem. I most humbly and respectfully urge you to meet the challenge by giving this measure your approval.

JOHN L. McCLELLAN,
United States Senator.

Mr. McCLELLAN. Mr. President, today the President sent a message to the House of Representatives vetoing H. R. 4908. I am deeply disappointed not only in the action of the President in vetoing that measure, but also in the reasons he assigned for so doing. I have read his message, and in my humble judgment it offers a very feeble excuse or alibi, whichever term is preferred, for his failure to approve a measure which would make a contribution in the direction of solving some of the problems which are involved in the industrial-labor strife which exists in this Nation today.

Mr. President, in view of my disappointment, and in order that the record may be kept straight as to my interest in this matter, I wish to read now a statement I have today issued for publication:

I share the disappointment of the American people who believe in equality and justice under the law for all groups and classes of our citizens. It is difficult to reconcile a Presidential veto of this comparatively mild bill with the drastic recommendations the President made to the Congress for proposed emergency legislation. Emergency legislation deals with a temporary crisis. Permanent legislation is needed in line with the provisions of the Case bill to eliminate causes that produce labor-industrial strife.

Mr. President, we are going to be left in a situation unchanged, with the power to which the President referred still reposed in the hands of "two men," and in the hands of a few men, and in the hands of small groups, and in the hands of minorities to destroy the country, just as the President said in his message to the American people on the night of May 24. The President's suggested remedy is that we study for 6 months and then try to formulate a bill which will meet the situation.

Mr. President, the President of the United States sent a bill to Congress as an emergency bill, fully drafted, and recommended its enactment as drafted and as submitted to the Congress. Mr. President, it occurs to me that in view of the experience we have had and the almost continuous studies which have been made by committees of both Houses of Congress, and particularly in view of the long consideration that was given the Case bill by the committees of the Senate and House, and to other provisions that were incorporated in the bill that have been passed in separate bills by the House of Representatives on two or three occasions heretofore, the Congress can-

not be charged with having acted hastily or without due consideration in the passage of the measure.

In view of the veto action by the President, and the failure of Congress to override the veto, the Congress and the President of the United States are tacitly acknowledging impotency to deal with this problem. This, Mr. President, I exceedingly regret.

Mr. President, I ask unanimous consent to have printed in the body of the RECORD as a part of my remarks an editorial entitled "How Would It Hurt Labor?" published in the Memphis Press-Scimitar, and also published in the Washington News on June 10, 1946.

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

HOW WOULD IT HURT LABOR?

Labor leaders are ordering President Truman to veto the Case labor bill, shouting that it will enslave labor and destroy unions.

The Case bill would create a new, independent Federal mediation board, appointed by the President.

That can't hurt labor.

It would authorize this board to try—by mediation, conciliation, and voluntary arbitration—to arrange peaceful settlement of labor-management disputes that threaten serious injury to the public.

What's wrong with that?

It would place on management and unions in such disputes a positive duty to refrain from violence and to give the board a maximum of 60 days for peace-making efforts before resorting to strike, lock-out, or arbitrary changes of wages and working conditions.

Such cooling-off periods have promoted good industrial relations in Minnesota and other States.

It would authorize a special fact-finding procedure for disputes affecting public utilities, with a maximum of 65 days in which strikes and lock-outs would be forbidden.

Will it "enslave labor" for the public to have this reasonable protection against sudden, arbitrary stoppage of services essential to life and safety?

It would authorize labor unions and employers to sue each other in Federal courts for breaches of contract, imposing on both the same responsibility for living up to signed agreements.

Does the life of unions depend upon freedom to break contracts without legal responsibility?

It would forbid unions to use the secondary boycott as a weapon in their battles with employers or with other unions.

Is it a necessary right of unions to punish innocent bystanders when they cannot agree with each other on jurisdictional questions, or to fight their quarrels with employers at the expense of other employers who have no connection with the controversies?

It would subject to Federal antiracketeering act penalties unions found guilty of obstructing commerce by robbery or extortion.

Does honest labor need Federal immunity for robbery and extortion?

It would require joint union-employer responsibility for proper use of health-and-welfare and similar funds contributed by employers through production royalties or payroll levies.

Can labor not live without the right, not only to tax the public in this manner, but to use money thus taken from the public exactly as unions or their officers please?

It would allow foremen to join unions, but leave employers free to refuse to recognize unions as bargaining agents for foremen.

Is it either essential or desirable that unions should have power to usurp management functions by forcing foremen to be represented by the same labor organizations as the workers they are supposed to supervise?

These are the things the Case bill would do. Many of them are things President Truman has said should be done. Which of them do you think would injure any well-intended union? Which of them justifies the frenzied clamor of the labor leaders?

We believe the Case bill provides moderate and fair means of preventing intolerable abuses of labor's power. President Truman should sign it to protect the Nation and its workers from the drastic and immoderate legislation sure to come if the abuses are continued.

Mr. MCCLELLAN. I ask unanimous consent also to have printed in the RECORD an article entitled "Strikes: Gains Versus Losses—Sacrifices for Higher Wages," published in the United States News of June 14, 1946.

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

STRIKES: GAINS VERSUS LOSSES—SACRIFICES FOR HIGHER WAGES—INCREASED PRICES WORKERS PAY BECAUSE PRODUCTION WAS DELAYED—WALK-OUTS' EFFECTS ON OUTPUT OF COAL, STEEL, WASHING MACHINES, AND AUTOMOBILES

Loss to the country from major strikes that have occurred since war ended now is being measured. The loss is high in terms of things that people want and need.

At the same time there is an assessment of gains that have accrued to strikes. These gains, in terms of money, are only modestly higher than they might have been without strikes.

Both losses and gains are the direct, not the indirect, ones that have gone with the season of big strikes that is drawing toward a brief pause.

Workers' losses are in tangible terms, and they have a very real meaning in this period of shortages that affect everyone, strikers and nonstrikers alike.

Wages lost directly by strikers, not by persons indirectly affected by the strikes, amount to $1,050,000,000. A much greater loss than that, but one that cannot be measured accurately, accrued to nonstrikers. The strike of 400,000 coal miners, for example, threw out of work about 1,000,000 persons who were not coal miners.

Man-days of work lost to strikers total 113,305,000. Again those are the direct losses alone and do not include time lost by nonstrikers as a result of strikes. An immense amount of work that might have gone into production of things that people want and need was wasted and cannot now be recovered.

PRODUCTION LOSSES

Because of strikes, people generally were denied many things. This denial can be measured in many ways.

Steel output was reduced by 11,400,000 tons as a result of strikes. That is the equivalent of 2 months' production of this country's steel industry at a time when the world is critically short of steel for manufacture and construction and other uses. It is just as though Great Britain or Russia had closed down her steel industries for a year.

Bituminous-coal-production loss through strikes was 113,000,000 tons. If nations in Europe had a fraction of that coal, many of their problems would be solved. A little of this lost coal could have been used to get Europe's transportation and industry back to work so that food could be distributed and goods produced. In the United States, the coal loss slowed many industries, including steel.

Lumber output lost through strikes totaled 3,150,000,000 board feet, or the equivalent of 5 weeks of full production. Of this lumber, 1,870,000,000 board feet was of the kind used in all types of construction, and 630,000,000 board feet was lumber that normally would have gone into new houses. The loss in new houses is estimated at 98,000.

Then there are losses of great quantities of goods wanted by masses of people.

Automobiles and trucks lost to consumers as a result of strikes total 2,900,000. The total is the direct loss suffered to date and the loss that will accumulate in the weeks just ahead as the automobile industry tries to get back to normal. It is the equivalent of a 6-months' shut-down of the automobile industry in a good production year.

Mechanical refrigerators not produced because of strikes total 1,008,000. As in the case of automobiles, the demand for electric refrigerators is great and urgent.

Washing-machine production losses amount to 415,000 at a time when old equipment is breaking down and housewives are clamoring for new machines. This is equal to 11 weeks of normal prewar production.

Electric ranges totaling 95,000 were not produced because of strikes. Here is another item in great demand by consumers. Nine weeks of normal production was lost.

Gas water heaters totaling 75,000 units were lost as a result of strikes, or the equivalent of 5 weeks of prewar output.

These are only a few of the items in demand by consumers that have suffered production set-backs because of postwar strikes.

Gains of strikers may be measured in terms of what they could have received without striking and what they actually received after striking. In many cases not more than 3 or 4 cents an hour separated the employers' final prestrike offer from the unions' revised demands.

In oil, where the first of the major postwar strikes occurred, most companies offered a wage increase of 15 percent prior to the strike. Workers finally received 18 percent after striking and after Government seizure of the industry. They had started out demanding 30 percent, or 36 cents an hour.

In steel, the industry offered a wage raise of 15 cents an hour before the strike, and the union dropped its demand from 25 cents to 19½ cents. Settlement finally was made on the basis of an 18½-cent increase. Actually, the workers gained 3½ cents an hour by striking for 3 weeks.

In autos, the final prestrike gap between General Motors' offer and union demand was wider. The union dropped its demand from a 30-percent increase to 19½ cents an hour. The company offered 12 cents, and, after the strike started, went up to 13½ cents. The 16-week strike finally was settled by an agreement to raise wages 18½ cents an hour. Here, the workers won a 6½-cent increase, but lost an estimated $130,000,000 or $140,000,000 in wages.

In coal, wages were not the principal issue. The strike followed failure to agree on the miners' demand for a health and welfare fund. The wage increase of 18½ cents an hour that finally was granted was about what the mine operators had offered before the strike.

In other industries, such as meat packing, electrical manufacturing, and farm machinery, strikes brought gains to workers of 5 to 6 cents an hour that they would not have received otherwise.

What this all shows is that workers, by striking, gained increases of a few cents an hour. But it also raises the question of whether these workers and the country as a whole actually are better off because of strikes called at this time.

The workers themselves are taking losses that will offset to some extent their gains. One loss is in wages forfeited while the strikes were in progress. Another loss that eventually might wipe out the gain is the loss from price increases. Wage increases are

forcing corresponding price increases that might not have been necessary if the strikes had been delayed until industry had a chance to produce enough goods to take care of a large part of the demand.

White-collar workers and nonunion workers are taking what amounts to a wage cut. Price rises forced by higher union wages have not been offset for them by compensating wage increases.

Persons living on dividends, interest, or annuities also are taking what amounts to a wage cut. That is because their incomes have remained about stationary while prices are being forced up by higher wages for union workers.

Thus, while one segment of the population is gaining temporary advantage from wage increases, other groups in the country are not sharing these gains. And, if prices rise enough to offset the wage increases, all groups will have lost out.

STRIKERS' MOTIVES

If strikes during this period of scarcity mean temporary or doubtful advantage for strikers, the question arises as to why strikes have been called in such large numbers since the war. The answer is found in the following explanation of union leaders: Strikes were considered necessary to impress employers with union strength and with the fact that unions were serious about demands other than wages. Grievances accumulated against employers during the war added to the strike fever. Many workers welcome a rest after the long hours of wartime. And some union leaders felt that they had to call strikes after the war to assert their leadership and win favor with their members.

WHAT LIES AHEAD

As industry again begins to hit its production stride, the prospect is for a brief respite from major strikes, except in two or three industries. This pause may be followed, however, by a new wave of strikes later this year and early next year. This next wave will not find the country as short of things it needs as it now is, and as a result there may be more resistance by Government and employers, with less gain to strikers.

Mr. McCLELLAN. Mr. President, I ask unanimous consent to have printed in the body of the RECORD as a part of my remarks an article entitled "World Revolution and the United States" by David Lawrence, published in the United States News of June 14, 1946.

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

WORLD REVOLUTION AND THE UNITED STATES

(By David Lawrence)

Anyone who examines objectively the state of affairs in this country cannot but come to the conclusion that the epidemic of world revolution has touched us, too, in the vital nerve centers of economic action.

Collectivism and a dictatorship by the workers gave Russia its totalitarian system. Communism argues that it is better for the workers than democracy. Foreign Secretary Bevin—spokesman of the British Labor Party—in his speech last week to the House of Commons vehemently refutes such a notion.

Many misguided persons in America, while not accepting communism, nevertheless feel that it is a plausible system and that America should not only be tolerant of it but try to work with it.

This is a fallacy. There can be no compromise between democracy and communism. The two systems are mutually exclusive. They cannot be blended.

As long as the Russians wish to confine communism to their own borders, America will be tolerant of that policy. When the Russians, however, seek to extend communism into other parts of the world, such a program becomes a menace to democracy and to the peace of the world. It must be thwarted.

Inside America, the germs of collectivism are spreading. The collective-bargaining power sanctioned as a principle of economic democracy has been abused. It has been transformed into an instrument of coercion.

Violence and threats of more violence are openly a part of the technique of collectivism. There are Communists in the United States who believe in promoting chaos. They are a small but nevertheless influential minority in the labor-union movement.

DIRECT ACTION TECHNIQUE

The non-Communists in the labor movement are gullible. They profess great opposition to the communistic doctrine but they accept its principal techniques of direct action.

The efforts of Congress by means of its committee to expose communism in America are backed by some of the conservative labor groups as well as by other organizations such as the American Legion and various patriotic societies.

But the left-wing elements have taken advantage of some of the crudities of this committee to disparage its work. Among the so-called intellectual liberals, it is the fashion to ridicule any talk of communism in America. That in itself is a technique. The "parlor pinks" have never seen anything wrong with the abuse of collective bargaining, with railroad strikes that paralyze the Nation's economic system, or with the emergence in certain key departments of Government of persons with definitely communistic leanings.

ACTIVITIES THROUGHOUT THE WORLD

Communism has as good a chance to grow in America as it has had in France, or Italy, or in Britain. The British Labor Party is struggling hard to prevent the Communists from joining up and boring from within. This is not just empty talk. It can happen here.

Throughout Latin America, Communists are active with their program of infiltration. Much of this is attributed to the master minds in Moscow who know how to sabotage democratic governments. But it would be a mistake to assume that the main influence behind communism is entirely Russian.

For communisim is a dynamic force. It has followers whose zeal is as ardent as that of any of us in our democracy. Communism is not new in world history. It has had its counterpart in other times and other ages of man. It is a selfish, materialistic philosophy, which starts with cynicism toward all religion and ignores the spirit and reasoning qualities which we like to associate with the teachings of Moses or Jesus. The Golden Rule is not part of the philosophy of communism.

Communism believes in force and in the rule of the few over the many. It is but another name for the despotism with which mankind has been plagued through decades of human history.

The basis of the left-wing opposition to right-wing rule anywhere is, of course, a belief that the same tendency to acquire and exercise power by the few for the many persists on the conservative side. In a democracy, however, where representative government has a chance to function with freedom of press and assembly and freedom of worship, there need be no fear of a government by the few.

What needs to be feared most is that in a government called representative a few shall acquire power, get possession of all branches of the government, and use the constitutional forms to achieve a totalitarian objective.

Labor unions in America have enjoyed a rightful exercise of the privilege of collective bargaining. But when that privilege of self-organization disregards the public interest it is no longer either a privilege or a right. Labor union leadership in America has gone to extremes—and largely because it has been pressed from within by direct actionists and radicals who are not and will not be dismayed either by violence or bloodshed.

The Case bill was passed by Congress in an attempt to check the trend toward irresponsibility among unions in America. It forbids violence. To discard such legislation now is to encourage revolution.

For the Case bill has been and still is a symbol of a possible change in America's attitude toward labor unions. It implies a reversal of the trend toward extremism. It is not a measure that would hamstring labor unions at all. But if it became law it would serve notice that there is a point beyond which extremists cannot go. As such it has developed a psychological importance beyond its literal provisions.

Whether or not the Case bill becomes law at this session is of less importance than whether union labor has learned that it can be and will be checked if it adopts the technique of the direct actionists.

ARMED FORCES AS "STRIKEBREAKERS"

It is a sorry spectacle when a President of the United States has to mobilize the Army to run the railroads and the Navy to operate merchant ships. When the armed forces of this country are used to break strikes, there arises a rebellious and ugly feeling among the unions affected. This is not the way to cure the problem.

The right way is to get at the fundamental principles of monopolistic power granted by Congress or to penetrate in an orderly way the laxity in law enforcement by both the Federal Government and the States whose duty it is to protect citizens against abuse of labor laws.

Sooner or later Congress must face that dilemma and face it courageously. Appeasement is a dangerous process. To be influenced in deciding issues of such grave import as confront us today by considerations of what the labor minorities might do at the polls by way of reprisal is to assume that the vast majority of the citizens are asleep or indifferent. Congress and the President, both in this and preceding administrations, have been appeasing labor unions and showing the white feather.

The time has come for irresponsibility to be checked lest communism get a stronger and stronger hold on the workers of America through the exploitation of those workers by leaders who do not mind using the extreme techniques of the Communists.

MOLOTOV'S EXAMPLE

The American people like to see reason used and compromise obtained by conference. But the Molotov technique of refusing to budge or make concessions is to be seen in the conduct of our labor controversies by left wingers. This is not characteristic of American democracy. It is characteristic of communistic tactics in Europe.

America has been infected from within by a revolutionary-minded group who belittle the religious spirit and seek only materialistic ends. There are men on the employer side who are equally dangerous because they want to repeal all labor's rights and subject them again to exploitation by the few. Extremes beget extremes.

Democracy can and must settle its disputes on a basis of reason and a thoughtful examination of the facts, not by emotion or by the crusading zeal of direct actionists. If democracy cannot stave off the increasing tension, we may see for the second time in our history a fratricide that will be tragic.

Nothing is attained by the collision of physical or economic forces that could not be better gained through the processes of reason and the application of principles of honesty and unselfishness.

The people of America must not be deceived by cries that talk of communism is exaggerated. Its implications are before us in democratic America and it will take the courage of a Lincoln and not the wavering of a Buchanan in the White House to ward off the danger that lies ahead.

Mr. McCLELLAN. Mr. President, I think these editorials and articles contain very enlightening statements and information which should go a long way toward refuting many of the reasons assigned for the veto of H. R. 4908. I express the hope that, although we will not have an opportunity to vote on the veto issue in the Senate, we will be able at this session of Congress to enact legislation that will effectuate some good results, legislation which the President of the United States can accept, legislation on which the Congress and the President can agree, but legislation which will result in affording some protection to the American public both from management and from labor, and that will prevent the hardships and suffering the public has to endure when labor disputes and strikes occur.

Mr. President, had the bill been approved I think it might have been well for Congress to have followed the course recommended by the President, that a joint committee of the two Houses be appointed to give further study and consideration to this very important problem. I hope that such action will be taken, and that such studies will begin immediately, and that such studies will be followed by the enactment of a law which will establish the Government's policy, long range in its aspects, which will tend to solve the problems which now beset us in our labor and industrial relations. Until we can secure peace in industry and labor relations we cannot have production. So long as we have this strife, production and recovery will be retarded. The American people today are anxious for goods. They have the purchasing power to acquire the merchandise needed by them. But so long as we have work stoppages, just so long will we have increasing pressure of inflation against our economy. That is a dangerous situation, and the Congress should make every effort to bring about the enactment of remedial legislation. I hope we can do so during the present session. I hope we can enact legislation that will meet with the President's approval, but if necessary I hope we secure such legislation even though we may finally be compelled to override a Presidential veto.

MESSAGE FROM THE HOUSE

A message from the House of Representatives, by Mr. Chaffee, one of its reading clerks, announced that the House, having proceeded to reconsider the bill (H. R. 4908) to provide additional facilities for the mediation of labor disputes and for other purposes, returned by the President of the United States, with his objections, to the House of Representatives, in which it originated, it was—

Resolved, That the said bill do not pass, two-thirds of the House of Representatives not agreeing to pass the same.

The message also announced that the House had agreed to the amendments of the Senate to the joint resolution (H. J. Res. 360) to provide for United States participation in the Philippine independence ceremonies on July 4, 1946.

The message further announced that the House had agreed to the report of the committee of conference on the disagreeing votes of the two Houses on the amendments of the Senate to the bill (H. R. 5605) making appropriations for the Department of Agriculture for the fiscal year ending June 30, 1947, and for other purposes; that the House receded from its disagreement to the amendments of the Senate numbered 43, 52, 54, 55, and 68 to the bill, and concurred therein, and that the House receded from its disagreement to the amendments of the Senate numbered 66 and 67 to the bill and concurred therein, each with an amendment, in which it requested the concurrence of the Senate.

EXTENSION OF PRICE CONTROL AND STABILIZATION ACTS

The Senate resumed consideration of the bill (H. R. 6042) to amend the Emergency Price Control Act of 1942, as amended, and the Stabilization Act of 1942, as amended, and for other purposes.

Mr. MOORE. Mr. President, the American people have today, I believe, reached a point of great despondency by reason of the veto of the measure which Congress passed. Because of the importance of the measure that has just been vetoed by the President, I think the pending bill is of the greatest concern to the people of America of any legislation that has been before us for many years. If complete repeal could be made of the OPA regimentation and the left-wing theory of Government, it would be a great source of uplift to the American people. In line with that statement I wish to submit for the RECORD views set forth in certain editorials, expressing many of the reasons why the OPA legislation should be repealed. First, I ask to have printed at this point in the RECORD an article entitled "Nation Sabotaging Itself," written by Louis Bromfield, which was published in the Fort Worth Star-Telegram.

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

NATION SABOTAGING ITSELF

(By Louis Bromfield)

I doubt that any great nation in the history of the world has ever presented a more shameful and pitiful spectacle than that taking place today in this country. It is the spectacle of a great nation possessed of great real wealth and an industrial potentiality greater than that of the rest of the world combined deliberately sabotaging itself and in the process sabotaging democracy and the goals of western civilization as well.

The spectacle is that of a great and rich nation setting up government agencies only to have them mocked at and ignored by nearly the whole of the citizenry, which buys and sells freely in black markets because in the midst of potential abundance there are scarcities of everything from shirts to poultry feed. And the moral debauchery of black markets is worse than that of bootlegging, for it touches everyone, reaches into every aspect of our life, gives the rewards to the selfish and scoundrelly, and penalizes the honest citizen by running him out of business.

It is the spectacle of administration, bureaucratic debauchery of government itself with a bureaucracy which uses the taxpayers' money to deceive itself and the Nation by the misuse and falsification of statistics, which asserts that there is no inflation when the sale of many commodities from nylons to meat is actually upon a 90-percent black market basis with prices far above the levels of the last war. It is the spectacle of bureaucrats, using taxpayers' money, to project a great campaign of propanganda in pamphlet, press, and radio to protect and perpetuate their own powers and the deception of the whole people, exactly in the fashion of the bureaucrats of Hitler, of Mussolini, and of Stalin. Liberal Senator BALL spoke a profound truth when he asserted that the seeds of real fascism lie in our great bureaucracies, as they have always done in every modern nation.

It is the spectacle of administration buscrupulous labor leaders, acting without restraint either of legal constraint or of moral responsibility, to destroy the economic welfare of a whole great nation by creating artificial scarcities, black markets, and hardships not only for all the public but most of all for the very industrial workers whose interests they claim to espouse, because the average industrial worker not only suffers from the same miseries of inflation, shortages, black markets, and high prices as the rest of us, but he has the even greater disadvantage of having the whole source of his earnings cut off for weeks, for even months at a time by strikes which do not compensate by the advantages gained for the losses incurred when their reserves of savings and purchasing power, so vital to the Nation and to their own jobs, is being steadily destroyed.

It is the spectacle of a nation actually in the process of destroying the economic security of the individual upon which democracy is wholly founded and by which in the end it can alone survive. It is the spectacle of so-called reformers creating by their acts a great campaign of propaganda in pamstate for everything, for, as the number of our economically insecure citizens increases—those who have no savings, own nothing, pay no direct taxes—they have only to vote for unlimited pensions, doles, reliefs, and government-directed employment programs, and by so doing vote and tax out of existence free enterprise, individual initiative, all capacity for economic independence, and finally the very form of democratic government itself.

We need not fear violent revolutions, for there is no necessity for it. Each year the number of citizens who look to the state instead of to their own efforts for security is increasing and each one of them has a vote. We should regard—those of us who believe in democracy, civilization, and the dignity of man—with terror the revolution of which the CIO Political Action Committee is the spearhead.

The whole spectacle is one of the deception and the folly and indifference of the ordinary man, including the industrial workers, who are the victims and the pawns of those unscrupulous or foolish unbalanced visionaries who are striving to establish the totalitarian state, for under such a state they will be infinitely less well off, as indeed they are in Soviet Russia today.

It is a spectacle in which the methods and the hyena morality of men like Fisk and Gould and Frick are replaced by the hyena morality of the American Communist Party and by the unscrupulous, destructive tactics of men like John L. Lewis and Sidney Hillman, who have replaced the robber barons of a now disciplined and impotent capital and industry.

It is the spectacle of a sound and rich democracy borrowing the technique of central European political philosophies to set class against class, race against race, individual against individual, so that a minority, taking advantage of the confusion and despair, can seize power and all the machinery of bureaucratic dictatorship. It is a spectacle in which human dignity, the privilege and responsibilities of work, of citizenship, and even of simple democracy are being discredited or forgotten.

Some might say that all these things are the results of war. They are only partly so. They are far more the result of the destruction of national morality, honest thinking, and of the minority and class legislation which occurred in the 10 years preceding the war. They follow inevitably the work of those hordes of bigots, fuzzy thinkers, Lady Bountifuls, fanatics, and economic soothsayers which descended upon Washington and bored their way into government like maggots into a piece of cheese. In all history never has any such motley group been given in any nation such an opportunity or such encouragement or such power to sabotage and confuse the ideals, the dignity, the justice, and prosperity of a great and fundamentally rich and sound nation.

Mr. MOORE. Next I ask to have printed in the RECORD an editorial entitled "Capitulation for OPA," published in the Wall Street Journal of June 7, 1946.

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

CAPITULATION FOR OPA

More than once this newspaper has expressed its belief that many of Washington's advocates of economic stabilization by Government fiat wanted to see OPA indefinitely prolonged and endowed with wide powers. More than once official spokesmen for the price controllers have indignantly denied this impeachment—in one case by confusing the personal intentions of certain officers to retire to private life with the real issue, which is the duration in peace of the Government's war-emergency powers.

Evidence of the direction in which the ardent stabilizers are consciously or unconsciously trying to head the country could be found in the reasons they gave for demanding a year's extension of OPA. On Wednesday Price Administrator Paul A. Porter addressed a mass meeting of city employees in New York. He defined the issue before Congress as a choice between price control until the danger of inflation has passed and "skyrocketing prices, with the inevitable aftermath of depression, unemployment, business failures, and farm foreclosures."

Now the fact is that the danger of price inflation will threaten, not simply until June 30, 1947, or any other assignable date, but until Congress and the Executive put the Nation's fiscal policies in order and release the country's productive capacity from the restraints of a managed economy. Of these two factors the former is much the more powerful for or against price inflation. Production in volume is highly important, but we could have that and still suffer a disastrous price inflation if the Government continued to spend in excess of its tax receipts and, by relying on the banking system to finance its deficits at abnormally low interest cost, continued to swell the outstanding volume of spending money.

Over fiscal and monetary policies the OPA has no control. It is not even asking for such control and there is no way to give it such control short of Congress abdicating its authority over appropriations and tax rates and the Treasury turning over to Mr. Bowles or Mr. Porter the management of the public debt, together with supervision of the Federal Reserve System. But OPA has had power to regulate production, which it could exercise only restrictively. When it raises a ceiling price, as it does almost daily, it does so because it is forced, by circumstances over which it has no control, to moderate its own restriction on production. Among the circumstances which drive OPA to permit one bulge after another in the price line are industrial wages, over which neither OPA nor any other agency has effective jurisdiction.

The Senate Committee on Banking and Currency has reported out an OPA extension bill so full of crippling amendments that Chairman WAGNER himself will probably write a minority report denouncing it. It vests determination of control or decontrol of farm products in the Secretary of Agriculture. It forbids compulsory cost absorption by dealers in durable goods, decontrols livestock, meat, poultry, and dairy products at the end of this month, eliminates the maximum average price rule, and forbids OPA to impose quantity or quota restrictions on sales. It makes a beginning on the end of inflationary subsidies by forbidding payments on any articles not already subsidized, cutting food subsidiaries off on May 1, 1947, and limiting such disbursements to $1,100,000,000, compared with $2,000,000,000 asked by OPA. What is left of price control by these and numerous other amendments would continue until June 30, 1947.

Stabilization Administrator Bowles, who thought the extension bill passed by the House in April was the ruination of OPA, is reported to have said that the Senate committee measure was still worse and that he would urge President Truman to veto it if House and Senate should pass it. Nobody knows just what may be done with or to OPA on the floor of either Chamber or in conference committee, but experienced Washington observers think that when the June 30 deadline arrives OPA will be a cripple without crutches. A veto, if it comes, would be merciful euthanasis.

The fatal trouble with OPA is that since VJ-day it has been assigned an impossible task and has refused to face that fact. It has been expected to "hold the price line" against the determination of powerful pressure groups to break it. With the shooting war over, neither the farmers nor the labor unions were willing to remain within a stabilization program. But price stabilization with either group left out was and is a practical impossibility.

But we think Mr. Bowles and Mr. Porter should be allowed to capitulate with the honors of war. They should be permitted to retain their side-arms—that is, their fountain pens.

Mr. MOORE. I also offer for printing in the RECORD a prediction which is made in an article published in the Wall Street Journal, that the technique of the administration now is to allow the amendments of the committee to be enacted into law, and then the President will be advised to veto the measure, and place the responsibility upon Congress for passage or failure of passage of the OPA extension measure. In that connection, Mr. President, I should be very glad indeed to have the opportunity of assuming the responsibility for complete abolition of the OPA.

I ask that the article by George B. Bryant, Jr., to which I referred, published in the Wall Street Journal, of June 8, 1946, be printed in the RECORD, at this point.

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

OPA GAMBLE—TRUMAN ADVISERS HATCH SCHEME TO GET PRICE AGENCY EXTENDED "AS IS"—URGE VETO OF CRIPPLING BILL JUST BEFORE DEADLINE TO FORCE CONGRESS TO GIVE IN—BOWLES, PORTER FAVOR PLAN

(By George B. Bryant, Jr.)

WASHINGTON.—The administration is seriously considering an eleventh-hour gamble to win extension of the price-control law exactly "as is," without any crippling modifications.

The strategy is based on the Presidential veto of the combination OPA extension and reform measure now pending before the Senate. It originated in the offices of OPA Chief Porter and Economic Stabilizer Bowles. Here is the scheme:

The flow of official propaganda will be stepped up to convince the public the type of OPA extension Congress is voting means ruinous price rises.

Meanwhile, no effort will be made to compromise the more drastic amendments advocated in Congress. This will insure the "most crippling" legislation.

Then when the extension measure reaches the White House, probably only a matter of days before OPA's June 30 expiration deadline, the President will veto it and ask a "no-amendment" continuation of price controls.

The Administration would gamble that Congress, anxious to adjourn, will comply rather than risk an end to price controls a few months before the congressional elections in November.

This strategy has yet to be presented at the White House. But its advocates think they can persuade President Truman not only that it might work, but also that it is good politics even if it fails.

WILL RECOMMEND VETO

Messrs. Bowles and Porter will recommend a veto for any extension resolution which (1) requires OPA to allow full costs, plus a reasonable profit, on all products, or (2) requires quick decontrol of food, clothing, and other major cost of living items. By their yardstick, this would mean a veto of the extension unless the House and Senate modify actions already taken.

The veto maneuver would leave four courses of action open to Congress: (1) It could override the veto and force acceptance of a reformed OPA; (2) it could comply with the administration's wishes and rush through a simple extension of OPA until next year; (3) it could extend OPA "as is" for 30 days or more and write another reform and extension measure; or (4) it could just do nothing and let OPA expire.

But the political reasoning behind the veto scheme is that it would place on Congress direct responsibility for any adverse consequences which might result from its handling of OPA, whatever that might be.

In Congress there is a wide difference of opinion and great uncertainty as to what might happen if Mr. Truman follows the advice to veto the extension bill which has been passed by the House and is scheduled for Senate passage this week.

There is little or no disposition in either the House or the Senate to end all price, wage, and rent controls June 30, when OPA is scheduled to expire. The Bowles-Porter strategy counts heavily on this fact. The House bill, and the revisions made in it by the Senate Banking Committee, reflects the conviction in Congress that OPA is substantially responsible for current shortages.

CONGRESS MIGHT OVERRIDE VETO

There is a fair chance that Congress would override a veto, although there is no certainty of this. An attempt to override, how-

ever, undoubtedly would be the first reaction in the House and Senate to a veto. If this move succeeded the fight over OPA would end.

However, if the President's veto should be sustained, Congress then would have to decide what it wanted to do next. Sentiment among Members indicates there would be a determined drive to keep OPA alive beyond June 30. This might take the form of a short "as is" extension, no more than 30 or 60 days, to give the House and Senate time to work out another measure reforming OPA policies but continuing the agency into next year.

It is at this point, however, that the administration would really turn the heat on for a 9- to 12-month continuation of OPA without change. And such a move would have a chance of going over. Members who have fought to reform OPA would have a political "out" for changing their position and voting for an "as is" extension.

Senators and Members of the House who switched and went along with OPA would not be at a loss for an explanation to give their constituents, whether they be friends or foes of the price control agency. They could point out that they tried to reform OPA, but felt they were not justified in killing the agency because of the dangers of wild inflation.

WOULD BE LIABILITY TO ADMINISTRATION

Some Republicans indicate that if they can't make the OPA reforms they have voted for stick, they would be willing to see the price agency continued as is. While they think this would be a mistake, so far as rapidly rising production is concerned, they think it might offer certain political advantages.

This reasoning assumes that OPA will become more and more unpopular as prices rise despite its controls and the black market continues to grow. It sees a chance that an unreformed OPA would become a liability to the administration by the time the voters march to the polls in November.

Mr. MOORE. Mr. President, the Senator in charge of the bill is not on the floor at the moment. I have an amendment which I wish to offer and which I hope the committee will accept, but before I offer the amendment I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

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

Andrews	Hawkes	Murray
Austin	Hayden	Myers
Ball	Hickenlooper	O'Daniel
Barkley	Hill	O'Mahoney
Bilbo	Hoey	Overton
Bridges	Huffman	Radcliffe
Brooks	Johnson, Colo.	Reed
Buck	Johnston, S. C.	Robertson
Burch	Kilgore	Saltonstall
Bushfield	Knowland	Stanfill
Byrd	La Follette	Stewart
Capehart	Lucas	Taft
Capper	McCarran	Thomas, Okla.
Connally	McClellan	Thomas, Utah
Cordon	McFarland	Tobey
Donnell	McKellar	Tunnell
Downey	McMahon	Tydings
Eastland	Magnuson	Vandenberg
Ellender	Maybank	Wagner
George	Mead	Walsh
Guffey	Millikin	Wherry
Gurney	Moore	White
Hart	Morse	Wilson
Hatch	Murdock	

The PRESIDING OFFICER (Mr. DOWNEY in the chair). Seventy-one Senators having answered to their names, a quorum is present.

Mr. MOORE. Mr. President, I offer the amendment which is at the desk, and I ask that it be read.

The PRESIDING OFFICER. The amendment will be stated.

The CHIEF CLERK. On page 18, in line 2, it is proposed to insert a period after the parenthesis, and strike out the balance of line 2 and all of lines 3 to 24, inclusive.

Mr. MOORE. Mr. President, I think it can readily be seen that the amendment I now propose is not a crippling amendment. It is only a clarifying amendment. I hope the Senator in charge of the bill will agree to its adoption.

On page 17 of the bill the following appears:

(2) The Administrator shall provide for the prompt removal of maximum prices in the case of any nonagricultural commodity whenever the supply thereof exceeds or is in approximate balance with the demand therefor.

That is very plain that far, I think.

The amendment I have offered proposes beginning after the parentheses following the words "(including appropriate inventory requirements)" to strike out the following language, which I think is vague and not capable of proper interpretation or of expressing the will of Congress, but would leave the matter exclusively to the will of the Administrator:

And it appears that prices of the commodity will not rise as a result of the action, or that although prices of the commodity will rise as a result of the action (i) they will not exceed a true reflection of current costs (as determined by the normal accounting methods of the particular industry with which the commodity is identified) plus reasonable profits and (ii) the increase will not be such as to unstabilize dangerously the prices of other important commodities or (taking account of increases in prices of other commodities which would result from application of the same decontrol standard) to jeopardize seriously the attainment of a reasonable stable peacetime economy.

(3) Whenever, after a reasonable test period, it appears that the market prices of a nonagricultural commodity which has been decontrolled pursuant to this section have risen in a manner which is inconsistent with the applicable decontrol standard, the Administrator, with the advance consent in writing of the Price Decontrol Board established under subsection (h), shall reestablish such maximum prices for the commodity, consistent with applicable provisions of law, as in his judgment may be necessary to effectuate the purposes of this act.

The purpose of this amendment is to avoid confusion in the standards which the Congress proposes to establish for the conduct of the Administrator with relation to decontrol of nonagricultural commodities. The first four lines of paragraph (2) of Subsection (d) set forth clearly a standard that such maximum prices shall be removed whenever supply of a nonagricultural commodity exceeds or is in approximate balance with demand. The provision, as now included in the matter proposed to be stricken, confuses and conflicts with those standards. As the bill is written, the Administrator must anticipate whether or not price increases will result from the removal of price ceilings, and it provides further that such removal shall not be effective if such increase in prices as may be anticipated exceeds a true reflection, of current cost. This would require a factual study of each industry affected. In the case of petroleum it would require a survey of some 18,000 to 20,000 operating companies. Experience has shown that this would take from 12 to 18 months. By the time such survey is completed it is antiquated. Consequently the results of such a study can never be current.

The bill as written imposes a third condition upon the Administrator which he must consider before removal of price ceilings, for which there is no means of ascertaining an answer, namely, that any price increases will not unstabilize dangerously the prices of other commodities or jeopardize the attainment of peacetime economy. It is purely a matter of opinion, and such opinion would cause confusion and endless controversy. These two clauses would render uncertain and ineffective the standards clearly set forth in the first four lines of paragraph (2), subsection (d), and render this standard absolutely useless.

The provision contained in paragraph (3) of this subsection, which this amendment proposes to strike, provides for the reimposition of controls when the administrator advises that the price action subsequent to decontrol has been inconsistent with the standard set up for decontrol.

This proposal for reimposition of controls would keep all industry in a state of uncertainty and render ineffective the provision for decontrolling prices because, with this uncertainty and fear, industry would be unable to resume the normal functions of a peacetime economy which decontrol of prices is contemplated to make possible.

Mr. TAFT. Mr. President, roughly speaking, this amendment proposes to apply to non-agricultural commodities the same decontrol standard as that which is prescribed for agricultural commodities in the bill itself.

Mr. President, I listened with some interest to the speech of the Senator from New York [Mr. WAGNER], the chairman of the committee, on the subject of the sweeping character of this particular bill, and his statement that it would eliminate practically all price control in the United States. I believe that the Senator greatly overstated the effect of the bill.

In regard to the subject of decontrol, which is perhaps basic in the consideration which we are giving to it today there is, so far as I am aware, no difference of opinion except one of degree and one of time.

The amendment, which begins on page 15 of the bill, was adopted substantially by all members of the committee. There was no great difference of opinion with regard to the general principles which should apply to the decontrol of commodities. The principle is stated on page 16 of the bill under the subtitle "Declaration of Decontrol Policy." This amendment was proposed by the distinguished majority leader, and, as I have already

said, it met with no difference of opinion within the committee, and no criticism from the distinguished chairman of the committee when it was offered. The language reads as follows:

(b) Declaration of decontrol policy: Therefore, it is hereby declared to be the policy of the Congress that the Office of Price Administration, and other agencies of the Government, shall use their price, subsidy, and other powers to promote the earliest practicable balance between production and the demand therefor of commodities under their control, and that the general control of prices and the use of subsidy powers shall, subject to other specific provisions of this act be terminated as rapidly as possible consistent with the policies and purposes set forth in this section and in no event later than June 30, 1947, and on that date the Office of Price Administration shall be abolished.

Mr. President, that is a statement of principle to which all members of the committee adhere. We agree that price control is entirely an emergency power; we agree that it should be ended 1 year from now, or substantially ended by then; and we agree that in peacetime there should be no price fixing. The only difference between the supporters and opponents of the committee bill is on the question of when the date should be fixed.

The bill continues to provide expressly that, in connection both with agricultural and nonagricultural commodities, all of such commodities which are not important in relation to business or living costs shall be decontrolled by the 31st of December, before the convening of a new session of Congress.

The difference of opinion which has arisen is with regard to whether the Congress itself shall undertake to decontrol any commodities. We have incorporated a general provision by which, in addition to the nonessential commodities which he is required to decontrol by the first of January, the Secretary of Agriculture may decontrol any other commodities which he sees fit to decontrol under the formula which is prescribed in the bill.

It is further provided that the Price Administrator shall decontrol nonagricultural commodities under another formula which is prescribed in the bill. If neither is done, the industry affected may appeal to a price-control board consisting of three members which is to be appointed for the purpose of dealing with the question of decontrol. So we have adopted a policy of gradually decontrolling commodities from price regulation within a year, and before the expiration of the year if it is possible to do so.

The principal difficulty which I have had in connection with this decontrol amendment is in the fact that the standards prescribed for agricultural commodities are different from those which are prescribed for nonagricultural commodities. It has seemed to me that we should apply the same standards to both agricultural and nonagricultural commodities.

In connection with agricultural commodities, the Secretary of Agriculture is directed as set forth beginning on page 18 of the bill, to certify every commodity which is in short supply, and beginning in line 10 on page 19 of the bill it is provided that—

No maximum price shall be applicable with respect to any agricultural commodity during any calendar month which begins more than 30 days after the date of the enactment of this section, unless such commodity is certified to the Price Administrator under this paragraph as being in short supply.

That is defined on page 21 as follows:

(A) an agricultural commodity shall be deemed to be in short supply unless the supply of such commodity equals or exceeds the requirements for such commodity for the current marketing season.

In effect, therefore, the Secretary of Agriculture is required to decontrol an agricultural commodity if he finds that the supply equals or exceeds the demand.

I believe very strongly that we should apply the same formula to nonagricultural commodities. However, on pages 17 and 18, the standard is set up, and we find the following language:

(2) The Administrator shall provide for the prompt removal of maximum prices in the case of any nonagricultural commodity whenever the supply thereof exceeds or is in approximate balance with the demand therefor (including appropriate inventory requirements).

So far, the language is in entire accord with the agricultural standard, and it seems to me to apply a sufficient and fair standard.

The bill provides further that it must also appear that—

Prices of the commodity will not rise as a result of the action, or that although prices of the commodity will rise as a result of the action (i) they will not exceed a true reflection of current costs (as determined by the normal accounting methods of the particular industry with which the commodity is identified) plus reasonable profits and (ii) the increase will not be such as to unstabilize dangerously the prices of other important commodities or (taking account of increases in prices of other commodities which would result from application of the same decontrol standard) to jeopardize seriously the attainment of a reasonably stable peacetime economy.

No one can come before a price control board and prove the facts he is required to prove in order to obtain the decontrol of a nonagricultural commodity. No one can say when a price will rise; no one can be certain whether it will unstabilize other commodities or will not do so. In effect it seems to me that so long as this standard remains in the bill, all the machinery set up for providing decontrol of nonagricultural commodities is perfectly futile.

We had submitted to us evidence, particularly on behalf of the petroleum industry. The petroleum industry is in a peculiar condition, because during the war the production of petroleum was expanded. It was expanded for war purposes. No special treatment was required in the case of petroleum. When the war came to an end, naturally the petroleum supply, which had formerly been just sufficient for war requirements and limited civilian use, was more than sufficient to meet the civilian demand for petroleum products. The evidence shows that production today is completely adequate to meet the demand. It shows that stocks of petroleum products have actually increased; they have been building up. I am not sure whether there has been any actual cutting back of production by suggestion of State authorities, but there has been a cutting back of the total production. So in this case it is perfectly obvious that, under the circumstances, the article should be decontrolled. But it has not been decontrolled. We have had that condition for 2 or 3 months. The Price Administrator has repeatedly talked about decontrolling petroleum products, but when Mr. Porter came on the stand, we tried to pin him down. We said, "If this is so"—and there is no substantial dispute about it—"when do you intend to decontrol petroleum products?" He would not give us a definite reply.

I have no confidence that if the matter is left entirely to him, without any standard prescribed by Congress, there will be any decontrol. I think the reason is perfectly clear. There will not be very much increase in the price of petroleum products. There cannot be, under the conditions and with the supply available. It is conceivable, and probable, that gasoline will go up a cent a gallon, possibly 2 cents a gallon, not because of any inflation, but merely because under normal conditions of demand and supply in the United States the price of gasoline would be higher than the artificially low price prescribed and held by Mr. Bowles practically for the entire period of the war. In other words, there probably will be some increase in price in order to get the price of petroleum products in line with other prices and other costs, and in order to secure the additional drilling, the additional incentive for men to go into the business to maintain permanently the reserves of petroleum which are necessary to keep our country permanently supplied with petroleum products.

The only effect of the language from lines 2 to 14, in my opinion, is that it will give the Price Administrator an excuse not to decontrol, and if the oil industry appeals to the new Price Decontrol Board, it will give the Price Administrator an opportunity to argue that the conditions are not such as to meet the very complicated formula which appears on page 18. Furthermore, I see no reason in the world why we should apply a different rule to nonagricultural products than to agricultural products.

Therefore, Mr. President, I hope very much that the amendment submitted by the distinguished Senator from Oklahoma will prevail, and that we may hope that under this formula there will be a gradual decontrol in accordance with the policy prescribed by Congress as to nonagricultural commodities.

Mr. McFARLAND. Mr. President, does the Senator favor striking out paragraph (3)? This amendment would strike out paragraph (3), which is a recontrol provision.

Mr. TAFT. I agree that paragraph (3) raises a different question which I have not discussed. Personally, I should be inclined also to strike out paragraph (3). If the Price Administrator, after hearing and the application of the pre-

scribed tests, decontrols a nonagricultural commodity, I think it would be better that it stay decontrolled. We are in the process of gradual decontrol, and if he happens to take one product that goes up a little more than it should go up, personally I would rather not have the threat of recontrol over the particular commodity. On the other hand, I think the Senator has a perfect right to ask for a separation of the amendment, and I think I shall ask to have that done, if the Senator does not suggest it.

Mr. McFARLAND. The Senator said in the beginning of his remarks that the program was to decontrol within the next year. If we want to decontrol, we had better have a recontrol amendment, because if we do not, those charged with the responsibility of decontrolling will hesitate to decontrol if they cannot recontrol in the event they find they have made a mistake. I personally feel that it would hinder the decontrol program not to have in the law paragraph (3) as it is written in the bill.

Mr. TAFT. Mr. President, I ask for a separation of the amendment, that the latter part of paragraph (2) be separated from paragraph (3). They involve different questions. If paragraph (2) is modified by striking out the last part, it might require some modification of paragraph (3).

Mr. MOORE. Mr. President, I accept the suggestion.

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

Mr. TAFT. I yield.

The PRESIDING OFFICER. Does the Senator from Massachusetts wish to speak on this provision?

Mr. SALTONSTALL. I should like merely to ask the Senator from Ohio a question on the subject which he has been discussing.

The PRESIDING OFFICER. Does the Senator desire to resist the separation of the provisions of the amendment into two parts?

Mr. SALTONSTALL. Oh, no.

The PRESIDING OFFICER. The Senator from Ohio has a right to demand a division of the question, and the Senator from Oklahoma having consented, the amendment will be divided into the two parts indicated.

Mr. TAFT. I yield to the Senator from Massachusetts.

Mr. SALTONSTALL. The Senator from Ohio has said he thought the decontrol of nonagricultural commodities is similar in principle to the decontrol of agricultural commodities. Reading paragraph 2, on the bottom of page 17 and the top of page 18, I find it provides for the prompt removal of maximum prices, and sets no time, or any other condition.

In the agricultural provision, subdivision (e), it is provided that, "On the first day of the first calendar month which begins more than 30 days after the date of the enactment of this section," certain things shall happen. Would it not improve the provision and make for better administration if the word "prompt", which appears on line 22, page 17, were deleted, and after the word "requirements" in line 2, page 18, the words "on the first day of the first calendar month which begins more than 30 days after the enactment of this section," were inserted? It would be exactly similar, as I see it, as the agricultural section, and be somewhat clearer from the point of view of administration and preparation of plans.

Mr. TAFT. I really do not see the value of it. I never quite saw the value of a monthly certification by the Secretary of Agriculture. I have no objection to it, but the machinery set up for the decontrol of agricultural commodities puts it up to the Secretary of Agriculture to certify every 30 days that a commodity is in short supply, in order that the control of that commodity may be retained. It is a good deal stronger provision for the decontrol of agricultural commodities than the other action, because no positive action is required of the Decontrol Board except on an appeal from the action of the Administrator. So while I have no basic objection to the decontrol of agricultural commodities, a good many words would be required in order to make the present section exactly parallel with that dealing with agricultural commodities. When the Administrator has once determined the formula to exist and the supply to be adequate, it seems to me it is a good deal better for him immediately to remove the controls. If he determines that on the 15th of March, and then says they will be decontrolled on the 1st of April, there will be 2 weeks when every one will have an opportunity for speculation. As a general proposition it seems to me much better to have decontrol announced without any preliminary warning, to take effect the day it is announced, rather than on the first of the following month. So I would prefer, if the Senator does not object, to leave the language as it is on page 17.

Mr. REED. Mr. President——

The PRESIDING OFFICER (Mr. HOEY in the chair). Does the Senator from Ohio yield to the Senator from Kansas?

Mr. TAFT. I yield.

Mr. REED. The Senator from Ohio has been discussing a matter which is very important from my point of view. I am not familiar in detail with the handling of these questions in the Committee on Banking and Currency. The Senator from Ohio is. The amendment, as I recall, was offered by the Senator from Alabama [Mr. BANKHEAD]. May I inquire of the Senator from Ohio what his interpretation of a short supply would be? Does "short supply" refer only to the domestic requirement of the particular commodity, or does it also include all sources of demand, including foreign demand? Take wheat, for example. There is no question about the adequacy of the wheat supply for all domestic requirements.

Mr. TAFT. In my opinion the definition is now contained on page 21:

> An agricultural commodity shall be deemed to be in short supply unless the supply of such commodity equals or exceeds the requirements for such commodity for the current marketing season.

In my opinion, that includes foreign requirements as well as domestic requirements. I assume that the determination of such requirement would be made by the allocation board which today passes on foreign requirements and determines how much we may ship during the ensuing year.

Mr. REED. I may say to the Senator from Ohio that I had intended to question the Senator from Alabama about that matter, but he is absent because of illness. It seems to me that leaves a point of confusion in the administration of the bill that might make it very difficult from the standpoint of the producer of these commodities. When a commodity is in sufficient production to meet the domestic demand, should control be held over the prices of such commodity because there comes, as there is presently, an artificial demand for wheat, for example, for relief purposes in other parts of the world?

Mr. TAFT. The Senator from Kansas asks my opinion. As the Senator says, of course, the agricultural part of the amendment was originally offered by the distinguished Senator from Alabama [Mr. BANKHEAD], and was adopted by the committee. The committee then voted to have that consolidated in a general decontrol section, which also covered nonagricultural commodities, and also provided for the decontrol board, and it was so incorporated. But the wording of the Bankhead amendment as originally adopted by the committee was not changed, and I do not know what the Senator from Alabama intended. However, if consideration is to be given to supply and demand as a factor for decontrol, I do not see how we can avoid taking into consideration the foreign demand. If it is a demand which our Nation feels that it should recognize as a proper and necessary draft on our supplies in order to meet the starvation condition of the world, I cannot see why that demand should not be taken into consideration just as much as the demand for domestic consumption.

Mr. REED. I am sure that the Senator from Ohio will agree that there is a very clear distinction between demand for a nonagricultural commodity and demand for an agricultural commodity such as wheat, or, going a little further, the supply of an agricultural commodity such as wheat and the supply of such a commodity, for example, as steel. We harvest one wheat crop in 12 months, and that is all. The supply of wheat is determined by the acreage planted plus the weather. Steel may be produced more or less liberally, depending upon industrial conditions and the number of steel mills operating, and what the disposition of the steel industry is as to production. It seems to me very clearly that a difference exists between the two which might well be recognized in this bill if we are going to enact it into law.

Mr. TAFT. Mr. President, that question can be taken up. At present we are considering only the question of the formula for nonagricultural commodities. I feel very strongly, since we have adopted the general policy of decontrol, that the same standard should govern nonagricultural commodities as agricultural commodities, and that, therefore,

the latter part of the subsection, paragraph (2), beginning on page 17 and ending on page 18, should be stricken out.

Mr. SALTONSTALL. Mr. President, may I ask one more question?

Mr. TAFT. Certainly.

Mr. SALTONSTALL. This may be a wrong interpretation, but is it clear, if the language of the amendment is adopted as it is now written, that the Administrator shall have to make, before December 31, 1946, an inventory to show that supply does equal demand?

Mr. TAFT. Is the Senator referring to the date set forth on page 17 under paragraph (1)?

Mr. SALTONSTALL. Yes.

Mr. TAFT. Paragraph (1) on page 17 relates only to such nonagricultural commodities as are not important in relation to business cost or living cost.

Mr. SALTONSTALL. That is what I mean.

Mr. TAFT. Those commodities are all to be decontrolled, regardless of supply, by the first of next January. But, frankly, particularly with the Price Administrator interpreting what commodities are important in relation to business costs or living costs, I do not anticipate extensive decontrol under paragraph (1), because I think the Price Administrator has decontrolled about 5 percent of all products up to this time on the ground that they are not important in relation to living costs.

Mr. SALTONSTALL. Take petroleum. Under the wording of this measure—perhaps I am wrong—why would the Administrator have to make any inventory of petroleum before December 31, 1946, to prove that supply does equal demand?

Mr. TAFT. I would say that petroleum has no relation to commodities intended to be covered by paragraph (1). Petroleum is a commodity which is important in relation to business costs and living costs, and therefore I think the Price Administrator would find that paragraph (1) did not justify decontrol of petroleum. He would, therefore, look at paragraph (2), and paragraph (2) provides for the prompt removal of maximum prices of any nonagricultural commodity, no matter how important in relation to business costs or living costs, whenever the supply thereof exceeds or is in approximate balance with the demand, and he is therefore under a duty continuously from the passage of this act to determine whether the supply thereof exceeds the demand.

Mr. SALTONSTALL. Does the Senator think that is clearly expressed?

Mr. TAFT. Yes, I think that is clearly expressed. The distinguished Senator from Colorado [Mr. MILLIKIN] had something to do with drafting this measure. Does he not agree with that interpretation?

Mr. MILLIKIN. Mr. President, I agree entirely with the interpretation, and I should like to point out to the distinguished Senator from Massachusetts that there is no conflict between the two paragraphs. If the Administrator should refuse to decontrol something that is not important and is in balance he can be, theoretically at least, compelled to decontrol under the next paragraph of the measure.

Mr. HICKENLOOPER. Mr. President, through the Senator from Ohio I should like to straighten this out a little further. There is no question, I take it, in the mind of the Senator from Ohio or in the mind of the Senator from Colorado that in the case of petroleum, which all the evidence shows is in ample supply to meet all the demands in this country, the Administrator could for no good reason avoid or refuse to decontrol.

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

Mr. TAFT. I yield.

Mr. MILLIKIN. In my opinion all the evidence at the hearings supports the position of the distinguished Senator from Iowa. I have seen no evidence that would refute the claim made by the oil industry that it is in balance at the present time.

Mr. HICKENLOOPER. Mr. President, will the Senator yield to me?

Mr. TAFT. I yield.

Mr. HICKENLOOPER. I wish to ask the Senator from Ohio a question which I think I raised in the committee. What is the real necessity then of subsection (d) on page 17? In other words, is not the test in a free economy and in a recovering economy whether supply equals demand? If supply equals demand, then why put in subsection (d) provisions which give the Administrator the right in his judgment to say a commodity may affect other commodities, and therefore he will not decontrol? Why not simply decontrol nonagricultural products when the supply equals the demand, and rely on paragraph (2) of subsection (d)?

Mr. TAFT. The Price Administrator must also pass on the question whether the supply exceeds the demand. We cannot simply let everyone guess whether the supply meets the demand. The situation of course is that, from Mr. Bowles' public statements, and I think to some extent from his testimony before the committee, the committee felt that he was too much inclined to hang on to control. Therefore the committee provided in this bill for an appeal from the Price Administrator to a Price Decontrol Board of three men, to be appointed by the President and confirmed by the Senate, who would approach the problem from an impartial standpoint presumably, and would overrule the Price Administrator if he refused to make the findings that are necessary either under (d) (1) or under (d) (2). But there is no way that I can see that we can merely say "Whenever a commodity is in supply equal to demand, price regulations can become null and void." Because who knows? Everyone judges that question for himself, and half of the people, I presume, pay no attention and the other half do pay attention. Someone must find that the conditions exist for decontrol.

Mr. HICKENLOOPER. That is the point I am raising. Paragraph (2) under subsection (d) does just that. It says:

> The Administrator shall provide for the prompt removal of maximum prices in the case of any nonagricultural commodity whenever the supply thereof exceeds or is in approximate balance with the demand therefor.

Why is not that ample? Why do we need paragraph (1)?

Mr. MILLIKIN. Mr. President——

Mr. TAFT. My answer is that under paragraph (1) the nonessential things are to be decontrolled even if they are in very short supply. That is the reason for paragraph (1). In other words, in the case of the nonessential items, it makes no difference if the price is doubled or trebled. The price control will be taken off.

Mr. HICKENLOOPER. The Administrator is supposed to do that anyway.

Mr. TAFT. If we wish to leave to the Price Administrator complete power and simply continue the existing act, that, of course, would be justified if we could assume that he would do what he ought to do. But our assumption is that he will not do what he ought to do.

Mr. HICKENLOOPER. My objection is to the "out" which the Administrator has in refusing to decontrol anything under paragraph (1).

Mr. TAFT. I yield to the Senator from Colorado.

Mr. MILLIKIN. I should like to confirm under my own understanding, the interpretation of the Senator from Ohio with respect to the first paragraph that is being discussed, as to nonimportant items. The point is that they should be decontrolled by a certain date, without any if's, but's, or maybe's, and whether or not in short supply. Passing the question of the balance of supply and demand of unimportant items we wanted to get the Administrator's mind off of such items so that his energies and those of his agency could be devoted to important things.

Mr. HICKENLOOPER. I would approve the paragraph if it accomplished that purpose; but I do not believe that it would do it.

Mr. MILLIKIN. The only way I can suggest to the Senator to still the fear in his mind is to do away with the agency entirely.

Mr. HICKENLOOPER. That might not be a bad idea.

Mr. MILLIKIN. The distinguished Senator may be right.

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

Mr. TAFT. I yield.

Mr. SALTONSTALL. I do not wish to prolong the discussion on what is perhaps a minor point, but it is not clear in my mind that anyone must reach a decision before the Administrator shall provide for the prompt removal of control. In the bill as it is now drawn, on page 18, there is a certain formula which he must follow. I should like to ask the distinguished Senator from Ohio if it would not improve the language, at the bottom of page 17, in the last line, line 24, if these words were added:

> The Administrator shall provide for the prompt removal of maximum prices in the case of any nonagricultural commodity as soon as in the opinion of the Administrator the supply—

And so forth. That means that he must reach a decision, and must act on that decision. But as the language is now drawn, I think it is quite doubtful if he must reach a decision. He could quibble about it. I should like to vote for

this amendment, but I should like to have the language clear.

Mr. TAFT. Mr. President, I think there can be no doubt about the meaning. The language is:

> The Administrator shall provide for the prompt removal of maximum prices in the case of any nonagricultural commodity whenever—
>
> As opposed to December 31, 1946—
>
> the supply thereof exceeds or is in approximate balance with the demand therefor.

If we insert "in his opinion," while that may be implied, it certainly would weaken the section. An absolute standard is laid down by Congress, and he is directed to decontrol whenever that standard is met. It seems to me to be stated in as strong a way as it could be stated. When we lay down a standard and do not ourselves decontrol the commodities, someone must make the decision, and that man is the Price Administrator. Not having entire confidence in the Price Administrator doing so, this section continues, on page 22, to provide for an appeal if the Administrator should fail to make the decontrol required on page 17. Subparagraph (g) on page 22 reads in part as follows:

> If in the judgment of the industry advisory committee appointed by the Administrator in accordance with section 2 (a) of this act to advise and consult with him with respect to a commodity, the policies and standards set forth in this section require the removal of maximum prices for such commodity, it may file a petition for the removal of such maximum prices.

Such petition is filed with the Administrator, and if he decides that the conditions set forth on page 17 are not met, then there is provision for an appeal to the Price Decontrol Board.

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

Mr. TAFT. I yield.

Mr. MILLIKIN. I suggest that if the matter were to rest on the opinion of the Administrator, rather than on the affirmative injunction which the language now provides, there would be a very tenuous ground for appeal to the Decontrol Board.

Mr. TAFT. Yes; it would weaken the section very materially to insert "in the opinion of the Administrator."

Mr. President, I have nothing further to say, except that I hope that the first section of the amendment of the Senator from Oklahoma [Mr. MOORE] will be adopted.

Mr. THOMAS of Oklahoma. Mr. President, will the Senator yield before he takes his seat?

Mr. TAFT. I yield.

Mr. THOMAS of Oklahoma. I invite attention to paragraph (7) on page 22, and more particularly to line 11. The paragraph reads as follows:

> (7) No maximum price and no regulation or order under this act or the Stabilization Act of 1942, as amended, shall be applicable with respect to any agricultural commodity, or any service rendered with respect to any agricultural commodity, unless a regulation or order establishing a maximum price with respect to such commodity had been issued under this act prior to April 1, 1946.

That is not an amendment of any existing law. It refers to "this act." "This act" was not in effect on April 1, 1946, and, of course, such an order could not have been issued under "this act". So I ask the Senator's reaction to an amendment striking out the words "under this act" in line 11, so as to read: "had been issued prior to April 1, 1946."

Mr. TAFT. Mr. President, this entire section is an amendment to title I of the Emergency Price Control Act of 1942. The Senator will find, at the bottom of page 14, the following language:

> Title I of the Emergency Price Control Act of 1942, as amended, is amended by inserting after section 1 thereof a new section as follows:

Therefore, wherever the word "act" appears in section 1A it refers to the Emergency Price Control Act of 1942. However, I would prefer to have the Senator from Arizona [Mr. MCFARLAND] answer any questions on this particular section. I was not on the subcommittee which drafted it.

Mr. MCFARLAND. Mr. President, the wording was intended to refer to the Price Control Act. If it is not plain, I shall be glad to confer with the Senator from Oklahoma and concur in an amendment.

Mr. BARKLEY. Mr. President, there is no question that the entire section 1A, which contains several subsections, is an amendment of the Emergency Price Control Act of 1942, because at the bottom of page 14 there is the following language:

> Title I of the Emergency Price Control Act of 1942, as amended, is amended, by inserting after section 1 thereof a new section as follows:

All of this language is under section 1A, which becomes a part of the act of 1942.

Mr. MAYBANK. Mr. President, I should like to ask the Senator from Arizona a question. Would this section prevent the placing of a ceiling price on raw cotton?

Mr. MCFARLAND. Without question it would prevent the placing of a ceiling price on raw cotton. The Senator from Arizona offered the amendment, and it was intended to prevent a ceiling price being placed on raw cotton.

Mr. THOMAS of Oklahoma. If the words "under this act" are eliminated, then it cannot be misconstrued. But if some court unfriendly to the cotton farmer and cotton interests, or friendly to the Administrator should hold that "this act" was not in existence on April 1, 1946, through a technicality a ceiling price could be placed on raw cotton.

Mr. BARKLEY. Mr. President, this is not technically a new act. It is an amendment to the existing act.

Mr. THOMAS of Oklahoma. If that be true, and if that is what it means, why not strike out the words "under this act," so as to read:

> Unless a regulation or order establishing a maximum price with respect to such commodity had been issued prior to April 1, 1946.

Mr. MCFARLAND. Subparagraph 7 begins:

> No maximum price and no regulation or order under this act or the Stabilization Act of 1942, as amended—

And so forth.

Mr. THOMAS of Oklahoma. If we want the paragraph to mean what it is alleged to mean, why not strike out the words "under this act"? Then no one can misinterpret the section. So long as those words are left in the bill, I am fearful that the said words "under this act" may be misinterpreted.

Mr. BARKLEY. All through the bill the Price Control Act of 1942, as amended, and the Stabilization Act of 1942, as amended, are referred to.

Mr. THOMAS of Oklahoma. This paragraph is not in any existing law. It is a new section. To say "under this act" when there is no such act, and no such provision in any act, may make it subject to misconstruction.

Mr. BARKLEY. Whenever this is inserted in the present law it will have the same effect as though it had been there when the law was originally enacted.

Mr. THOMAS of Oklahoma. Then why not strike out the words "under this act"?

Mr. MCFARLAND. Mr. President, I know that the Senator from Oklahoma and the Senator from Arizona wish to reach the same goal. I shall be glad to confer with the Senator.

Mr. THOMAS of Oklahoma. I raised the point so that the question might be thoroughly discussed.

Mr. MCFARLAND. I thought there was no question about it. It was discussed in the committee, and it was understood by all concerned that if a maximum price had not been fixed prior to April 1, 1946, none could be fixed. I do not believe there is any question about it, but I shall be glad to look into the question further.

Mr. THOMAS of Oklahoma. Mr. President, a few moments ago the interpretation of paragraph 7 on page 22 was brought into question. I think there is no disagreement as to what the section should mean. I ask unanimous consent that paragraph numbered 7 on page 22 and subsection (f) be printed in the RECORD at this point, and that immediately following the printing of those two paragraphs there be printed the interpretation of paragraph 7 contained in the committee report on the bill.

I believe that with the section stated in the RECORD, together with the interpretation set forth in the report, it will be so clear that no court could hold otherwise than what we understand the section to mean.

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

> (7) No maximum price and no regulation or order under this act or the Stabilization Act of 1942, as amended, shall be applicable with respect to any agricultural commodity, or any service rendered with respect to any agricultural commodity, unless a regulation or order establishing a maximum price with respect to such commodity had been issued under this act prior to April 1, 1946.

(f) Saving provision: Nothing in this section shall limit the Administrator's authority to remove maximum prices for any nonagricultural commodity, or any agricultural commodity with the approval of the Secretary of Agriculture, at an earlier time than would be required by this section, if in his judgment or in the judgment of the Secretary of Agriculture, as the case may be, such action would be consistent with the purposes of this section.

Paragraph (7) of this subsection (e) provides that no maximum price and no regulation or order under the Price Control Act or the Stabilization Act shall be applicable with respect to any agricultural commodity, or any service rendered with respect to any agricultural commodity, unless a regulation or order establishing a maximum price with respect to such commodity had been issued under this act prior to April 1, 1946. This provision will not prevent the restoring of maximum prices in the case of a commodity upon which maximum prices had been in effect prior to April 1, 1946, even though maximum prices upon such commodity had been removed and were not in effect on April 1, 1946, nor will it prevent the maintenance of maximum prices upon a commodity if a regulation or order establishing maximum prices upon such commodity had been issued prior to April 1, 1946, even though such regulation or order did not take effect until after that date. On the other hand, the provision will prohibit other types of regulations and orders as well as maximum prices in the case of any agricultural commodity unless a regulation or order had been issued prior to April 1, 1946, establishing a maximum price on such commodity. Thus, in the case of cotton, the recent order relating to margin requirements for futures trading, although not a maximum price regulation or order, will be made inapplicable because maximum prices with respect to cotton were not established prior to April 1, 1946.

Saving provision: Subsection (f) of the new section 1A provides that nothing in this section shall limit the authority to remove maximum prices at an earlier time than would be required by the section.

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

Mr. THOMAS of Oklahoma. I yield.

Mr. MAYBANK. I should like to ask the Senator from Arizona, if I may, for his attention in regard to this matter, about which I talked to him privately at the desk a little earlier today. It is his belief, as he suggested, that the reason for this provision was to prevent the placing of ceiling prices on commodities on which ceiling prices had not been placed prior to April.

Mr. McFARLAND. Mr. President, I will say to the Senator that it was the opinion of the Senator from Arizona and it was the opinion of the committee, that no product which has not been controlled prior to this time should be controlled hereafter. In other words, we should decontrol rather than broaden control.

Mr. MAYBANK. The Senator is correct.

Mr. McFARLAND. One of the questions which arose was in regard to raw cotton.

Mr. MAYBANK. Yes.

Mr. McFARLAND. So far as I know, that is the only commodity which this amendment reaches, although it is a general amendment.

Some question was raised as to whether the order in regard to margins on cotton, which was made on April 3, would be reached by this language—in other words, whether this language would be broad enough to reach it. So the date was set back to April 1, so there would be no question that raw cotton could be regulated or controlled.

Have I answered the Senator's question plainly enough?

Mr. MAYBANK. Yes, Mr. President; the Senator from Arizona certainly has answered it to my satisfaction, because the Senator realizes my interest in the cotton farmer; and I am sure the Senator also realizes that, in my judgment, the time has come, as he has so ably stated, to decontrol, not to increase controls, and that the proposed policy as to raw cotton would be impossible of enforcement and would only harm the rest of the program.

I thank the Senator for his interpretation; and I also thank the majority leader for his interpretation, as I understand it, that no ceiling prices can be placed on raw cotton. The Senator understands that there are more than 100 grades and 100 staples of raw cotton, and any attempt to place ceiling prices on raw cotton would create only pandemonium and black markets in cotton. That is the Senator's belief and it is my belief. The Senator from Arizona comes from a State which grows very fine long-staple cotton, and he well knows that the various lengths of cotton are subject to changes and modifications and changing agreements and the situation is such that ceiling prices could not possibly be placed on raw cotton in a satisfactory or fair manner.

Mr. McFARLAND. Mr. President, I think the Senator from South Carolina has stated ample reasons why price ceilings should not be placed on raw cotton. There is the further reason that there is an ample supply of cotton; so we should not place controls on cotton, in view of the fact that the supply is sufficient to meet the demand.

Mr. MAYBANK. Certainly it is. As a matter of fact, hundreds of bales of cotton are being shipped out of the country every month.

Mr. BARKLEY. Mr. President, the pending amendment relates to paragraph (2) of subsection (d) of section IA. Paragraph (2) appears at the bottom of page 17 and at the top of page 18. This provision is a part of an amendment which was worked out by the subcommittee of the Banking and Currency Committee to which was referred the amendment providing a formula for decontrol, which I offered in the committee. I was not a member of the subcommittee, by the way. The subcommittee felt that in cases in which there was an approximate balance of supply and demand or in cases in which there was an excess of demand over supply, the taking off of price controls would result in sudden rises in price which would be out of harmony with the objectives of the law itself; and in paragraph (3), which is a part of the original amendment offered by the Senator from Oklahoma, authority is given to reestablish controls as to certain nonagricultural products after they have been decontrolled.

We all recall that soon after the war ended there was a rush to take off controls, and rationing was abolished, and as to certain commodities price controls were removed. But later they had to be reinstated because it turned out that there was not a balance between supply and demand, and prices skyrocketed to such an extent that it was necessary to reimpose the controls.

Paragraph (3) provides that—

Whenever, after a reasonable test period, it appears that the market prices of a nonagricultural commodity which has been decontrolled pursuant to this section have risen in a manner which is inconsistent with the applicable decontrol standard, the Administrator, with the advance consent in writing of the Price Decontrol Board established under subsection (h), shall reestablish such maximum prices for the commodity, consistent with applicable provisions of law, as in his judgment may be necessary to effectuate the purposes of this act.

Mr. President, if the Senator from Oklahoma is willing to withdraw the second part of his amendment, which undertakes to strike out paragraph (3), I shall have no serious objection to the adoption of the first part of his amendment, which in a manner does place the control of nonagricultural products on the same basis as that of agricultural products. Of course, it is also true that agricultural products may be restored to control upon certification to the Secretary of Agriculture, and he is authorized to withdraw any certifications or orders which he has heretofore issued with regard even to agricultural products.

So it seems to me we should keep in the bill the power to resume the control of products, both of agricultural and nonagricultural varieties; but I have no objection to providing the same basis for the decontrol of both categories.

So, Mr. President, if the Senator from Oklahoma feels justified in withdrawing the second part of his amendment, I shall have no objection to the first part.

Mr. MOORE. Yes, Mr. President, that may be done.

Mr. BARKLEY. Is that agreeable to the Senator from Oklahoma?

Mr. MOORE. It is.

Mr. BARKLEY. Then, Mr. President, let us vote on the remaining part of the amendment.

The PRESIDING OFFICER. The Senator from Oklahoma has withdrawn the second branch of his amendment.

The question is on agreeing to the first branch of the amendment proposed by the Senator from Oklahoma, namely, on page 18, in line 2, beginning with the word "and", to strike out all down through the word "economy" in line 14.

The amendment was agreed to.

Mr. BARKLEY. Mr. President, I hope we may proceed with further amendments.

The PRESIDING OFFICER. The committee amendment is open to further amendment.

Mr. THOMAS of Oklahoma. Mr. President, earlier this afternoon I submitted an amendment to be printed and lie on the table. Of course, it cannot be printed until later. Inasmuch as the amendment relates to agricultural products, I would not care to discuss it until

it can be printed and laid before all Members of the Senate.

I have on my desk 15 volumes of testimony to support the amendment. I do not wish to be forced to start reading the testimony now.

Mr. BARKLEY. Mr. President, I have no desire to rush the Senator into offering his amendment. There are some amendments which have been printed. I do not know whether there is a desire to offer them.

Mr. TAFT. Mr. President, the most controversial provisions are the ones already in the bill. Of course, if any Senator is dissatisfied with the provision for decontrol as to meat and as to dairy products, amendments to it can be offered. The committee has provided for decontrol as to those two classes of products, and also as to various others.

It seems to me that if amendments are to be offered, they should be offered to the committee amendment. I have one amendment to offer. It deals with the question of prices, but I should prefer not to offer it this afternoon. We have started on the subject of decontrol, and it seems to me we should finish with that subject, if we can, before we proceed with another subject.

Mr. BARKLEY. Mr. President, I realize that amendments to strike out various provisions of the bill are in order, but they have no priority over amendments to place other provisions into the bill. I have no control over the movements of Senators who wish to strike something from the bill, any more than I have over the movements of Senators who wish to place something in it.

Mr. CAPEHART. Mr. President, I have prepared an amendment which deals with decontrol. I offer it, and send it to the desk and ask that it be stated.

The PRESIDING OFFICER. The amendment will be stated.

The CHIEF CLERK. At the proper place in the bill it is proposed to insert the following new section:

SEC. —. Notwithstanding the further provisions of this act, the Stabilization Act of 1942, as amended, or the Price Control Act of 1942, as amended, price controls shall be removed on such a basis that the commodities from which price controls have been removed after May 1, 1946, will equal the following percentages, by annual dollar volume (as determined by the Administrator), of the commodities with respect to which maximum prices were in effect on May 1, 1946:

(A) On January 1, 1947, at least 40 percent.

(B) On April 1, 1947, at least 60 percent.

(C) On July 1, 1947, 100 percent.

The provisions of this section shall not be applicable with respect to rents or building materials, and rents and building materials shall be excluded in making computations for the purposes of this section.

Mr. CAPEHART. Mr. President, the amendment I have just offered is the only amendment leading to decontrol which I have read or which I have listened to which is specific and which says what it means and means what it says. The amendment which I have now offered and which has just been read definitely directs the Administrator to decontrol at least 40 percent of the annual dollar volume of all items under control by January 1, 1947, and it definitely directs him to decontrol at least 60 percent of all items under his control by April 1, 1947, and, again, definitely to decontrol 100 percent of all items under this control by January 1, 1947, which is the date of the end of the act.

Mr. President, so far as I am concerned, the decontrol provisions in the bill, including the one which has been under discussion, as well as the one with regard to the decontrol board, constitute merely so many pious words, hopes, and prayers. The reason that Senators are even considering some kind of decontrol legislation is that they have no confidence in the OPA. They feel that the OPA will continue to hold on just as long as they can possibly do so. Therefore, an effort was made in the committee, and is being made on the floor of the Senate today, to write some kind of decontrol directives to be applied to the Administrator. We are either in favor of decontrol or we are opposed to it. I shall not take time to read the various sections of the bill, but I may say that the effect of them is that everything is to be left entirely to the discretion of the Administrator.

The bill provides for a board to consist of three members, to whom persons may appeal. The board is to be bipartisan in character, appointed by the President and confirmed by the Senate. By the time the President finds three men capable of serving, and by the time the Senate confirms their appointments, and by the time those men find office space and provide for themselves a staff of assistants and clerks and become acquainted with the complex problems concerning OPA, the act will have expired. Moreover, by necessity the board will have to depend on the OPA for its records and statistics. So far as I am concerned the board will be only another arm of the OPA. In establishing the board we will merely be adding another commission on top of the OPA, and it will have the same philosophy as that of the OPA. In my opinion, when the board is appointed the OPA will loan to it the necessary secretarial staff with which to do the work the board will be required to perform. So nothing will have been accomplished except to delay action on decontrol which the OPA, by its own motive power, could be accomplishing during the intervening period.

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

Mr. CAPEHART. I yield.

Mr. MILLIKIN. The decontrol board would not act until after the Administrator had denied the decontrol petition.

Mr. CAPEHART. Yes. I understand that. But that fact does not change my opinion of the decontrol board.

Mr. MILLIKIN. I understood the Senator to make a statement to the effect that the establishment of the board would be only one more step in administrative delay. It is true that it would be another step, but, as I said a moment ago, that step would not be taken until after the Administrator had refused to decontrol.

Mr. CAPEHART. I appreciate that fact, Mr. President.

Mr. MILLIKIN. If I may make one more observation, at worst the persons who desire control would have one more shot at it.

Mr. CAPEHART. I also appreciate that fact, Mr. President.

Frankly, I believe that if the Congress is sincere in its wish that OPA decontrol, it should say so in language and in terms which will be understandable by all persons.

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

Mr. CAPEHART. I yield.

Mr. MURDOCK. Does the Senator contemplate leaving the bill in its present form and offering his amendment as a separate action of the bill, or is it the distinguished Senator's intention to offer his amendment as a substitute for all the sections of the bill in its present form, with the exception of the two amendments which have been offered in extending the time?

Mr. CAPEHART. It is my intention to offer the amendment as a new section, and then move to strike out all sections which have to do with decontrol and with the board.

Mr. MURDOCK. It seems to me that it would be only consistent with the Senator's amendment and his purpose to strike out everything after section 3 of the bill and offer his amendment as a substitute. We would be assured under the amendment of the Senator that 40 percent of all controls in dollar volume would expire by January 1, 1947.

Mr. CAPEHART. The Senator is correct.

Mr. MURDOCK. That not less than 60 percent decontrol would be accomplished by December 31, 1947, and that the entire act would terminate at the end of the fiscal year 1947.

Mr. CAPEHART. I thank the Senator. What the Senator has stated is what I propose to accomplish.

To me, Mr. President, the advantages of my amendment are many. The act would expire on June 30, 1947. I am sure that it is the intention of the Congress not to extend the act. That being the fact, it is only common sense that the OPA must immediately start decontrolling certain commodities. It seems to me that the OPA should decontrol 40 percent of all commodities between now and January 1, 1947, 20 percent during the following 3 months, and the remaining 40 percent during the last 3 months of the life of the act. If decontrol is not done on some such basis, discretion will be left entirely to the OPA. If the OPA feels that they are unable to decontrol because of conditions in the country, we may find ourselves a year from now debating the same problem which we are debating today.

Mr. MURDOCK. Mr. President, if the Senator will yield further to me, I may say that it is the intent of the Senator's amendment, is it not, that the OPA, within the limit of 40 percent, will have absolute discretion with reference to what commodities will be decontrolled and what commodities will not be decontrolled?

Mr. CAPEHART. The Senator is correct. What he has said is true so long

as the OPA decontrols 40 percent of the total dollar volume.

Mr. MURDOCK. The total dollar volume within the period of time referred to by the Senator?

Mr. CAPEHART. Yes.

Mr. MURDOCK. However, discretion is to be left with the OPA with reference to what commodities will be decontrolled and what will not be decontrolled.

Mr. CAPEHART. The Senator is correct. I see nothing wrong in that proposal.

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

Mr. CAPEHART. I yield.

Mr. MOORE. What the Senator has stated means that if production should be in balance with demand, the OPA could go ahead anyway and select the dollar volume and leave under control the commodities which were not in balance.

Mr. CAPEHART. Mr. President, of course, under this amendment the OPA could decontrol commodities which were in short demand at the expense of commodities which were in good supply. However, I do not believe that the OPA would ever do that. I cannot conceive of them doing it. What I am trying to do is to provide a formula which will be flexible and which will permit the OPA certain latitude within which to administer their affairs. Yet, the amendment provides specifically that the OPA may, under all circumstances, find 40 percent of the dollar volume in connection with commodities under control, and decontrol them by January 1.

It will be noted that, under the amendment, building materials and rents are eliminated. To me, as a businessman, that is the most sensible and practical way to attack the problem. If I were managing OPA it would be the basis on which I should prefer to have the Congress direct me to decontrol. I should much prefer to decontrol gradually, I should prefer to do it on dollar volume, I should prefer to have the flexibility of decontrolling commodities which in my judgment would affect the economy the least. Yet the amendment is specific so far as the Congress is concerned and it is specific so far as industry is concerned.

It has the further advantage of eliminating the possibility of an industry knowing in advance, say 30 days or 60 days or 90 days, that it is to be decontrolled, and holding up its inventory, holding its goods off the market, because under this formula OPA overnight could decontrol any commodity or group of commodities without the industries affected knowing anything about it.

Mr. President, I believe the amendment and the formula it provides to be sound; I believe them to be workable, more workable, indeed, than what is written in the bill. I believe the plan proposed by the amendment to be more workable than the board proposal, because, as I stated a moment ago, if the board is established, I am certain that it will use the secretarial staff of the OPA; that it will be another arm of OPA, staffed by the same people, with the same philosophy, and that the same sort of treatment will be accorded by the board that we now get at the hands of OPA. Moreover, by the time the board is set up and begins to operate any necessity for it will have largely disappeared.

Mr. President, that is all I have to say about the amendment. I hope it will be agreed to.

Mr. McFARLAND. Mr. President, the amendment which has just been offered by the Senator from Indiana was carefully considered by the committee. It was decided by the committee that decontrol should be made according to a formula rather than on an arbitrary percentage basis.

It might well be that on January 1 the supply of many products will not meet the demand therefor, and the OPA would be compelled, under the amendment of the Senator from Indiana, to decontrol products the supply of which was short. For that reason the bill provided a formula, which now, in accordance with the amendment of the Senator from Oklahoma striking out the last part of the provision, is very simple. It states:

> The Administrator shall provide for the prompt removal of maximum prices in the case of any nonagricultural commodity whenever the supply thereof exceeds or is in approximate balance with the demand therefor (including appropriate inventory requirements).

The committee proposes that when the supply meets the demand it shall be the duty of the Administrator to decontrol. Practically the same formula is prescribed for agricultural products. In that case it shall be the duty of the Secretary of Agriculture to decontrol.

We have had strikes in the past few months, and for that reason the supply of many nonagricultural products in particular have not increased as rapidly as we desired. If we decontrol by percentage the OPA may have to decontrol products the supply of which does not meet the demand.

I submit, Mr. President, that the formula suggested by the Senator from Indiana is not the proper one. The committee passed upon this matter, as I recall, two or three different times. It was decided by the committee that we should decontrol, but according to a formula, rather than on a percentage basis.

Mr. MILLIKIN. Mr. President, will the Senator from Arizona yield?

Mr. McFARLAND. I yield.

Mr. MILLIKIN. I should like to invite the distinguished Senator's attention to the fact that under the committee amendment the Administrator must decontrol all nonimportant items by the first of the year, and the aggregate of those makes quite a percentage of the whole problem. So the bill already provides for a substantial amount of decontrol by the first of the year.

Mr. McFARLAND. The Senator is correct.

Mr. BARKLEY. Mr. President, I wish merely to add that the committee gave long and careful consideration to the bill, both in the hearings and in the executive sessions, and in considering the measure it decided to bring about decontrol in two ways: First, by formula; second, by specific designation of certain commodities which were to be decontrolled on certain dates. They are the subject of controversy in the bill, but the bill as it has been reported provides that on the 30th of this month, a little more than 2 weeks from now, there shall be complete decontrol of all meats, dairy products, and poultry. That will take place on that date.

If that provision is retained in the bill in the Senate, and is retained in the bill as it is finally enacted, that in itself will decontrol more than 40 percent of the products, especially food products, within the next 2 or 3 weeks. So that that is more expeditious decontrol, if it is kept in the bill, than would be accomplished by staggering 40 percent and 20 percent and 40 percent.

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

Mr. BARKLEY. I yield.

Mr. CAPEHART. The idea of my amendment is more for the benefit of OPA than of industry.

Mr. BARKLEY. I am sure the OPA will be glad to hear that someone wants to help them.

Mr. CAPEHART. I do not know that I particularly appreciate that statement.

Mr. BARKLEY. I am speaking for the OPA. I am sure they will be delighted to know that somebody will want to help them.

Mr. CAPEHART. The amendment agreed to just a moment ago reads:

> The Administrator shall provide for the prompt removal of maximum prices in the case of any nonagricultural commodity whenever the supply thereof exceeds or is in approximate balance with the demand therefor.

That will decontrol automatically hundreds and hundreds of items. I have no particular objection to that. In fact, I voted for it, and I shall continue to support it. If that amendment stands in the form it now is, I am perfectly willing to desist, because industry, and particularly agriculture, will be taken care of 100 percent, even though we eliminate the section of the bill which automatically decontrols agriculture.

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

Mr. BARKLEY. I am yielding to the Senator from Indiana.

Mr. CAPEHART. I yield to the Senator.

Mr. BARKLEY. I have the floor, and I still yield to the Senator, if he wishes to have me yield.

Mr. CAPEHART. No; I have nothing further to say.

Mr. McMAHON. I should like to call the attention of the majority leader to the fact that the amendment proposed by the Senator from Indiana has at the end of it this provision:

> The provisions of this section shall not be applicable with respect to rents or building materials, and rents and building materials shall be excluded in making computations for the purposes of this section.

I think one of the cruelest deceptions that can be perpetrated on the American people is the idea that there can be

an absence of price control on everything except rents.

I received a telegram from a prominent manufacturer of my State a few days ago in which he said, "Remove all price controls except on rents." Of course, that is an absurdity on its face. If we are to increase the price of labor, the price of coal, the price of all things which go into the maintenance of a building, and then expect to maintain the ceiling on rents, we are obviously expecting the impossible.

Those who would like to do away with price control always have such a reservation on rents, because they know that if they try to take that off the people would really rise up. I think the RECORD should show that it is impossible to maintain rent controls in the United States if we are to do away with other types of controls.

Mr. BARKLEY. I appreciate what the Senator has said about that, and I agree with him. We cannot agree to have price control on one item, whether rents or something else, and let it stand out like the Washington Monument, and not have price control on everything else.

Mr. WHERRY. Mr. President, on that theory, how could we ever decontrol anything? How could we ever decontrol anything under the provisions of the pending bill that is being put forward? It is said that the Administrator shall have the power to decontrol when supply meets demand. I leave it to the distinguished majority leader, in whom I have implicit confidence, that that will be subject to the interpretation of the Administrator, just as he interpreted the Barkley-Bates amendment. It will be up to the Administrator to proceed to decontrol, and when he does, if he decontrols one thing, we are in exactly the dilemma to which the distinguished Senator from Connecticut calls attention.

Mr. BARKLEY. That is what I am agreeing with.

Mr. WHERRY. I am disagreeing with the conclusion. If we are to start to decontrol now, under the provisions of the bill, certainly the argument that we should not decontrol because we have to keep price control on rents seems to me to be contradictory in itself.

Mr. BARKLEY. My point is—and it is the point made by the Senator from Connecticut—that if we are going to remove controls from all other things, and merely let control remain on one thing——

Mr. WHERRY. That is not what we are considering here. If a straight up and down vote is desired on whether there should be complete decontrol, that is one thing, but if the provisions of the bill are adopted decontrol will be had of one thing at a time.

Mr. BARKLEY. I am talking about the amendment now before the Senate offered by the Senator from Indiana [Mr. CAPEHART].

Mr. WHERRY. But I do not agree with the remarks made by the distinguished Senator from Connecticut. Under this bill the minute supply equals demand decontrol takes place, and if rent is the last item affected, the same provision will apply to rent.

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

Mr. BARKLEY. I yield to the Senator from Indiana.

Mr. CAPEHART. The bill in itself automatically decontrols all commodities, including rents, on June 30, 1947. My amendment proposes that OPA decontrol 40 percent of all commodities in dollar volume, except building materials and rents, by January 1, 1947. We must all realize that if the act expires on June 30, 1947, OPA must begin sometime before then to decontrol many items, because we certainly do not want OPA to wait until June 30, 1947, and then throw off all controls at one time.

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

Mr. BARKLEY. I yield.

Mr. McMAHON. I should like to ask the Senator from Indiana, with what percentage of rents does he want now to begin decontrolling?

Mr. CAPEHART. There would be no rents decontrolled until June 30, 1947.

Mr. McMAHON. In other words the Senator proposes to begin letting up on everything else, but to keep rents at the same figure they are now?

Mr. CAPEHART. Until June 30, 1947, yes, under my amendment, and under the provisions of the bill as well.

Mr. McMAHON. That will result in either the landlords going bankrupt or taxes on real property not being paid.

Mr. BARKLEY. Mr. President, I desire to discuss another feature of the amendment.

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

Mr. BARKLEY. I yield.

Mr. TAFT. In relation to the argument made by the distinguished Senator from Connecticut, I will say that it simply is not true that rent controls cannot be maintained when other controls are taken off. That argument has been made by Mr. Bowles on the radio. There was rent control in New York for 5 years after the last war without any vestige of price control. In time, of course, as costs go up, the rent-control figures must be raised somewhat higher, but it is not necessary to decontrol rents. They can be raised somewhat.

I am in entire accord with the general proposition that to the extent that one thing is decontrolled it is going to lead to some increase in costs which will probably make it more difficult to maintain other standards. But those things do not need to be decontrolled. Prices may be raised. As a matter of fact the Administration has already done that to an extent far greater than anything threatened in this measure, by permitting a 20-percent increase in wages throughout the United States. Those increases have so raised costs that it is impossible, as we have seen, for the Administrator to maintain price control where it was. But that does not mean that he cannot maintain some price control. He has to move his prices up, and in time if the particular things that go into the cost of an old house and they are very limited, I may say—increase in cost, it will be necessary to increase rents. But the theory that decontrol to the extent provided in the bill will make it necessary to increase rents is simply without foundation in fact and without foundation in experience.

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

Mr. BARKLEY. I yield.

Mr. McMAHON. Of course the Senator from Ohio, with a great show of authority and great emphasis in his tone, proclaims something to be a fact which I do not agree is a fact. Much as I favor rent control, and I am for rent control, in this situation I say emphatically that rent control cannot be maintained when wages are increased, when the price of coal is increased, when the price of everything that goes into the maintenance of a building is increased. It seems to me that common sense reasoning supplies the answer. Either the landlord will be bankrupted or taxes will not be paid to municipalities. I say that just as emphatically as the Senator from Ohio says to the contrary.

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

Mr. BARKLEY. I yield.

Mr. TAFT. I will say that as a matter of fact the chief cost to a landlord is the cost of maintenance, outside of taxes, which have remained about the same. The cost of maintenance has increased. I would judge that the cost of maintenance has been increased, however, 10 times as much by reason of the Administration's policy of decontrolling wages as it could be by anything that can possibly happen to a landlord's costs under the decontrol provided by this measure in its present form.

Mr. BARKLEY. In the first place, I doubt whether the word "rents" in the amendment has any place in it. I do not regard rents as a commodity. The amendment refers to commodities. I think rents ought to be under control, but I do not regard them as a commodity.

Mr. DOWNEY. A parliamentary inquiry.

The PRESIDING OFFICER. The Senator will state it.

Mr. DOWNEY. Does the pending amendment cover all commodities, both agricultural and nonagricultural?

Mr. CAPEHART. It does; yes. The weakness of the argument of the able Senator from Connecticut is that there is a relationship between control and prices. The OPA Administrator could permit an increase in rents, but still control them.

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

Mr. BARKLEY. I yield.

Mr. KNOWLAND. I should like to ask the Senator a question. As I understand, the general theory of the committee is that as supply rises and approximates demand, then control will be rapidly lifted just as soon as it can be done to free the economy. Sometime ago a subcommittee of the Committee on Agriculture and Forestry held hearings relative to lumber, including the export of lumber. A question that concerns me greatly is, How are we going to get our supply in approximate equality with demand, when there is a continued siphoning off of the available supply? During the course of the hearings, on page 114, the question was asked Mr. Ostroff, who represented

one of the Government agencies, concerning this point, and he said:

The thing to be kept in mind, in this connection, is, that lumber exports can not be discussed without regard for the export of other commodities—and also for imports.

Mr. Wyatt's office alone would not be in a position to make an intelligent determination on whether exports should be curtailed or stopped without consulting a lot of other agencies.

I have just received today from the Civilian Production Administration some interesting figures which I should like to put into the RECORD at this point, showing the imports of lumber and the exports of lumber. For the first quarter of 1946 the table shows that there were imported into the United States 253,302,000 feet of lumber as compared with the first quarter of 1945 of 220,806,000 feet of lumber, or an increase in imports of 32,496,000 board feet, which should be encouraging to us and should increase the domestic supply.

But when we turn to the other side of the ledger we find that for the first quarter of 1945 the exports of lumber amounted to 81,503,000 board feet, and for the first quarter of 1946 the exports amount to 182,433,000 board feet, or an increase in our exports of 100,930,000 board feet. So that the rate of increase of lumber exports over imports for the first quarter period from 1945 to 1946 was approximately 67,000,000 board feet.

The figures indicate that the process is continuing at this rate. For instance, taking the month of April 1945, we find the exports for that month amounted to 22,361,000 board feet, and for April of this year the exports amounted to 61,326,000 board feet. So that actually we are depleting our supply and are making it more difficult for supply to catch up with demand.

Mr. President, I ask unanimous consent to have printed in the RECORD at this point in my remarks two tables showing exports and imports of lumber in 1945 and 1946.

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

Exports of lumber

	Feet
1945:	
January	25,521,000
February	29,525,000
March	26,457,000
Quarterly total	81,503,000
April	22,361,000
May	27,861,000
June	21,849,000
Quarterly total	72,071,000
July	35,024,000
August	41,560,000
September	38,602,000
Quarterly total	115,186,000
October	41,694,000
November	36,677,000
December	47,324,000
Quarterly total	125,695,000
Grand total	394,455,000

(This includes saw timber, boards, planks, scantlings, hardwood floor, hardwood dimensions.)

	Feet
1946:	
January	62,494,000
February	50,842,000
March	69,097,000
Quarterly total	182,433,000
April	61,326,000

Imports of lumber

1945:	
January	63,131,000
February	73,795,000
March	83,880,000
Quarterly total	220,806,000
April	73,114,000
May	81,450,000
June	89,930,000
Quarterly total	244,494,000
July	87,459,000
August	99,666,000
September	90,168,000
Quarterly total	277,293,000
October	109,172,000
November	98,662,000
December	94,370,000
Quarterly total	302,204,000
Grand total	1,044,797,000
1946:	
January	80,320,000
February	79,368,000
March	94,608,000
Quarterly total	254,302,000
April	96,075,000

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

Mr. BARKLEY. I yield.

Mr. DOWNEY. I wish to say that I compliment the Senator from Indiana on the amendment he has offered. I think it is a very great improvement over the decontrol provisions of the bill. I would be prepared to support it quite vigorously if the Senator would consent to one rather minor change which I think would make it more workable; that is to provide for a 33⅓-percent reduction by January 31, 1947, instead of a 40-percent reduction as provided by his amendment; to make it a 66⅔-percent reduction by April 1, 1947, instead of a 60 percent reduction, and the 100-percent reduction to be completed by July 1, 1947.

Mr. CAPEHART. Mr. President, I have no objection, and I make the request that the amendment may be modified accordingly.

The PRESIDING OFFICER. The amendment of the Senator from Indiana will be modified, as requested.

Mr. BARKLEY. Mr. President, I hope this amendment will not be adopted. The committee has reported a bill which, with two or three exceptions, upon which we must pass later, seems generally acceptable. The Congress of the United States has the power to determine what shall be done with reference to price control. If it desires to decontrol anything that has been under control, it has the right to do so, no matter who disagrees.

As I stated in the report, I do not agree with everything in the bill. The committee reported it after working over it for many weeks and considering every line and paragraph of it. The amendment now offered was voted down in the committee two or three times by an overwhelming majority, after due consideration.

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

Mr. BARKLEY. I yield.

Mr. CAPEHART. The amendment was voted down only once.

Mr. BARKLEY. The Senator changed it in committee, as he has done on the floor of the Senate. When an amendment or a suggestion was offered, in order to get another vote he would change it. He would change the percentage now to 33⅓ percent.

If the Congress desires to decontrol meats, livestock, dairy products, and all other products on July 1 it has a right to do so; and if Congress thinks it ought to be done, it ought to do it. But suppose this amendment is adopted——

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

Mr. BARKLEY. I yield.

Mr. DOWNEY. Have not Senators the right to comment on the fact that a proposal is adverse to their own views, and support a contrary amendment?

Mr. BARKLEY. Certainly they have; and that is what I am doing.

Mr. DOWNEY. The Senator's tone and remarks indicated that we had no right to urge the Senate not to vote for decontrol on July 1.

Mr. BARKLEY. I did not have the Senator from California in mind when I said what I did. I am talking about what happened in the committee. Any Senator has a right to offer any amendment he desires to offer, without criticism. I certainly had no intention to criticise the Senator from California.

But suppose this amendment is adopted; suppose that for some reason there is an increase in the cost of living, and suppose that by reason of that increase in the cost of living there are large accumulated demands for increases in wages. No one can doubt that if there were a substantial increase in the cost of living which would wipe out a part of the increases which labor has already received there would be further requests for increases in wages, and they might result in the same sort of industrial confusion and controversy which has prevailed ever since January of this year. There might be another slow down in production, and by the 1st of January there might be a large number of articles not in full supply, as compared with demand. Yet they would have to be decontrolled to the extent of 40 percent, or 33⅓ percent. Whether the decontrol would extend all the way across the board, or whether the Administrator could select certain items which he thought, by dollar volume, would amount to 33⅓ or 40 percent, is not clear from the amendment. But let us suppose that the decontrol were to extend all the way across the board, in order to reach a percentage of 33⅓ or 40 percent. By January 1, 1947, the Administrator would have to decontrol a sufficient number of articles, in dollar volume, to amount to a certain percentage.

The same thing might be true at the other two stages of the process of decontrol. Finally, by the first of next July, the decontrol would reach 100 percent.

It seems to me that that is inconsistent. It is haphazard. It is unscientific. It may be that there are some who prefer this method to decontrol on a definite date. If Congress wishes to say that anything shall be decontrolled on the 30th day of June of this year, I prefer that Congress shall say so rather than require the Administrator, over a period of a year, to decontrol a certain percentage in dollar volume at one time, a certain percentage at a little later date, and finally wind up on July 1, 1947, with 100 percent decontrol.

That is my view. I certainly take no offense at any Senator who disagrees with my viewpoint. I believe that the terms of the bill which we have reported, with all its imperfections, are preferable to the amendment offered by the Senator from Indiana.

The PRESIDING OFFICER. The question is on agreeing to the amendment offered by the Senator from Indiana [Mr. CAPEHART].

Mr. BARKLEY. I suggest the ab-absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

Mr. CAPEHART. Mr. President, I should like to make a few remarks.

Mr. BARKLEY. I will withhold the point of no quorum.

Mr. CAPEHART. I will speak after the quorum call.

Mr. BARKLEY. I renew the point of no quorum. There is not a quorum present.

The PRESIDING OFFICER. The clerk will call the roll.

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

Andrews	Hawkes	Murdock
Austin	Hayden	Murray
Ball	Hickenlooper	Myers
Barkley	Hill	O'Daniel
Bilbo	Hoey	Overton
Bridges	Huffman	Radcliffe
Brooks	Johnson, Colo.	Reed
Buck	Johnston, S. C.	Robertson
Burch	Kilgore	Saltonstall
Bushfield	Knowland	Stanfill
Byrd	La Follette	Stewart
Capehart	Lucas	Taft
Capper	McCarran	Thomas, Okla.
Connally	McClellan	Thomas, Utah
Cordon	McFarland	Tobey
Donnell	McKellar	Tunnell
Downey	McMahon	Tydings
Eastland	Magnuson	Vandenberg
Ellender	Maybank	Wagner
George	Mead	Walsh
Guffey	Millikin	Wherry
Gurney	Mitchell	White
Hart	Moore	Wilson
Hatch	Morse	

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

MAXIMUM EMPLOYMENT AND BUSINESS OPPORTUNITIES FOR VETERANS

Mr. TUNNELL. Mr. President, on yesterday I introduced on my own behalf and on behalf of the Senator from Massachusetts [Mr. WALSH] the Senator from Maryland [Mr. RADCLIFFE], the Senator from Pennsylvania [Mr. GUFFEY], the Senator from Oregon [Mr. MORSE], and the Senator from Missouri [Mr. BRIGGS] a bill to establish a Veterans' Employment and National Economic Development Corporation to promote maximum employment, business opportunities and careers for veterans in a free competitive economy.

For some time this bill has been, and it is currently, under study and consideration by two major committees of the Veterans of Foreign Wars of the United States: Namely, its national legislative committee and its national welfare and service committee, the latter being the one which operates the VFW National Rehabilitation service. The Veterans of Foreign Wars, composed of men who have served in time of war on foreign soil or in hostile waters, are naturally interested and are quite concerned with the rehabilitation and employment of America's veterans.

Veterans' unemployment is the most serious problem confronting the Nation today. Not since Pearl Harbor have we faced more of an emergency. While the problem of veterans' unemployment is not as dramatic as Pearl Harbor, yet the speed and efficacy with which we meet this emergency now will determine, in the long run, whether we remain the most powerful nation on earth. The problem is just as simple as that, and the choice is ours.

It would require volumes to expound this situation in detail, but the urgency of doing something about it is so self-evident, we believe, that a simple statement of facts will suffice.

The emergency is alarming. Today there are far too many veterans who are unemployed. Believe it or not, but at this hour there are nearly 2,500,000 veterans who are claiming unemployment compensation. The number drawing unemployment compensation is expected to increase, as there are one million and a half more men who soon will be discharged from the armed services.

The tragedy of this army of unemployed veterans lies in the fact that the longer they remain idle and are obliged to receive relief, the less likely they are to succeed in competitive free enterprise when they do find work. It is a natural law that those who are unemployed are less likely to be employed profitably than those who are already employed, or those who are members of a well-organized program, such as that provided for in the bill I have introduced. Idleness brings evil consequences. We do not want to put malicious thoughts into anyone's head, but a shrewd demagog or charlatan could easily arouse this immature army of veterans to a point where there could easily be sown the seeds which could result in shaking the foundation of our society. Such a situation would harm the veterans and the country for generations to come. With millions of veterans having no jobs of any consequence, the sinister political implications could easily exceed the abuses of the Grand Army of the Republic following the Civil War. For the protection of the veterans, for their welfare and prosperity, and for the good of all the people, we must act now to guide this enormous new force into productive and profitable channels.

Regardless of optimistic predictions which anyone can possibly make about veterans being fully employed in the future, the cold, unpleasant facts to the contrary stare us directly in the face.

Veterans are already facing acute unemployment problems which will be further aggravated. The veterans are at a disadvantage because of their loss of job opportunities, job property rights, job seniority, experience, financial gain, and contacts suffered by them during their war service.

Because of the time which they have lost in war service, veterans will have greater difficulty getting into and staying in business than the average businessman and professional person. 7,000,000 veterans have no reemployment rights under the law. Of these, 4,000,000 had no occupation of any consequence before they entered military service, and have no particular job to return to now. There are more than 350,000 disabled veterans of World War II who have registered for employment but cannot find it. However, experience shows that the majority of disabled veterans can be trained in gainful competitive occupations if the economic opportunity is opened for them.

The cruel irony of the veterans' unemployment situation is that there is a wide open gap in our economic machine which could be filled by the veterans. We have modern plants, surplus equipment and material which were developed during wartime, and only 50 percent of those plants are now being utilized. To win World War II we created the arsenal of democracy. Are we going to let this arsenal of democracy, now adaptable for peace, slip away from us by allowing it to go to waste? Paradoxically, at the same time, we have backlogs and shortages of consumer and durable goods which will not be supplied for years. Furthermore, we have an unprecedented demand for American goods and services throughout the world which staggers the imagination. Yet we allow to slip through our fingers this greatest opportunity in the history of America to increase our prosperity, and to raise further the standard of living.

We have untold natural resources within the continental limits of the United States that are still untapped and not developed. We have more than 11,000,000 acres of good land yet to be opened up. In some of our possessions we have hardly scratched the surface to develop the natural wealth to create employment. For example, take Alaska. Veterans who have served in Alaska, or who know of Alaska, would like to go there to develop its natural wealth, business, and industry. In that vast Territory there are only 40,064 whites and 32,458 aborigines. Alaska has more natural resources than does Scandinavia, and a better climate than does Scandinavia, yet, in a smaller area the Scandinavian countries support 12,000,000 people.

Military authorities state that Alaska is now the strategic pivotal point of the world, as it is the shortest air route to Asia and three quarters of the human race. The ranking military men state that it is the most strategic stretch of geography in this age of atomic bombs, and 10,000 mile planes. Our economic

and military security will depend upon the type of economy and character of people who settle Alaska. Who are better guardians of our liberty, prosperity, and way of life than our veterans?

At the time of his last visit to Alaskan waters, the late President Roosevelt said to the Nation over the radio:

> We were told that a number of officers and men are considering settling in Alaska after the war is over. I do hope that this is so because the development of Alaska has only been scratched and it is still the country of pioneers. I am going to set up a study of Alaska as a place to which veterans of this war, especially those who do not have strong roots, can go to become pioneers. Alaska is a land with a small population, but I am convinced that it has great opportunities for those who are willing to work and to help build up all kinds of things in new lands.

The Veterans' Employment and Economic Development Corporation is designed to materialize President Roosevelt's plan.

Most authorities believe that Alaska, with its vast undeveloped natural resources, can accommodate several million people in the near future, providing the development is properly sponsored and guided. Dr. Alfred H. Brooks, first head of the Alaskan Branch of the United States Geological Survey, long ago predicted that Alaska in time to come will be the home of 10,000,000 persons.

President Roosevelt also said:

> Alaska's climate and crops and other resources are not essentially different from those of northern Europe, Sweden, Norway, and Finland, where the people have brought their civilizations to a very high and prosperous level.

Again quoting Dr. Brooks, the authority on Alaska, who goes President Roosevelt one better by comparing the Alaskan "panhandle" to New England—

> Had the Pilgrim fathers settled at Sitka, Alaska, instead of Plymouth, they would have found milder climate, better soil and timber and more game, furs and fish.

Alaska needs only a business program to push its economy off dead center. A program of industrial, business and trade development sponsored by the Veterans Corporation would start the ball rolling. Who are better suited to this challenging job than our veterans who have already won tougher battles in war than the economic battles of Alaska? Let us return again to new opportunities for veterans in our 48 States and possessions.

We have hundreds of thousands of enemy patents, processes, and trade secrets which we captured at good cost in lives, blood, and sweat. Who are most entitled to the benefit of this new stock in trade? Is it the large corporations or monopolies that do not need them, or should the veterans have first call on these business and professional assets?

I ask Members of the Senate: Is it not the first duty of the Congress and of the Nation to help the veterans to recapture the losses which they suffered during the formative years of their lives, in business, finances, know-how, contacts, and other advantages which they would otherwise have acquired had they not served their country during time of war?

In that war of survival, 90 percent of our people relied upon the remaining 10 percent actually to fight their battle for them. With the return of the 10 percent who fought the battle and were not killed, shall we leave any stone unturned to make easier for them their progress into civil life?

Before the war we had a technological unemployment of several million persons in the general labor force. With the phenomenal technological wartime advancement in man-saving machines to replace workers gone to war, we will now produce increasingly more and more peacetime products and utilize fewer and fewer people. In this new postwar technological unemployment the veterans will be at a great disadvantage. During the recessions and depressions between World War I and World War II, there were as many as 1,500,000 veterans on the relief rolls at one time. With three times as many veterans of World War II as of World War I, it is clear that the inevitable cycle of boom and bust will make more than three times as many World War II veterans unemployed. In the boom, veterans, as a group, will be the last to profit. And in a bust the veterans will be the first to suffer, unless we take action now.

Suitable jobs and economic opportunity are the principal desires and needs of the veterans. They do not want charity. Unemployment compensation and bonuses are sought only when opportunities are not available. At best, veterans' unemployment compensation and bonuses are only temporary palliatives. These measures, according to present estimates, will cost the taxpayers $40,000,000,000, whereas experience in projects similar to the Veterans' Corporation, indicates that the Veterans' Corporation would otherwise save the taxpayers many millions of dollars. Furthermore, the Veterans' Corporation would be an economic asset to the Nation to assure an ever-expanding economy.

Now that we have reviewed briefly the need of the Veterans' Employment and National Economic Development Corporation, let us examine the way in which the Veterans' Corporation will attain its objectives. Two years of intensive study, research, and a wealth of experience have gone into the drafting of this legislation by authorities in government, veterans' affairs, labor, industrial engineering, trade, economics, shipping, and foreign trade.

The proposed Veterans' Corporation is charged specifically with solving veterans' short-range and long-range problems without displacing other workers. And we emphasize—without displacing other workers. In fact, the very nature of the projects contemplated would provide employment and business for others as well as veterans. The Veterans' Corporation would create jobs and economic opportunity through loaning powers and technical services to self-liquidating projects, established businesses that can employ additional veterans in agreement with existing labor contracts, and new businesses that will employ veterans. And naturally, the Corporation will make loans and give technical advice to veterans themselves who are qualified to conduct a business.

The passage of this bill is immediately necessary and urgent as no other agency can perform these exact functions.

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

Mr. TUNNELL. I yield.

Mr. MORSE. First, I wish to commend the Senator, and I am very happy to join with him in the bill, because I think the point he last made is very important. It really is going to be a great inducement to the full-employment program in the years immediately ahead. Does the Senator agree with me that the bill he has introduced will complement and supplement the full-employment program which the Senate has sought to provide by the passage of the full-employment bill?

Mr. TUNNELL. I think it will make it possible for the full-employment law to accomplish its purpose when once it is put into operation. I thank the Senator.

Mr. MORSE. I agree with the Senator.

Mr. TUNNELL. Mr. President, the Veterans' Corporation, like the Smaller War Plants Corporation or the RFC, would not compete with private banks, but would help them indirectly. Like the RFC, the Veterans' Corporation would make loans in areas where private banking is not interested in operating. The Veterans' Corporation, like the RFC, is not designed to make money, but like the RFC will not lose money. It will thus, by creating gainful employment for veterans in a competitive free enterprise, save the taxpayers many billions of dollars that would otherwise be paid to unemployed veterans.

To attain the objectives of this program, the Corporation will loan money at 4 percent, and the Treasury will obtain the money at much lower rates of interest thus providing an ample spread to defray all costs of administration and operation. It can, therefore, be seen that neither the Government nor the taxpayers will bear any part of the cost of this important program.

Let us consider for a moment how our veterans can strengthen our world position and help to prevent World War III by peaceful means.

After other American wars, the veterans have opened new frontiers. The veterans who returned from the War of 1812 opened up the plains beyond St. Louis. Veterans of the Civil War built western railroads and developed the mountain valleys along the Pacific seaboard. The veterans of World War II have no remaining frontier in the old sense. But they have a far greater frontier in the new sense—a business frontier, a technological frontier, an industrial frontier, and a vast new frontier in overseas trade. However, no frontier has ever developed without some sort of Federal assistance. Could our veterans prevent World War III? Let us examine the possibility of our veterans preventing World War III.

Among the features of the bill are provisions to enable veterans to trade abroad to supply the great new demand for American goods and services. They have helped liberate many of the countries where they can now trade. They can promote friendship and con-

fidence in countries such as China, Korea, the Philippines, India, Iraq, Iran, Turkey, and France. As an example of how the Veterans' Corporation could strengthen the United Nations, consider the case of China. The Government of China is now interested in having our discharged veterans, who are capable of serving as technical and business missionaries, to aid in the modernization and economic strengthening of their country. In China and other countries that are open to Americans and to our veterans, we can open vast new and perpetuating markets for American goods and services. This will create fuller employment for veterans and for all American workers, businessmen, and professional people. This peaceful economic approach to China and to other countries would eliminate promptly many of the serious trouble centers and secure the peace.

Who knows? The fate of our Nation may well rest with our decisions now. High military authorities state that peace will not last 10 years unless we strengthen our position in this breathing spell to engineer a permanent world structure for security. Our foreign observers are disturbed and report that the United States faces a dilemma. Many soldiers are returning disillusioned; in most cases the very nations they helped to free are now fearful that we are going to let them down by not assisting them with our technical know-how in modernization. It is a dangerous phenomenon. Our money alone will not buy the respect and support of other nations.

It is predicted by many authorities on world affairs that the United States may abdicate its present world leadership. The eyes of the world are upon us in peace as they were in the recent global war of survival. The 45 smaller members of the United Nations look to us as their main hope.

In the course of history every nation preceding us attained world leadership reached its zenith, and then subsequently lost its position of leadership. We can demonstrate to the world that we can retain our leadership in peace as we did in war. If we put our own house in order promptly, we are more likely to continue that world leadership that we retained during this war at such a frightful cost of lives, blood, sweat, tears, and treasure.

Our veterans who went to war and who fought the battles were trained and equipped by the best organizational methods known to modern science. That organizational genius gave us the Army, Navy, Air Force, tools, and strength of atomic power beyond the capacities of any other people. Now our veterans have earned their right to benefit from this same organized procedure for reestablishing a prosperous peace.

Through the benefits of the Veterans' Corporation, the veterans of our wars are privileged to participate in strengthening the United States which in turn will strengthen the United Nations Organization to wipe out the scourge of war. The veterans, therefore, can make a great contribution in developing our economic relations with the peoples of the world to knit together a friendly fabric in exchange of trade and ideas. Who are better equipped by training, overseas experience, patriotism, and travel to reach these objectives for the United Nations Organization than the 20,000,000 living veterans of our wars?

Our veterans will be numbered among the leaders of the next generation and can become the backbone of the Nation. Our veterans are selected from the cream of the crop of 140,000,000 people. Physically, psychologically, and educationally they are the finest essence of our people. Yet after World War I most veterans required two decades to find themselves. We can turn our national clock ahead and avert this unhappy time loss for veterans of World War II by utilizing profitably our veteran human resources now. The development of a favorable climate of opportunity for the 4,000,000 veterans who have heretofore not been employed, or have no particular job to return to, now constitutes in itself a specific problem in which the Senate and the House are vitally interested as well as the families of the veterans.

The science of organization is one of the many unique contributions America has given the world in war and in peace for the benefit of mankind. Organization and the spirit of our people won the war. If we apply this same genius for organization and business enterprise promptly to assist our veterans in their assimilation into civil life, it will prove to be our Nation's best insurance. This program will go far in securing our economic stability. This program will assure an ever-expanding prosperity; and it may secure the peace of the world. This program will demonstrate to our fellow Americans and to the world that our free enterprise, that our form of democracy, and that the great American experiment in government is successful.

Veterans' Administrator, General Bradley, said on Monday of this week in addressing the Thirty-first Annual Convention of Kiwanis International:

> Four million veterans will be unemployed next fall unless new jobs continued to be created.

The Administrator said also:

> It is time we stopped indulging in the sacrifices of veterans and worked harder instead to fulfill their wants. It is time we took stock of the promises we made while they were still overseas. The Veterans' Administration with its GI provisions can offer only a narrow foothold to veterans. Although jobs are the No. 1 issue, our Administration is limited to helping veterans with only training for jobs.

The Veterans' Employment and National Economic Development Corporation Act is the answer to General Bradley's alarming statement. It is our direct interest to veterans and to all our people in every community to pass this legislation in the Seventy-ninth session of the Congress. This program will be of no expense to the taxpayers. On the contrary, it will reduce the taxes as it will reduce the cost of government and reduce the billions of dollars paid to idle veterans.

What we then find by experience that we can do with veterans, we can do for all the people. This program can well serve as the pilot operation in profitable and practical social engineering, and one of the most important milestones in human history.

The Veterans' Employment and National Economic Development Corporation would thus open up for unemployed veterans, and veterans without much hope, many gainful career opportunities. Moreover, the benefits of this Corporation for veterans' employment will in turn open a new segment in our economy, and stimulate increased prosperity for all Americans, and fortify by peaceful means our national security.

EXECUTIVE SESSION

Mr. BARKLEY. I move that the Senate proceed to consider executive business.

The motion was agreed to; and the Senate proceeded to the consideration of executive business.

EXECUTIVE MESSAGES REFERRED

The PRESIDING OFFICER (Mr. HOEY in the chair) laid before the Senate messages from the President of the United States submitting sundry nominations and a protocol, which were referred to the appropriate committees.

(For nominations this day received, see the end of Senate proceedings.)

INTERNATIONAL CIVIL AVIATION CONFERENCE—MESSAGE FROM THE PRESIDENT (EX. G, 79TH CONG., 2D SESS.)

The PRESIDING OFFICER laid before the Senate a message from the President of the United States, which was read by the legislative clerk, referred to the Committee on Foreign Relations, and ordered to be printed, as follows:

To the Senate of the United States:

In the autumn of 1944, at the invitation of the United States, an International Civil Aviation Conference was held in Chicago. The main purpose and chief result of this conference was the preparation of an important treaty, the International Convention on Civil Aviation. On March 12, 1945, President Roosevelt referred this convention to the Senate, with a request for consideration and ratification. It has now become a matter of urgency to this Nation, and to many other nations, that the Senate act upon the convention.

The convention has two major elements: (1) It restates and codifies the accepted principles of international law pertaining to air navigation; (2) it provides for the establishment of an International Civil Aviation Organization.

The parts of the convention dealing with the principles of international air law are self-explanatory, and I feel sure that the Senate will recognize the value of the codification.

Similarly, I believe the proposed International Civil Aviation Organization will recommend itself to the Senate. The most important task of this Organization, under the terms of the Convention, will be the promotion of safety of life in the air. In this connection, it will develop international standards for airworthiness of aircraft, for competence of aviation personnel, and for operating

practices and facilities on the international air routes. The organization will also study the economic problems of international air transport; and in certain instances it may be used as an instrument through which such international aviation facilities and services as airports, radio aids, and weather information could be internationally financed.

The organization will come into existence on a permanent basis when the convention has been ratified by 26 governments. It will have its headquarters in Montreal, Canada. Meanwhile, as is accepted practice in such undertakings, and in accordance with an interim agreement, the organization has been temporarily established on a provisional basis.

The provisional organization is concerned with the same activities which will engage the permanent organization, but it lacks full powers and its life is limited. It is increasingly apparent that the establishment of the permanent organization cannot be indefinitely delayed without damage to interests vital to this and other countries. As matters stand, the safety regulations cannot be finished or made fully effective, and the economic activities remain merely exploratory. Meanwhile, as international air traffic rapidly expands, individual nations and airlines are developing their own regulations and operating practices. The guidance and authority of an actively functioning international organization is urgently needed to assure the uniform standards required for safety, efficiency, and economy.

The convention makes no attempt to cover controversial questions of commercial aviation rights. It leaves these questions to be settled by other international agreements, which are entirely independent of the convention, and which provide for the reciprocal exchange of commercial air transport rights. Under authority vested in me, I have actively undertaken to consummate such agreements, in order to assure the most favorable development of international civil aviation. Naturally, agreements of this nature to which the United States is a party are consistent with the requirements of the Civil Aeronautics Act, are valid under its terms, and fully protect the public interest. Under these agreements, before foreign air-carrier permits are issued by the United States to foreign airlines, they must qualify under the provisions of the Civil Aeronautics Act.

It is very important to the future of American aviation that the convention be promptly ratified. At the recent meeting of the provisional organization in Montreal, it was agreed that all the nations concerned would aim at March 1, 1947, as the ratification dead line. In order to make it possible for the nations as a group to meet this dead line, it is vital that the United States ratify the convention during the present session of Congress. At the present time, nine governments have already ratified the convention, but it is plain that many others are withholding action pending ratification by this country. Hope of bringing the convention into effective operation in the near future depends on prompt action by this country, which would stimulate similar early action by other governments.

We need also to consider the possibility that, if we hold back, the permanent organization may eventually be established without our participation. In that event, our air lines might be forced to operate in foreign countries under regulations which we had had no part in framing, and which might adversely affect our aircraft and air transport industries. If the interests of this country are to be fully represented in the work of the permanent organization, the United States, which sponsored the original International Civil Aviation Conference in Chicago, needs to give evidence, by prompt ratification of the convention, of continued leadership. I feel confident that the Senate will recognize this serious responsibility and notable opportunity.

HARRY S. TRUMAN.

THE WHITE HOUSE, *June 11, 1946.*

AVOIDANCE OF DOUBLE TAXATION—REMOVAL OF INJUNCTION OF SECRECY FROM SUPPLEMENTARY PROTOCOL

Mr. GEORGE. Mr. President, I ask unanimous consent that the injunction of secrecy be removed from Executive F, Seventy-ninth Congress, second session, a supplementary protocol, signed at Washington on June 6, 1946, modifying in certain respects the convention between the United States of America and the United Kingdom of Great Britain and Northern Ireland for the avoidance of double taxation and the prevention of fiscal evasion with respect to taxes on income which was signed at Washington on April 16, 1945.

The PRESIDING OFFICER. Without objection, the injunction of secrecy will be removed from the protocol and it will be printed in the RECORD.

The protocol, with accompanying papers, is as follows:

To the Senate of the United States:

With a view to receiving the advice and consent of the Senate to ratification, I transmit herewith a supplementary protocol, signed at Washington on June 6, 1946, modifying in certain respects the convention between the United States of America and the United Kingdom of Great Britain and Northern Ireland for the avoidance of double taxation and the prevention of fiscal evasion with respect to taxes on income which was signed at Washington on April 16, 1945.

I also transmit herewith, for the information of the Senate, the report of the Secretary of State with respect to the protocol.

HARRY S. TRUMAN.

THE WHITE HOUSE, *June 11, 1946.*

[Enclosures: 1. Report of the Secretary of State; 2. protocol of June 6, 1946, modifying the convention of April 16, 1945, relating to taxes on income, between the United States and the United Kingdom.]

JUNE 10, 1946.

The PRESIDENT,
The White House:

The undersigned, the Secretary of State, has the honor to lay before the President, with a view to its transmission to the Senate to receive the advice and consent of that body to ratification, if his judgment approve thereof, a supplementary protocol, signed at Washington on June 6, 1946, modifying in certain respects the convention between the United States of America and the United Kingdom of Great Britain and Northern Ireland for the avoidance of double taxation and the prevention of fiscal evasion with respect to taxes on income which was signed at Washington April 16, 1945.

The convention was submitted by the President to the Senate with a message of April 24, 1945, and was referred to the Committee on Foreign Relations (Executive D, 79th Cong., 1st sess.).

By its report of May 10, 1946 (Senate Executive Report No. 4, 79th Cong., 2d sess.), the Committee on Foreign Relations reported the convention favorably to the Senate without amendment and recommended that advice and consent be given to its ratification. However, in that report reference was made to hearings which were held before a subcommittee of the Committee on Foreign Relations, in the course of which hearings interested persons were heard with respect to certain objections which had been raised in regard to paragraph (3) of article XI of the convention. The full committee concurred in the recommendations of the subcommittee "(a) that the convention be ratified without amendment; (b) that the objections taken to the presence in the convention of paragraph (3) of article XI are sound; and (c) that appropriate steps be taken, after ratification, looking to striking such paragraph from the convention."

Article XI of the convention contains three paragraphs, under the first two of which a reciprocal exemption is accorded by each of the contracting countries, upon certain conditions, with respect to compensation for personal services performed within such country by a resident of the other country. Paragraph (3) of article XI specifically excludes public entertainers from the benefits of such exemption, the paragraph reading as follows:

"(3) The provisions of this article shall not apply to the compensation, profits, emoluments, or other remuneration of public entertainers such as stage, motion picture, or radio artists, musicians, and athletes."

The subcommittee of the Committee on Foreign Relations reached the conclusion that a substantial basis existed for the view that paragraph (3) of article XI is open to the objection that it is discriminatory. However, upon receiving assurances that appropriate steps would be taken with a view to eliminating the provision of that paragraph from the convention, the subcommittee proceeded to recommend approval of the convention without amendment, at the same time recommending that "appropriate steps be taken, after ratification, looking to striking such paragraph from the convention."

On June 1, 1946, the Senate gave its advice and consent to the ratification of the convention, without amendment.

Without awaiting ratification of the convention, the plenipotentiaries of the two Governments have concluded and signed the supplementary protocol, enclosed herewith. The protocol provides in Article I that paragraph (3) of Article XI of the convention "shall be deemed to be deleted and of no effect." Article II of the protocol provides that the protocol shall be regarded as an integral part of the convention and shall be ratified, the instruments of ratification to be exchanged at Washington.

It is believed that, by submitting the protocol to the Senate at this time, action may be facilitated with a view to bringing the convention into force without the provisions to which objection has been raised. It is hoped that the convention, together with the protocol, may be brought into force as soon

as possible in order that the impediment to international trade which results from the double taxation of incomes may be removed as between the United States of America and the United Kingdom of Great Britain and Northern Ireland.

Respectfully submitted.

JAMES F. BYRNES.

PROTOCOL

The Government of the United States of America and the Government of the United Kingdom of Great Britain and Northern Ireland,

Desiring to conclude a supplementary Protocol modifying in certain respects the Convention for the avoidance of double taxation and the prevention of fiscal evasion with respect to taxes on income which was signed at Washington on April 16, 1945,

Have agreed as follows:

ARTICLE I

Paragraph (3) of Article XI of the Convention of April 16, 1945 for the avoidance of double taxation and the prevention of fiscal evasion with respect to taxes on income shall be deemed to be deleted and of no effect.

ARTICLE II

This Protocol, which shall be regarded as an integral part of the said Convention, shall be ratified and the instruments of ratification thereof shall be exchanged at Washington.

In witness whereof the undersigned Plenipotentiaries, being authorized thereto by their respective Governments, have signed this Protocol and have affixed thereto their seals.

Done at Washington, in duplicate, this sixth day of June, 1946.

For the Government of the United States of America:

JAMES F. BYRNES,
Secretary of State of the United States of America.

For the Government of the United Kingdom of Great Britain and Northern Ireland:

JOHN BALFOUR,
His Majesty's Envoy Extraordinary and Minister Plenipotentiary in Washington.

The PRESIDING OFFICER. If there be no reports of committees, the clerk will state the nominations on the Executive Calendar.

DEPARTMENT OF STATE--NOMINATION PASSED OVER

Mr. BARKLEY. I ask unanimous consent that the nomination of Charles Fahy to be legal adviser of the Department of State, which has heretofore been passed over, be passed over again.

The PRESIDING OFFICER. Without objection, the nomination will be passed over.

TREASURY DEPARTMENT

The legislative clerk read the nomination of John W. Snyder to be Secretary of the Treasury.

The PRESIDING OFFICER. Without objection, the nomination is confirmed.

THE TAX COURT OF THE UNITED STATES

The legislative clerk read the nomination of Clarence P. LeMire to be Judge of The Tax Court of the United States.

The PRESIDING OFFICER. Without objection, the nomination is confirmed.

POSTMASTERS

The legislative clerk proceeded to read sundry nominations of postmasters.

Mr. BARKLEY. I ask that the nominations of postmasters be confirmed en bloc.

The PRESIDING OFFICER. Without objection, the nominations of postmasters are confirmed en bloc.

THE NAVY

The legislative clerk read the nomination of Ben Moreell to be Civil Engineer in the Navy, with the rank of Admiral, for temporary service.

Mr. MAGNUSON. Mr. President, I do not wish to detain the Senate, but I believe that the nomination of Admiral Moreell for the rank of full admiral should not be confirmed by the Senate without a few remarks.

In my opinion no one is more deserving of this great honor than Ben Moreell. Ben Moreell was Chief of the Bureau of Yards and Docks at the beginning of this war. That Bureau was charged with the responsibility of constructing all the naval establishments in far-flung corners of the world where our Navy operated. In a short period of approximately 18 or 19 months Ben Moreell organized and actually got started, and completed in some respects, the greatest construction job the world has ever known. Ben Moreell organized the Seabees. Their record in this war is well known to every American.

Long before the war had ended Ben Moreell had practically completed literally hundreds of naval bases frequently in places where it was most difficult to obtain or transport supplies, and they were effective bases and did so much to win our naval war, particularly in the Pacific. I saw many of those bases during my service in the Pacific. I watched many of them being built. I watched the efficiency and effectiveness of his direction.

His was a desk job during the war. It was not a fighting job. It was a job that was probably more important than that of any other single individual in getting these things done.

I am glad to see the President rightfully honor a man who sat in Washington, and who probably did as much to win the naval war of World War II as did any other man in this Nation. I know that the Senate will unanimously confirm his nomination, and I am glad to make note of his great service to his country.

The PRESIDING OFFICER. The question is, Will the Senate advise and consent to the nomination of Ben Moreell to be civil engineer in the Navy, with the rank of admiral, for temporary service?

The nomination was confirmed.

The PRESIDING OFFICER Without objection, the President will be notified forthwith of all nominations confirmed this day.

That completes the calendar.

RECESS

Mr. BARKLEY. As in legislative session, I move that the Senate take a recess until 11 o'clock a. m. tomorrow.

The motion was agreed to; and (at 5 o'clock and 23 minutes p. m.) the Senate took a recess until tomorrow, Wednesday, June 12, 1946, at 11 o'clock a. m.

NOMINATIONS

Executive nominations received by the Senate June 11 (legislative day of March 5), 1946:

UNITED STATES DISTRICT JUDGE OF THE CANAL ZONE

Hon. Bunk Gardner, of Kentucky, to be United States District Judge of the Canal Zone. (Judge Gardner is now serving in this post under an appointment which expired March 26, 1946.)

ASSOCIATE JUSTICE, SUPREME COURT OF THE TERRITORY OF HAWAII

Hon. Louis LeBaron, of Hawaii, to be Associate Justice of the Supreme Court, Territory of Hawaii. (Judge LeBaron is now serving in this post under an appointment which expired March 24, 1946.)

UNITED STATES ATTORNEY

James M. Carter, of California, to be United States attorney for the southern district of California, vice Charles H. Carr, resigned.

UNITED STATES PUBLIC HEALTH SERVICE

The following-named candidates for appointment and promotion in the Regular Corps of the United States Public Health Service:

To be senior assistant scientists, effective date of oath of office:

John L. Schwab — Frederick S. Philips
David B. Lackman — Howard W. Bond
Don E. Eyles

To be assistant scientists, effective date of oath of office:

Grover C. Pitts
Howard K. Schachman

Surgeons to be senior surgeons:

John R. Murdock — Anthony P. Rubino
Joseph F. Van Ackeren — William W. Nesbit

Senior assistant surgeons to be temporary surgeons:

Kenneth M. Endicott — Ralph W. Pagel
Malcolm J. Ford — Raymond S. Roy
Leslie W. Knott — Rudolph F. Sievers
Stanley E. Krumbiegel — Robert L. Smith
Arnold B. Kurlander — Samuel S. Epicer

IN THE NAVY

Midshipman Dean L. Kellogg to be an assistant paymaster in the Navy, with the rank of ensign, from the 5th day of June 1946.

CONFIRMATIONS

Executive nominations confirmed by the Senate June 11 (legislative day of March 5), 1946:

TREASURY DEPARTMENT

John W. Snyder to be Secretary of the Treasury.

THE TAX COURT OF THE UNITED STATES

Clarence P. LeMire to be a judge of The Tax Court of the United States, for a term of 12 years from June 2, 1946.

POSTMASTERS

ALABAMA

Melford G. Cleveland, Randolph.

ARKANSAS

Lennie L. Potter, Dell.
Henry Clay Cottrell, Dyer.

CALIFORNIA

Gertrude S. Downs, Buellton.

FLORIDA

Edna T. Jones, Pelican Lake.

GEORGIA

Mary R. King, Winston.

ILLINOIS

Robert M. Coleman, Milledgeville.
Hugh W. Hamilton, Yale.

IOWA

Harvey H. Douglass, Postville.

KANSAS

William Campbell, Mullinville.
Ruth B. Dunlap, Rose Hill.

KENTUCKY

Homer Erwin Davis, Columbus.
John T. Bradley, Kettle Island.

MASSACHUSETTS

Lawrence L. Carpenter, Foxboro.
Edward G. Perry, Teaticket.

MISSOURI

George T. Carter, Moscow Mills.

MONTANA

Jack Cruickshank, Bozeman.

NEW JERSEY

Edward Praiss, Camden.
George M. Beaman, Keansburg.
Louella Lockwood, Oceanport.

NORTH DAKOTA

Fritz W. Liebig, Denhoff.

ORFGON

Maude B. Thames, Oswego.

TEXAS

James T. Butler, Crane.
Roxie L. Dunn, Forestburg.
Mary E. Gimon, Lovelady.
Rufus O. Warner, Pearland.

WEST VIRGINIA

Velva A. Pelter, Sharples.

WISCONSIN

George Pudas, Iron River.

IN THE NAVY

APPOINTMENT IN THE NAVY FOR TEMPORARY SERVICE

Ben Moreell to be a civil engineer in the Navy, with the rank of admiral, for temporary service.

HOUSE OF REPRESENTATIVES

TUESDAY, JUNE 11, 1946

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

Rev. Russell Wharton Lambert, minister, Centennial Methodist Church, Rockford, Ill., offered the following prayer:

Eternal Spirit, God of our lives and all life, we seek to know Thy will in this hour, that Thy way may be revealed unto us for our day and the days to come.

We thank Thee for the spirit that inspires men to set aside selfish interests and move into the realm of moral grandeur; for the love of humanity that turns men from bloodshed and tyranny into the methods of peace and justice; for the power that challenges men to rise from pettiness to heights of greatness in a day that yearns for the best.

Forgive our feeble courage, our neglected dreams, our discouraged hopes, and our acts of omission and commission. And now, in the beginning of a new day, stir us with a passion to regain the virtue of consistency in good things, that we may face a new age with alert minds, understanding hearts, and daring spirits.

May we dedicate ourselves to eternal principles that can come alive in our day to bless the world in the near and distant future. May we so lose ourselves in the cause of God that we find ourselves in the greatness of character that becomes man. Amen.

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

MESSAGE FROM THE SENATE

A message from the Senate by Mr. Frazier, its legislative clerk, announced that the Senate had passed a bill of the following title, in which the concurrence of the House is requested:

S. 2177. An act to provide for increased efficiency in the legislative branch of the Government.

COMMUNICATION FROM THE CLERK OF THE HOUSE

The SPEAKER laid before the House the following communication from the Clerk of the House, which was read:

JUNE 11, 1946.

The Honorable the SPEAKER,
House of Representatives.

SIR: From the secretary of the Commonwealth of the State of Pennsylvania, I have received the certificate of election of Hon. CARL H. HOFFMAN as a Representative-elect to the Seventy-ninth Congress from the Twenty-third Congressional District to fill the vacancy caused by the death of Hon. J. Buell Snyder.

Very truly yours,

SOUTH TRIMBLE,
Clerk of the House of Representatives.
By H. NEWLIN MEGILL.

HON. CARL H. HOFFMAN, REPRESENTATIVE-ELECT FROM TWENTY-THIRD DISTRICT, PA.

The SPEAKER. The Member-elect will present himself at the bar of the House and take the oath of office.

Mr. HOFFMAN appeared at the bar of the House and took the oath of office.

TERMINAL LEAVE TO ENLISTED PERSONNEL

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

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

There was no objection.

Mr. PETERSON of Georgia. Mr. Speaker, the bill granting terminal leave pay to enlisted personnel, H. R. 4051, should be overwhelmingly passed by the House. I am giving my unqualified support of this measure, and I hope there will not be a vote against it.

The enlisted personnel of our armed forces are entitled to this compensation, and it should be given to them as quickly as possible. Under our Selective Service System the men were forced to serve in the various branches of our armed forces whether they wished to or not, and those who served as enlisted personnel were just as good soldiers and just as good American citizens as those who served as commissioned officers. They fought side by side. In civilian life they are on an equal basis. It was more or less a fortune of circumstance that some were commissioned officers and some enlisted personnel.

The men and women, whether commissioned officers or not, have done their best to win the war. Now that the war is over and they are returning to civilian life, they should certainly be treated alike in the matter of terminal leave pay benefits as well as in all other respects.

I was among the enlisted personnel of World War I. As a veteran and as a member of the American Legion for over 20 years, I am glad to vote for this measure and to assist in securing for the enlisted personnel and their families these and all other benefits which they so richly deserve.

EXTENSION OF REMARKS

Mr. PETERSON of Georgia asked and was given permission to extend his remarks in the RECORD and to include the record of votes on veterans' legislation and a letter from the Chief of Engineers of the War Department.

Mr. LANE asked and was given permission to extend his remarks in the RECORD in three instances, in the first to include a very excellent editorial that appeared in the Christian Science Monitor of June 6 in reference to the so-called Case bill, in the second to include an editorial that appeared in the Boston Post, and in the third to include a statement to be made by him before the Committee on Civil Service today.

Mr. FORAND asked and was given permission to extend his remarks in the RECORD and include an address by Miss Stella Marks.

Mr. SABATH asked and was given permission to extend his remarks in the RECORD in three instances, in one to include an editorial from the Chicago Sun, in the second to include an article from the Chicago Times, and in the third to include several articles.

Mr. WOODRUFF asked and was given permission to extend his remarks in the RECORD in two instances, in one to include a newspaper article and in the other to include a number of articles by Mark Foote on communism.

Mr. REED of New York asked and was given permission to extend his remarks in the RECORD and include an article.

Mr. KEARNEY asked and was given permission to extend his remarks in the RECORD in reference to the wanton destruction of Army and Navy equipment.

Mr. HORAN (at the request of Mr. SCRIVNER) was given permission to extend his remarks in the RECORD and include a commencement address.

SPECIAL ORDER GRANTED

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

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

There was no objection.

EXTENSION OF REMARKS

Mr. KNUTSON asked and was given permission to extend his remarks in the RECORD and include an article by Fred Brenckman appearing in the June issue of the National Grange.

Mr. WOLCOTT asked and was given permission to extend his remarks in the RECORD in two instances: to include in one an address by Maj. Gen. Ray A. Porter given before the National Security Committee of the Veterans of Foreign Wars, and in the other an address by Mr. C. B. Lister, secretary-treasurer of the National Rifle Association.

Mr. PITTENGER asked and was given permission to extend his remarks in the RECORD in two instances: to include in one a statement by George Reilly before the Committee on Expenditures in the executive departments, and in the other a newspaper item and a statement.

Mr. EDWIN ARTHUR HALL asked and was given permission to extend his remarks in the RECORD and include a poem by Commander Isadore Chernin of the Binghamton Post of the American Legion.

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

Mr. CELLER asked and was given permission to extend his remarks in the RECORD in three instances.

SPECIAL ORDER GRANTED

Mr. REED of Illinois. 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 Illinois?

There was no objection.

ACCUMULATED LEAVE FOR ENLISTED PERSONNEL

The SPEAKER. The unfinished business is the passage of the bill (H. R. 4051) to grant to enlisted personnel of the armed forces certain benefits in lieu of accumulated leave.

The question is on the passage of the bill.

The question was taken, and on a division (demanded by Mr. BROOKS) there were—ayes 116, noes 0.

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

The SPEAKER. Evidently a quorum is not present.

The doorkeeper will close the doors, the Sergeant at Arms will notify absent Members, and the Clerk will call the roll.

The question was taken; and there were—yeas 380, nays 0, answered "present" 1, not voting 50, as follows:

[Roll No. 152]

YEAS—380

Abernethy	Bailey	Bishop
Adams	Baldwin, Md.	Blackney
Allen, Ill.	Baldwin, N. Y.	Bland
Allen, La.	Barden	Bloom
Almond	Barrett, Wyo.	Bolton
Andersen, H. Carl	Barry	Bonner
Anderson, Calif.	Bates, Ky.	Boren
Andresen, August H.	Bates, Mass.	Boykin
Andrews, Ala.	Beall	Bradley, Mich.
Angell	Beckworth	Bradley, Pa.
Arends	Bell	Brehm
Arnold	Bender	Brooks
Auchincloss	Bennet, N. Y.	Brown, Ga.
	Bennett, Mo.	Brown, Ohio
	Biemiller	Bryson
	Buck	Gregory
	Buckley	Griffiths
	Buffett	Gross
	Bulwinkle	Gwinn, N. Y.
	Bunker	Gwynne, Iowa
	Butler	Hale
	Byrne, N. Y.	Hall,
	Byrnes, Wis.	Edwin Arthur
	Camp	Hall,
	Campbell	Leonard W.
	Canfield	Halleck
	Cannon, Mo.	Hand
	Carnahan	Hare
	Case, N. J.	Harless, Ariz.
	Case, S. Dak.	Harness, Ind.
	Celler	Hart
	Chapman	Hartley
	Chelf	Havenner
	Chenoweth	Healy
	Chiperfield	Hébert
	Church	Hedrick
	Clark	Heffernan
	Clason	Hendricks
	Clements	Henry
	Clevenger	Herter
	Clippinger	Heselton
	Coffee	Hess
	Cole, Kans.	Hill
	Cole, Mo.	Hinshaw
	Cole, N. Y.	Hobbs
	Combs	Hoch
	Cooley	Hoeven
	Cooper	Hoffman, Mich.
	Corbett	Hoffman, Pa.
	Cox	Holifield
	Cravens	Holmes, Mass.
	Crosser	Holmes, Wash.
	Cunningham	Hook
	Curtis	Hope
	D'Alesandro	Howell
	Davis	Huber
	Dawson	Hull
	De Lacy	Izac
	Delaney, James J.	Jackson
	Delaney, John J.	Jarman
	D'Ewart	Jenkins
	Dingell	Jennings
	Dirksen	Jensen
	Dolliver	Johnson, Calif.
	Domengeaux	Johnson, Ill.
	Dondero	Johnson, Lyndon B.
	Doughton, N. C.	Johnson, Okla.
	Douglas, Calif.	Jones
	Douglas, Ill.	Jonkman
	Doyle	Judd
	Drewry	Kean
	Dworshak	Kearney
	Earthman	Kee
	Eaton	Keefe
	Eberharter	Kefauver
	Elliott	Kelley, Pa.
	Ellis	Kelly, Ill.
	Elsaesser	Keogh
	Elston	Kerr
	Engel, Mich.	Kilburn
	Engle, Calif.	Kilday
	Ervin	King
	Fallon	Kinzer
	Feighan	Kirwan
	Fellows	Klein
	Fernandez	Knutson
	Fisher	Kopplemann
	Flannagan	Kunkel
	Flood	LaFollette
	Fogarty	Landis
	Forand	Lane
	Fuller	Lanham
	Fulton	Larcade
	Gallagher	Latham
	Gamble	Lea
	Gardner	LeCompte
	Gary	LeFevre
	Gathings	Lemke
	Gavin	Lesinski
	Geelan	Lewis
	Gerlach	Link
	Gibson	Luce
	Gifford	Lynch
	Gillespie	McConnell
	Gillette	McCormack
	Gillie	McCowen
	Goodwin	McDonough
	Gordon	McGlinchey
	Gore	McKenzie
	Gorski	McMillan, S. C.
	Gossett	McMillen, Ill.
	Graham	Madden
	Granahan	Mahon
	Grant, Ala.	Maloney
	Green	Manasco
		Mankin
		Mansfield, Mont.
		Mansfield, Tex.
		Marcantonio
		Martin, Iowa
		Mathews
		May
		Merrow
		Michener
		Miller, Calif.
		Miller, Nebr.
		Mills
		Monroney
		Morgan
		Mundt
		Murdock
		Murphy
		Murray, Tenn.
		Murray, Wis.
		Neely
		Norblad
		Norrell
		O'Brien, Ill.
		O'Brien, Mich.
		O'Neal
		O'Toole
		Outland
		Pace
		Patman
		Patrick
		Patterson
		Peterson, Ga.
		Pfeifer
		Philbin
		Phillips
		Pickett
		Pittenger
		Ploeser
		Plumley
		Poage
		Pratt
		Price, Fla.
		Price, Ill.
		Priest
		Quinn, N. Y.
		Rabaut
		Rabin
		Rains
		Ramey
		Randolph
		Rankin
		Rayfiel
		Reed, Ill.
		Reed, N. Y.
		Rees, Kans.
		Resa
		Rich
		Riley
		Rivers
		Rizley
		Robertson, N. Dak.
		Robertson, Va.
		Robsion, Ky.
		Rockwell
		Rodgers, Pa.
		Roe, Md.
		Rogers, Fla.
		Rogers, Mass.
		Rogers, N. Y.
		Rooney
		Rowan
		Russell
		Ryter
		Sabath
		Sadowski
		Savage
		Schwabe, Mo.
		Schwabe, Okla.
		Scrivner
		Shafer
		Sharp
		Sheridan
		Short
		Sikes
		Simpson, Ill.
		Simpson, Pa.
		Slaughter
		Smith, Maine
		Smith, Ohio
		Smith, Va.
		Smith, Wis.
		Somers, N. Y.
		Sparkman
		Spence
		Springer
		Starkey
		Stefan
		Stevenson
		Stockman
		Sullivan
		Sumner, Ill.
		Sumners, Tex.
		Sundstrom
		Taber
		Talbot
		Talle
		Tarver
		Taylor
		Thom
		Thomas, N. J.
		Thomas, Tex.
		Thomason
		Tibbott
		Torrens
		Towe
		Traynor
		Trimble
		Vinson
		Voorhis, Calif.
		Vorys, Ohio
		Vursell
		Walter
		Wasielewski
		Weaver
		Weichel
		West
		Whitten
		Whittington
		Wickersham
		Wigglesworth
		Wilson
		Winter
		Wolcott
		Wolverton, N. J.
		Wood
		Woodhouse
		Woodruff
		Worley
		Zimmerman

ANSWERED "PRESENT"—1

Wadsworth

NOT VOTING—50

Andrews, N. Y.	Grant, Ind.	O'Hara
Barrett, Pa.	Hagen	O'Konski
Brumbaugh	Hancock	Peterson, Fla.
Cannon, Fla.	Harris	Powell
Carlson	Hays	Reece, Tenn.
Cochran	Horan	Richards
Colmer	Johnson, Ind.	Robinson, Utah
Courtney	Johnson, Luther A.	Roe, N. Y.
Crawford	Ludlow	Sasscer
Curley	Lyle	Sheppard
Daughton, Va.	McGehee	Stewart
Durham	McGregor	Stigler
Ellsworth	Martin, Mass.	Tolan
Fenton	Mason	Welch
Folger	Morrison	White
Gearhart	Norton	Winstead
Granger		Wolfenden, Pa.

So the bill was passed.

The Clerk announced the following pairs:

General pairs until further notice:

Mr. Curley with Mr. Martin of Massachusetts.

Mr. Colmer with Mr. Crawford.

Mr. Durham with Mr. Reece of Tennessee.

Mr. Morrison with Mr. Ellsworth.

Mr. McGehee with Mr. Andrews of New York.

Mr. Harris with Mr. Jones.

Mr. Luther A. Johnson with Mr. Horan.

Mr. Sheppard with Mr. Johnson of Indiana.

Mr. Tolan with Mr. Hagen.

Mr. Robinson of Utah with Mr. Grant of Indiana.

Mr. Powell with Mr. Carlson.

Mr. Stigler with Mr. Fenton.

Mr. Winstead with Mr. Hancock.

Mr. Roe of New York with Mr. Gearhart.

Mr. Courtney with Mr. Brumbaugh.

Mr. Folger with Mr. McGregor.

Mr. Hays with Mr. O'Hara.

Mr. Barrett of Pennsylvania with Mr. Mason.

Mr. Richards with Mr. Welch.

Mr. Sasscer with Mr. O'Konski.

The result of the vote was announced as above recorded.

The doors were opened.

A motion to reconsider was laid on the table.

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

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

There was no objection.

Mr. HARNESS of Indiana. Mr. Speaker, on this last roll call I was present when my name was called and voted "yea." I looked at the Clerk and he indicated that he understood me. There was some confusion at the time and I assumed that I had been recorded, but I am now informed that I was not recorded. I ask unanimous consent that my vote of "yea" be recorded.

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

There was no objection.

JUSTICE TO ENLISTED SERVICE PERSONNEL

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

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

There was no objection.

Mr. RANDOLPH. Mr. Speaker, it has just been my privilege to support the provisions of H. R. 4051. The practically unanimous vote by the House is indicative of the justice of the provisions of this legislation. I desire the RECORD to show that on March 5, 1945, I introduced the following bill, H. R. 2478:

A bill to grant to enlisted personnel in the land or naval forces certain benefits with respect to accumulated leave

Be it enacted, etc., That for the purposes of this act, each enlisted member of the land or naval forces of the United States shall, for the period beginning with the date of commencement of his or her active service in such forces or corps, or December 7, 1941, whichever is the later, and ending 1 year after the termination of hostilities in the present war, as proclaimed by the President, or the date of his or her discharge or release from active duty, whichever is the earlier, be considered as being entitled to annual leave at the rate of 2½ days for each month of such period. Such leave, less that actually received and used, may be accumulated and each person entitled thereto under this act shall be entitled, at the end of such period, to receive in a lump sum pay and allowances covering such accumulated leave. Such pay and allowances shall be computed at the rate of pay and allowances which such person was receiving at the end of such period.

SEC. 2. Any person entitled to the benefits of this act who is entitled to accumulated leave under any other provision of law may elect whether to come under the provisions of this act or such other provision of law for the period in which this act is in effect with respect to such person.

There were many other Members who likewise presented measures to correct the discrimination which was being practiced against enlisted personnel as against the law affecting commissioned officers of the armed services. The distinguished gentleman from Florida, Representative ROGERS, labored diligently for favorable consideration of his proposal. His bill and mine contained similar provisions.

It was my responsibility, also, to sign discharge petition No. 23, and it is gratifying to know that there were at least 218 Members who were desirous of speeding action. This statement is not meant as a criticism of the House Military Affairs Committee, because comprehensive hearings were held before a subcommittee of that group in an effort to bring forth a good measure for our approval. The important consideration, however, is that we have today acted affirmatively in alleviating the discrimination between officers and enlisted personnel in reference to terminal-leave compensation.

AN INJUSTICE IS RECTIFIED

We provide, under the bill just adopted, the same leave privileges to enlisted personnel as are accorded at present to commissioned personnel. We thus rectify an injustice within the defense establishments. Existing regulations call for commissioned officers to receive, on separation from the service, a payment in a lump sum covering unused annual leave. Our enlisted men, however, have received no such treatment. If the leave which they had accumulated, but had not used, was lost, they had no recourse.

Mr. Speaker, we know that officers and enlisted men served together during war, but we know the officers collected full pay for unused leave, while nothing in the way of recompense was given to the enlisted men. In other words the enlisted man had to forfeit the normal period of a furlough or leave.

I have been impressed by the report of the special committee, headed by General Doolittle, which has checked into the charges of discrimination and favoritism within our military establishments. One of the points at issue concerned the privileges accorded commissioned as against enlisted personnel. We must be courageous in correcting this injustice, and others within our service.

It is gratifying that all the veterans' organizations, according to my information, including the American Legion and the Veterans of Foreign Wars, have wholeheartedly supported the over-all objectives which are sought by the passage of this legislation. The leadership of these groups, and all veterans, have every right to expect Congress to correct the inequities existing in leave pay.

It is well, my colleagues, for all of us to remember that a very large proportion of our service personnel had but little opportunity for leaves or furloughs. It is proper that they receive every dollar for that time. We have, as I have stated earlier, paid to officers on discharge necessary sums, and there must be no discrimination against the privates, corporals, and so forth, who have been denied what is rightly theirs. Commissioned officers have been granted 120 days of terminal leave, and it was inconceivable that rank would give any special money to those persons as against the enlisted men. It was this latter group that fought and suffered and paid the heaviest toll during World War II.

NO DEAD-END STREET FOR VETERANS

I have said repeatedly that we must not allow a dead-end street for returning heroes. Our veterans will want and deserve the security of employment and not pensions alone for war service. We must do everything within our power, as grateful people, to take care of those who have suffered injuries—and also to those dependents of boys who have given their lives. It is our obligation to adequately provide for the disabled and their families. We have the duty of adopting policies that will provide satisfactory work for millions of returning veterans in American business, industry, agriculture, and the professions. This is absolutely necessary if we are to deal justly with our service men and women.

LABOR-FEDERAL SECURITY APPROPRIATION BILL, 1947

Mr. HARE, from the Committee on Appropriations, reported the bill (H. R. 6739) making appropriations for the Department of Labor, the Federal Security Agency, and related independent agencies, for the fiscal year ending June 30, 1947, and for other purposes (Rept. No. 2242), which was read a first and second time, and, with the accompanying papers, referred to the Committee of the Whole House on the State of the Union and ordered to be printed.

Mr. ENGEL of Michigan reserved all points of order on the bill.

DEPARTMENT OF AGRICULTURE APPROPRIATION BILL, 1947

Mr. TARVER. Mr. Speaker, I call up the conference report on the bill (H. R. 5605) making appropriations for the Department of Agriculture for the fiscal year ending June 30, 1947, and for other purposes, and ask unanimous consent that the statement of the managers on the part of the House be read in lieu of the report.

The Clerk read the title of the bill.

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

There was no objection.

Mr. TARVER. Mr. Speaker, all the Members are familiar with the contents of this statement. I ask unanimous consent that the reading of the statement be dispensed with.

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

There was no objection.

The conference report and statement are as follows:

CONFERENCE REPORT

The committee of conference on the disagreeing votes of the two Houses on the amendments of the Senate to the bill (H. R. 5605) making appropriations for the Department of Agriculture for the fiscal year ending June 30, 1947, and for other purposes, having met, after full and free conference, have agreed to recommend and do recommend to their respective Houses as follows:

That the Senate recede from its amendments numbered 8, 9, 10, 17, 24, 27, 28, 38, 39, 40, 41, 42, 57, and 64.

That the House recede from its disagreement to the amendments of the Senate numbered 1, 3, 6, 7, 11, 12, 14, 20, 23, 33, 35, 45, 46, 47, 49, 50, 53, 62, 63, and 65, and agree to the same.

Amendment numbered 2: That the House recede from its disagreement to the amendment of the Senate numbered 2, and agree to the same with an amendment, as follows: In lieu of the sum proposed by said amendment insert "$1,309,500"; and the Senate agree to the same.

Amendment numbered 4: That the House recede from its disagreement to the amendment of the Senate numbered 4, and agree to the same with an amendment, as follows: In lieu of the sum proposed by said amendment insert "$2,163,457"; and the Senate agree to the same.

Amendment numbered 5: That the House recede from its disagreement to the amendment of the Senate numbered 5, and agree to the same with an amendment, as follows: In lieu of the matter stricken out and inserted by said amendment, insert the following: ": *Provided further*, That no part of the funds herein appropriated or made available

to the Bureau of Agricultural Economics under the heading 'Economic investigations' shall be used for State and county land-use planning, for conducting cultural surveys, or for the maintenance of regional offices"; and the Senate agree to the same.

Amendment numbered 13: That the House recede from its disagreement to the amendment of the Senate numbered 13, and agree to the same with an amendment, as follows: In lieu of the sum proposed by said amendment insert "$885,000"; and the Senate agree to the same.

Amendment numbered 15: That the House recede from its disagreement to the amendment of the Senate numbered 15, and agree to the same with an amendment, as follows: In lieu of the sum proposed by said amendment insert "$497,032"; and the Senate agree to the same.

Amendment numbered 16: That the House recede from its disagreement to the amendment of the Senate numbered 16, and agree to the same with an amendment, as follows: In lieu of the sum proposed by said amendment insert "$981,012"; and the Senate agree to the same.

Amendment numbered 18: That the House recede from its disagreement to the amendment of the Senate numbered 18, and agree to the same with an amendment, as follows: In lieu of the sum proposed by said amendment insert "$2,428,300"; and the Senate agree to the same.

Amendment numbered 19: That the House recede from its disagreement to the amendment of the Senate numbered 19, and agree to the same with an amendment, as follows: In lieu of the sum proposed by said amendment insert "$2,070,300"; and the Senate agree to the same.

Amendment numbered 21: That the House recede from its disagreement to the amendment of the Senate numbered 21, and agree to the same with an amendment, as follows: In lieu of the sum proposed by said amendment insert "$1,355,000"; and the Senate agree to the same.

Amendment numbered 22: That the House recede from its disagreement to the amendment of the Senate numbered 22, and agree to the same with an amendment, as follows: In lieu of the sum proposed by said amendment insert "$584,000"; and the Senate agree to the same.

Amendment numbered 25: That the House recede from its disagreement to the amendment of the Senate numbered 25, and agree to the same with an amendment, as follows: In lieu of the sum proposed by said amendment insert "$2,676,500"; and the Senate agree to the same.

Amendment numbered 26: That the House recede from its disagreement to the amendment of the Senate numbered 26, and agree to the same with an amendment, as follows: In lieu of the sum proposed by said amendment insert "$3,066,600"; and the Senate agree to the same.

Amendment numbered 29: That the House recede from its disagreement to the amendment of the Senate numbered 29, and agree to the same with an amendment, as follows: In lieu of the sum proposed by said amendment insert "$461,500"; and the Senate agree to the same.

Amendment numbered 30: That the House recede from its disagreement to the amendment of the Senate numbered 30, and agree to the same with an amendment, as follows: In lieu of the sum proposed by said amendment insert "$6,000,000"; and the Senate agree to the same.

Amendment numbered 31: That the House recede from its disagreement to the amendment of the Senate numbered 31, and agree to the same with an amendment, as follows: In lieu of the sum proposed by said amendment insert "$2,754,111"; and the Senate agree to the same.

Amendment Numbered 32: That the House recede from its disagreement to the amendment of the Senate numbered 32, and agree to the same with an amendment, as follows: In lieu of the sum proposed by said amendment insert "$1,003,710"; and the Senate agree to the same.

Amendment numbered 34: That the House recede from its disagreement to the amendment of the Senate numbered 34, and agree to the same with an amendment, as follows: In lieu of the sum proposed by said amendment insert "$21,786,000"; and the Senate agree to the same.

Amendment numbered 36: That the House recede from its disagreement to the amendment of the Senate numbered 36, and agree to the same with an amendment, as follows: In lieu of the sum proposed by said amendment insert "$2,380,000"; and the Senate agree to the same.

Amendment numbered 37: That the House recede from its disagreement to the amendment of the Senate numbered 37, and agree to the same with an amendment, as follows: In lieu of the matter stricken out and inserted by said amendment, insert the following: "$1,395,000, of which at least $10,000 shall be expended for research in the utilization of waste woods"; and the Senate agree to the same.

Amendment numbered 44: That the House recede from its disagreement to the amendment of the Senate numbered 44, and agree to the same with an amendment, as follows: In lieu of the sum proposed by said amendment insert "$39,300,000"; and the Senate agree to the same.

Amendment numbered 48: That the House recede from its disagreement to the amendment of the Senate numbered 48, and agree to the same with an amendment, as follows: In lieu of the sum proposed by said amendment insert "$27,942,888"; and the Senate agree to the same.

Amendment numbered 51: That the House recede from its disagreement to the amendment of the Senate numbered 51, and agree to the same with an amendment, as follows: In lines 6 and 7 of the matter inserted by said amendment, strike out the following: "Seventy-ninth Congress, second session" and insert in lieu thereof, the following: "approved June 4, 1946 (Public Law 396)"; and the Senate agree to the same.

Amendment numbered 56: That the House recede from its disagreement to the amendment of the Senate numbered 56, and agree to the same with an amendment, as follows: In lieu of the sum proposed in said amendment insert "$1,219,000"; and the Senate agree to the same.

Amendment numbered 58: That the House recede from its disagreement to the amendment of the Senate numbered 58, and agree to the same with an amendment, as follows: In lieu of the sum proposed in said amendment insert "$70,000,000"; and the Senate agree to the same.

Amendment numbered 59: That the House recede from its disagreement to the amendment of the Senate numbered 59, and agree to the same with an amendment, as follows: In lieu of the matter stricken out and inserted by said amendment, insert the following: "the making of loans to any individual farmer in excess of a total outstanding obligation of $5,000 for all such loans or the making of loans to any individual farmer in excess of $2,500"; and the Senate agree to the same.

Amendment numbered 60: That the House recede from its disagreement to the amendment of the Senate numbered 60, and agree to the same with an amendment, as follows: In lieu of the matter stricken out by said amendment, insert the following: "and no loans, excepting those to eligible veterans, may be made for the acquisition or enlargement of farms which have a value, as acquired, enlarged, or improved, in excess of the average value of efficient family-size farm-management units, as determined by the Secretary, in the county, parish or locality where the farm is located"; and the Senate agree to the same.

Amendment numbered 61: That the House recede from its disagreement to the amendment of the Senate numbered 61, and agree to the same with an amendment, as follows: In lieu of the sum proposed by said amendment insert "$1,750,000"; and the Senate agree to the same.

The committee of conference report in disagreement amendments numbered 43, 52, 54, 55, 66, 67, and 68.

M. C. TARVER,
CLARENCE CANNON,
JAMIE L. WHITTEN,
EVERETT M. DIRKSEN,
CHARLES A. PLUMLEY,
Managers on the Part of the House.

RICHARD B. RUSSELL,
CARL HAYDEN,
ELMER THOMAS,
C. WAYLAND BROOKS,
CHAN GURNEY,
CLYDE M. REED,
Managers on the Part of the Senate.

STATEMENT

The managers on the part of the House at the conference on the disagreeing votes of the two Houses on the amendments of the Senate to the bill (H. R. 5605) making appropriations for the Department of Agriculture for the fiscal year ending June 30, 1947, and for other purposes, submit the following statement in explanation of the effect of the action agreed upon and recommended in the accompanying report, as to each of such amendments, namely:

TOTALS, ALLOCATIONS, ETC.

The following amendments relate to totals, allocations, etc., as they have been adjusted to the action of the conferees on other amendments: Nos. 3, 9, 10, 15, 24, 27, 30, 32, 39, 41, 42, 46, and 47.

OFFICE OF THE SECRETARY

Amendment No. 1, salaries and expenses: Senate deleted the following language inserted by the House:

"*Provided further*, That no part of the funds appropriated by this Act shall be used for the payment of the compensation of any officer or employee who authorizes or causes to be authorized the operation and administration of more than one warehouse inspection service under the jurisdiction of the Secretary, and appropriations and funds available for such services shall be transferred and consolidated and expended and accounted for as a single fund."

The House recedes, on assurances from the Secretary of Agriculture that the consolidation already effected by administrative order will be continued.

OFFICE OF INFORMATION

Amendment No. 2, printing and binding: House appropriated $1,294,000; Senate, $1,325,000; conferees agree upon $1,309,500.

BUREAU OF AGRICULTURAL ECONOMICS

Amendment No. 4, economic investigations: House appropriated $1,923,457; Senate, $2,173,457; conferees agree upon $2,163,457. Action of conferees contemplates that no investigations will be made in Alaska.

Amendment No. 5, economic investigations: The House inserted the following language:

"*Provided further*, That no part of the funds herein appropriated or made available to the Bureau of Agricultural Economics shall be used for State and county land-use planning, or for the maintenance of regional offices, or for conducting social surveys."

The Senate struck out the House language and inserted the following, including the words enclosed in brackets:

"Provided further, That no part of the funds herein appropriated or made available to the Bureau of Agricultural Economics under the heading 'Economic investigations' shall be used for State and county land-use planning, for conducting cultural surveys, or for the maintenance of [more than one professional worker in the respective] regional offices[, and that all work done by the Bureau in the States out of funds appropriated or made available for 'Economic investigations' shall be done in cooperation with or on the approval of the respective land-grant colleges]."

The conferees agreed upon the Senate provision, omitting the words enclosed in brackets:

Amendment No. 6, crop and livestock estimates: House appropriated $2,037,000; Senate, $2,132,000; House recedes.

OFFICE OF ADMINISTRATOR, AGRICULTURAL RESEARCH ADMINISTRATION

Amendment No. 7, special exploratory investigations of agricultural problems of Alaska: The Senate inserted language making the amount appropriated for this purpose immediately available. The House recedes.

OFFICE OF EXPERIMENT STATIONS

Amendment No. 8, payments to Territory of Alaska under provisions of section 2 of the act approved June 20, 1936: House appropriated $27,500; Senate, $37,500; Senate recedes.

BUREAU OF ANIMAL INDUSTRY

Amendment No. 11, animal husbandry: Glendale, Ariz., Poultry Station: Senate appropriated $30,000; House recedes. For study of possibilities of establishing a regional poultry research program in the southern Great Plains area: Senate appropriated $2,500; House recedes. For study of possibilities of establishing a regional poultry research program in the Southeastern States: Senate appropriated $5,000; House recedes.

Amendment No. 12, animal husbandry: Glendale, Ariz., poultry station: The Senate authorized $20,000 of the appropriation for this item for construction of buildings. The House recedes.

Amendments Nos. 13 and 14, diseases of animals: Laboratory to investigate Newcastle disease of poultry: Senate appropriated $30,000 for the construction of a building; House recedes. Investigation of roundworm parasites and intestinal and fringed tapeworms of sheep: Senate appropriated $32,986; Senate recedes.

BUREAU OF DAIRY INDUSTRY

Amendment No. 16, salaries and expenses: Increase for tabulating, analyzing, and making available data on dairy herd improvement association herds: Senate added $37,488; conferees agree upon $25,000. For further research on evaluation of mammary gland development in its relation to milk production: Senate appropriated $8,700; Senate recedes. Analysis of experimental breeding data: Senate appropriated $8,800; Senate recedes.

BUREAU OF PLANT INDUSTRY, SOILS, AND AGRICULTURAL ENGINEERING

Amendment No. 17, field crops: The Senate struck the following language: "including not to exceed $26,800 for investigation in the blackroot disease of sugar beets." The House recedes. However, see amendment No. 18, where an increased appropriation of $26,800 is allowed for this purpose.

Amendment No. 18, field crops: Development of weed control methods in irrigated areas: Senate added $12,000; House recedes. Experiments on nut grass: Senate appropriated $10,000; House recedes. Control measures for blackroot disease of sugar beets: Senate appropriated $26,800; House recedes. Problems of burley tobacco production and disease: Senate appropriated $15,000; House recedes. Production and breeding experiments on guayule rubber: Senate appropriated $117,400; Senate recedes. To enlarge guayule research program, including processing tests and shrub conditioning studies: Senate appropriated $45,100; Senate recedes.

Amendment No. 19, fruit, vegetable, and specialty crops: Investigations of virus and viruslike diseases of stone fruits of the Western States: Senate appropriated $25,000; Senate recedes. Development of disease-resistant ornamental and flowering plants: Senate appropriated $36,300; conferees agree upon $5,200, to be earmarked for work on azaleas. Investigations on suitability of various types of cargo and transport services for shipping fresh and frozen fruits and vegetables: Senate appropriated $52,000; House recedes. Investigation of diseases of vegetable plant beds in the South for work in connection with tomato plants: Senate appropriated $10,100; House recedes. Cooperative vegetable seed work: Senate appropriated $12,000; House recedes. Investigations of watery soft-rot disease: Senate appropriated $10,000; Senate recedes.

Amendment No. 20, forest diseases: Development and improvement of methods for control of tree diseases: Senate appropriated $30,300; house recedes. Little-leaf disease of pine: Senate appropriated $25,000; House recedes. Investigation of the disease affecting mimosa trees: Senate appropriated $25,000; House recedes.

Amendment No. 21, soils, fertilizers, and irrigation: Increase for soil classification and mapping: Senate added $110,000; conferees agree upon $55,000. Increase for preparation of soil maps and reports for publication: Senate added $90,000; conferees agree upon $45,000.

Amendment No. 22, agricultural engineering: Auburn Tillage Machinery Laboratory: Senate appropriated $65,000; conferees agree upon $30,000. Utilization of electric power on farms: Senate added $43,140; conferees agree upon $30,000.

Amendment No. 23, National Arboretum: House appropriated $61,000; Senate, $76,000; House recedes.

BUREAU OF ENTOMOLOGY AND PLANT QUARANTINE

Amendment No. 25, insect investigations: Investigations in Brazil of a fruitfly of potential danger to fruit culture, and the relation of insects to a disease of citrus trees in California: Senate appropriated $35,000; Senate recedes. Reestablishment of investigations on insects affecting greenhouse and field-grown ornamental plants and mushrooms: Senate added $28,100; House recedes. Not more than $6,500 to be used for mushroom work. Development of measures to control the European corn borer by insecticides: Senate appropriated $12,500; House recedes. Development of methods for deinsectizing airplanes and other carriers, and their cargoes: Senate appropriated $50,000; Senate recedes. Investigations of the best leafhopper and the curly-top virus of beans: Senate appropriated $15,000; House recedes.

Amendment No. 26, insect and plant disease control: Increase for elimination of sweetpotato weevil from commercial producing areas: Senate added $50,000; House recedes. Intensification of gypsy moth control: Senate added $45,600; House recedes. Expansion of pink bollworm control work: Senate added $158,400; conferees agree upon $80,000. Expansion of barberry eradication work: Senate added $200,000; conferees agree upon $100,000.

BUREAU OF AGRICULTURAL AND INDUSTRIAL CHEMISTRY

Amendment No. 28, work on guayule and other rubber-bearing plants: The Senate inserted the following language: "and for conducting investigations on the extraction and processing of rubber from guayule and other plants, vines, shrubs, or trees possessing natural rubber growing or capable of being grown within the continental limits of the United States, including not to exceed $12,000 for the procurement of services, by contract or otherwise, for the production of guayule or other rubber-bearing plants; the transfer to the Bureau of Agricultural and Industrial Chemistry, without compensation therefor, of real property (located in the vicinity of Salinas, California, including approximately two hundred and fifty acres of land now in guayule production) and personal property, valued at not exceeding a total of $260,000, acquired for and heretofore used in connection with the emergency rubber project; and there shall be included in the next annual Budget a statement in detail of the amount and value of the property so transferred;."

The Senate recedes.

Amendment No. 29, agricultural chemical investigations: Research on extraction of rubber from guayule and other rubber-bearing plants: Senate appropriated $150,000; Senate recedes. To develop information and intensify studies on processed citrus fruits and on preservation and processing of soft fruits; Senate added $7,500; House recedes. For expanding investigations on enzymes and phytochemistry: Senate added $22,100; House recedes.

WHITE PINE BLISTER RUST CONTROL

Amendment No. 31, to expand cooperative work of Bureau of Entomology and Plant Quarantine with State and private agencies for control on State and privately owned lands: Senate added $1,000,000; conferees agree upon $500,000.

FOREST SERVICE

Amendment No. 33, salaries and expenses: The Senate added the following language: *"Provided,* That not to exceed $50,000 of the appropriation for 'National forest protection and management', and not to exceed $50,000 of the appropriation for 'Forest fire cooperation' may be transferred to the appropriation 'Printing and binding, Department of Agriculture', for forest fire prevention posters and related printed material."

The House recedes.

Amendment No. 34, national forest protection and management: To expand aerial photography and mapping of national-forest areas: Senate appropriated $379,000; Senate recedes. To expand the work of reseeding national-forest lands: Senate appropriated $400,000; House recedes. For restoration of existing recreational areas in the national forests: Senate added $3,000,000; conferees agree upon $1,000,000.

Amendment No. 35, construction and maintenance of improvements in experimental forest areas: The Senate added language making appropriations under "Forest research" available for the construction and maintenance of improvements. The House recedes.

Amendment No. 36, forest and range management investigations: Increase to establish, equip, and staff additional experimental forests and ranges, and to strengthen the work at existing units: Senate added $250,000; Senate recedes. Research in connection with mechanization of naval-stores production: Senate appropriated $50,000; House recedes.

Amendment No. 37, forest products: To establish two additional utilization research units and to strengthen existing units: Senate appropriated $150,000; Senate recedes. To expand work on chemical utilization, waste utilization and improved wood uses: Senate appropriated $100,000; conferees agree upon $10,000 to be expended for research in the utilization of waste woods.

Amendment No. 38, acquisition of lands for national forests—acquisition of lands in the

Ozark and Ouachita National Forests, Arkansas: Senate appropriated $250,000; Senate recedes.

FOREST ROADS AND TRAILS

Amendment No. 40, forest development roads: House appropriated $12,500,000; Senate, $23,000,000; Senate recedes.

SOIL CONSERVATION SERVICE

Amendment No. 44, soil conservation operations—purchase of equipment from Government surplus for loan and grant to conservation districts: House appropriated $1,000,000; Senate, $4,000,000; conferees agree upon $2,500,000, to be expended only for such surplus equipment.

CONSERVATION AND USE OF AGRICULTURAL LAND RESOURCES

Amendment No. 45, regular conservation program (direct appropriation): House appropriated $257,500,000; Senate, $259,246,000; House recedes. This action, together with reappropriation, provides a total of $301,746,000 for the regular agricultural conservation program, plus $12,500,000 for the special grass and legume seed program.

Amendment No. 48, administrative expense limitation: House provided $26,942,888; Senate, $28,699,598; conferees agree upon $27,942,888.

Amendment No. 49, applications by veterans for payments, within one year from date of discharge: The Senate added language authorizing the filing of such application by the person entitled to payment in case of death, disappearance or incompetency of such veteran. The House recedes.

SUGAR ACT

Amendment No. 50, limitation on rates of payment: The Senate struck the following language:

"*Provided, however,* That none of the funds appropriated under this head shall be used for payments in amounts in excess of those determined by the Secretary to be necessary to provide returns to producers equivalent to those contemplated under the 1946 support payment programs approved by the Stabilization Administrator."

The House recedes.

EXPORTING AND DOMESTIC CONSUMPTION OF AGRICULTURAL COMMODITIES

Amendment No. 51, school lunch program: The House bill included the following:

"*Provided,* That not exceeding $50,000,000 of the funds appropriated by and pursuant to such section 32 may also be used during the current fiscal year to provide food for consumption by children in nonprofit schools of high-school grade or under and for child-care centers through (a) the purchase, processing, and exchange, and the distribution of agricultural commodities and products thereof; or (b) the making of payments to such schools and centers or agencies having control thereof in connection with the purchase and distribution of agricultural commodities in fresh or processed form and, when desirable, for the processing and exchange of such commodities and their products; or (c) by such other means as the Secretary may determine: *Provided further,* That funds made available hereunder for a school lunch program shall be apportioned for expenditure in the States, Territories, possessions, and the District of Columbia in accordance with school enrollment and need, as determined by the Secretary, except that if program participation in any State, Territory, possession, or the District of Columbia does not require all funds so apportioned, the Secretary may reapportion such excess funds to such other States, Territories, possessions, or the District of Columbia in consideration of need, as he may determine: *Provided further,* That benefits under (b) of this paragraph to schools or child-care centers or other sponsoring agencies shall in no case exceed the cost of the agricultural commodities or products thereof purchased by the school or child-care center or other sponsoring agencies as established by certificates executed by the authorized representative of the sponsoring agency: *Provided further,* That such sponsoring agency shall maintain accounts and records establishing costs of agricultural commodities or products furnished in the program and that such accounts and records shall be available for audit by representatives of the Department: *Provided further,* That these funds may be used for, or to make payments in connection with, the purchase of such agricultural commodities and for exchanging, distributing, disposing, transporting, storing, processing, inspection, commission, and other incidental costs and expenses without regard to the provisions of section 3709 of the Revised Statutes and without regard to the 25 per centum limitation contained in said section 32: *Provided further,* That not more than 2 per centum of the funds made available hereunder for a school lunch program shall be used to provide food for children in child-care centers. The amount of funds available hereunder for a school lunch program used in any State, Territory, possession, or the District of Columbia during any fiscal year shall not exceed the total amount otherwise furnished for the same purpose by or on behalf of the school authorities and other sponsoring agencies in such State, Territory, possession, or District of Columbia, including the value of donated services and supplies, as certified by the respective schools, care centers, or agencies having control thereof."

The Senate struck out the House language and inserted in lieu thereof the following:

"*Provided,* That not exceeding $75,000,000 of the funds appropriated by and pursuant to such section 32 may also be used during the fiscal year 1947, without regard to the 25 per centum limitation contained in said section 32, to carry out the purposes and provisions of the National School Lunch Act, Seventy-ninth Congress, second session, such amount to be exclusive of funds expended in accordance with the last sentence of section 9 of the National School Lunch Act."

The conferees agree upon the Senate language with an amendment correcting the citation to the National School Lunch Act.

MARKETING SERVICES

Amendment No. 53, market news service: Federal contribution to Alabama marketing services for services received from State leased wire and Alabama marketing office: Senate appropriated $3,000; House recedes. Dairy and poultry market news service in Atlanta, Ga., area: Senate appropriated $7,500; House recedes. Market news service on eggs, butter, and poultry, Cincinnati, Ohio: Senate appropriated $7,500; House recedes. Installation of a market news service to serve the stockyards area in Spokane, Wash.; Senate appropriated $11,122; House recedes. Leased-wire service for cooperative market news office, Asheville, N. C.: Senate appropriated $850; House recedes.

Amendment No. 56, Tobacco Acts—to permit the opening of new markets and provide graders for these markets: Senate appropriated $200,000; conferees agree upon $100,000.

LOANS, GRANTS, AND RURAL REHABILITATION

Amendment No. 57, administrative expenses: House appropriated $24,000,000; Senate, $24,600,000; Senate recedes.

Amendment No. 58, authorization to borrow loan funds from RFC: House appropriated $67,500,000; Senate, $82,500,000; conferees agree upon $70,000,000.

Amendment No. 59, limitation on loans to individual farmers: The Senate deleted the following House language: "the making of loans to any individual farmer in excess of a total outstanding obligation of $2,500 for all such loans" and inserted in lieu thereof the following: "the making of loans to any individual farmer in excess of $2,500."

The conferees agreed upon the retention of the House language, amended to increase the limit of total outstanding obligation to $5,000, and the retention of the Senate language.

FARM TENANCY

Amendment No. 60, limitation on size of loans: The Senate struck the following language: "and no loan, excepting those to eligible veterans, shall be made in an amount greater than 25 per centum above the census value of the average farm unit of thirty acres and more in the county or parish where the purchase is made, as determined by the 1940 farm census."

The conferees agree on the following language: "and no loans, excepting those to eligible veterans, may be made for the acquisition or enlargement of farms which have a value, as acquired, enlarged, or improved, in excess of the average value of efficient family-size farm-management units, as determined by the Secretary, in the county, parish or locality where the farm is located."

WATER FACILITIES, ARID AND SEMIARID AREAS

Amendment No. 61, loan funds and administrative expenses for the water facilities program: House appropriated $1,500,000; Senate, $2,000,000; conferees agree upon $1,750,000.

RURAL ELECTRIFICATION ADMINISTRATION

Amendment No. 62, salaries and expenses: House appropriated $4,500,000; Senate, $5,000,000; House recedes.

Amendment No. 63, proviso in connection with awarding of contracts: The Senate struck the following language:

"*Provided,* That no part of the funds herein provided for the Rural Electrification Administration shall be used for the processing or approval of any loan, the application for which does not stipulate (1) that the borrower shall, in awarding contracts under such loan, award such contracts to the lowest financially responsible and qualified bidder in each case, as determined by the Administrator of the Rural Electrification Administration, (2) that the borrower shall open and consider all bids submitted, and (3) that such stipulation shall be made a part of the loan agreement covering such loan."

The House recedes.

FARM CREDIT ADMINISTRATION

Amendment No. 64, salaries and expenses (direct appropriation): increase for research relative to the effects of postwar adjustment and reconversion on farmers' cooperatives: Senate appropriated $40,000; Senate recedes.

GENERAL PROVISIONS

Amendment No. 65, additional passenger-carrying vehicles for work in connection with experimental forests and ranges: The Senate inserted the following language: "plus twelve additional such vehicles for work in connection with experimental forests and ranges."

The House recedes.

AMENDMENTS IN DISAGREEMENT

The managers on the part of the House report the following amendments in disagreement:

Amendment No. 43, forest roads and trails: Exempts certain easements or rights-of-way from the provisions of Revised Statute 355, as amended. The managers on the part of the House will move to recede and concur.

Amendments Nos. 52, 54, and 55, agricultural wage stabilization program: These amendments provide funds and authority for continuing this program, and a limitation on the conditions under which agricultural wages may be stabilized. The managers on the part of the House will move to recede and concur.

Amendment No. 66. Provision relating to subversive activities and strikes against the

Government. The House enacted the following:

"SEC. 5. No part of any appropriation contained in this act shall be used to pay the salary or wages of any person who advocates, or who is a member of an organization that advocates, the overthrow of the Government of the United States by force or violence: *Provided*, That for the purposes hereof an affidavit shall be considered prima facie evidence that the person making the affidavit does not advocate, and is not a member of an organization that advocates the overthrow of the Government of the United States by force or violence: *Provided further*, That such administrative or supervisory employees of the Department as may be designated for the purpose by the Secretary are hereby authorized to administer the oaths to persons making affidavits required by this section, and they shall charge no fee for so doing: *Provided further*, That any person who advocates, or who is a member of an organization that advocates, the overthrow of the Government of the United States by force or violence and accepts employment the salary or wages for which are paid from any appropriation contained in this Act shall be guilty of a felony and, upon conviction, shall be fined not more than $1,000 or imprisoned for not more than one year, or both: *Provided further*, That the above penalty clause shall be in addition to, and not in substitution for, any other provisions of existing law: *Provided further*, That nothing in this section shall be construed to require an affidavit from any person employed for less than sixty days for sudden emergency work involving the loss of human life or destruction of property, and payment of salary or wages may be made to such persons from applicable appropriations for services rendered in such emergency without execution of the affidavit contemplated by this section."

The Senate struck out the House language, and inserted in lieu thereof the following:

"SEC. 5. No part of any appropriation contained in this Act shall be used to pay the salary or wages of any person who is a member of an organization of Government employees that asserts the right to strike against the Government of the United States, or who advocates, or is a member of an organization that advocates, the overthrow of the Government of the United States by force or violence: *Provided*, That for the purposes hereof an affidavit shall be considered prima facie evidence that the person making the affidavit is not a member of an organization of Government employees that asserts the right to strike against the Government of the United States, or that such person does not advocate, and is not a member of an organization that advocates, the overthrow of the Government of the United States by force or violence: *Provided further*, That such administrative or supervisory employees of the Department as may be designated for the purpose by the Secretary are hereby authorized to administer the oaths to persons making affidavits required by this section, and they shall charge no fee for so doing: *Provided further*, That any person who is a member of an organization of Government employees that asserts the right to strike against the Government of the United States, or who advocates, or who is a member of an organization that advocates, the overthrow of the Government of the United States by force or violence and accepts employment the salary or wages for which are paid from any appropriation contained in this act shall be guilty of a felony and, upon conviction, shall be fined not more than $1,000 or imprisoned for not more than 1 year, or both: *Provided further*, That the above penalty clause shall be in addition to, and not in substitution for, any other provisions of existing law: *Provided further*, That nothing in this section shall be construed to require an affidavit from any person employed for less than 60 days for sudden emergency work involving the loss of human life or destruction of property, and payment of salary or wages may be made to such persons from applicable appropriations for services rendered in such emergency without execution of the affidavit contemplated by this section."

The managers on the part of the House will move to recede and concur in the Senate amendment, with an amendment as follows: In lieu of the matter stricken out and inserted by said amendment, insert the following:

"SEC. 5. No part of any appropriation contained in this Act shall be used to pay the salary or wages of any person who engages in a strike against the Government of the United States or who is a member of an organization of Government employees that asserts the right to strike against the Government of the United States, or who advocates, or is a member of an organization that advocates, the overthrow of the Government of the United States by force or violence: *Provided*, That for the purposes hereof an affidavit shall be considered prima facie evidence that the person making the affidavit has not contrary to the provisions of this section engaged in a strike against the Government of the United States, is not a member of an organization of Government employees that asserts the right to strike against the Government of the United States, or that such person does not advocate, and is not a member of an organization that advocates, the overthrow of the Government of the United States by force or violence: *Provided further*, That such administrative or supervisory employees of the Department as may be designated for the purpose by the Secretary are hereby authorized to administer the oaths to persons making affidavits required by this section, and they shall charge no fee for so doing: *Provided further*, That any person who engages in a strike against the Government of the United States or who is a member of an organization of Government employees that asserts the right to strike against the Government of the United States, or who advocates, or who is a member of an organization that advocates the overthrow of the Government of the United States by force or violence and accepts employment the salary or wages for which are paid from any appropriation contained in this Act shall be guilty of a felony and, upon conviction, shall be fined not more than $1,000 or imprisoned for not more than one year, or both: *Provided further*, That the above penalty clause shall be in addition to, and not in substitution for, any other provisions of existing law: *Provided further*, That nothing in this section shall be construed to require an affidavit from any person employed for less than 60 days for sudden emergency work involving the loss of human life or destruction of property, and payment of salary or wages may be made to such persons from applicable appropriations for services rendered in such emergency without execution of the affidavit contemplated by this section."

Amendment No. 67, corresponding reduction of personnel in other agencies to offset increases provided in the Act:

The Senate inserted the following language:

"SEC. 6. Section 14 (a) of the Federal Employees' Pay Act of 1946 shall not apply to employment of personnel required to do the work authorized by those appropriations for which increased funds are provided by this Act."

The mangers on the part of the House will move to recede and concur, with an amendment as a substitute for the Senate provision, as follows:

"SEC. 6. Nothing contained in this Act shall be construed to alter, or modify in any manner whatsoever, the aggregate maximum personnel ceilings established by section 14 (a) of the Federal Employees' Pay Act of 1946 (Public Law No. 390) nor to authorize the compensation of a greater aggregate number than the number provided for in the aforesaid Act. In the case of any activity whose personnel may be increased in consequence of appropriations contained in this Act, the Director of the Bureau of the Budget shall recommend and effectuate such reduction in personnel in such Governmental agencies as he may deem advisable as will offset any increase in personnel for which provision is made in this Act."

Amendment No. 68, correcting a section number.

M. C. TARVER,
CLARENCE CANNON,
JAMIE L. WHITTEN,
EVERETT M. DIRKSEN,
CHARLES A. PLUMLEY,
Managers on the Part of the House.

Mr. TARVER. Mr. Speaker, I yield myself 12 minutes.

Mr. Speaker, this conference report represents a unanimous agreement on the part of the Senate and the House conferees upon every item contained in the bill. There are six amendments which are legislative in character, action with regard to which could not be had in the conference report on that account. However, the conferees on the part of the House, as indicated in the report of the managers, will move to recede and concur, either with or without amendment, in the several amendments in question.

The bill which is before you now is approximately $30,000,000 below the amount carried in the bill for appropriations, reappropriations, and loan authorizations as it passed the Senate. However, it is approximately $35,000,000 with respect to those items above the bill as it passed the House of Representatives. The major portion of that increase, $25,000,000, is represented by an increase in the amount of funds provided for the school-lunch program from section 32 monies.

You will recall that when the bill passed the House of Representatives this body had just passed the National School-Lunch Act, and the limitation provided in that act as it passed the House for the expenditure of funds for the school-lunch program was $50,000,000, so your subcommittee on agricultural appropriations was obliged to observe what were then the expressed wishes of the House, and brought in a provision for the expenditure of $50,000,000 for that purpose. Subsequently the Senate amended the school-lunch legislation so as to remove the over-all limitation of $50,000,000 and to leave in the legislation no limitation whatever upon the amounts which might be appropriated by Congress under its authority. That amendment of the Senate was unanimously agreed to in the House. The $75,000,000 which are now provided for in the bill for the school-lunch program are justified by a Budget estimate in that amount. It is expected that it will be sufficient to take care of the enrollment in this program of something in excess of 10,000,000 children for the next fiscal year

as against some 6,000,000-plus who have been taken care of in the program for the present fiscal year.

I insert here by permission of the House a statement regarding funds carried in the bill which is self-explanatory:

Department of Agriculture appropriation bill, 1947

	House bill	Senate bill	As finally passed	Conference report compared with House bill (+) or (−)	Conference report compared with Senate bill (+) or (−)
Direct appropriations	$573,601,949	[1] $598,737,735	$581,240,121	+$7,638,17	−$17,497,614
Reappropriations	111,454,068	111,454,068	111,454,068		
Total appropriations and reappropriations	685,056,017	[1] 710,191,803	692,694,189	+7,638,172	−17,497,614
Transfer from permanent appropriations	50,000,000	75,000,000	75,000,000	+25,000,000	
Authorizations to borrow from Reconstruction Finance Corporation (for loans)	367,500,000	382,500,000	370,000,000	+2,500,000	−12,500,000
Grand total of items carried in bill, including Reconstruction Finance Corporation funds	1,102,556,017	1,167,691,803	[2] 1,137,694,189	+35,138,172	−29,997,614

[1] Includes $1,045,100 for Budget amendments totaling $1,095,100 contained in S. Docs. Nos. 143, 171, and 172, submitted after passage of bill by the House.
[2] This figure compares with total 1946 appropriations for comparable items of $1,147,532,907 and total Budget estimates for this bill of $1,144,359,740.

There are many items in the bill which are of very great interest to the membership of the House. The committee has felt that sufficient time has elapsed since last Friday for the membership of the House to study the conference report which was submitted on that day and in view of the fact that the actions recommended by them are unanimous in character, it is not felt that extended discussion of the conference report is necessary unless Members of the House desire to ask questions in regard to it, in which event I will endeavor as best I can to furnish them such information as they may desire.

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

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

Mr. KNUTSON. With reference to amendment No. 37 concerning forest products on page 10, the Senate provided for two additional utilization research units for the purpose of fortifying the present very excellent work that is being carried on in the Forest Products Laboratory at Madison, Wis. The Senate provided a $150,000 increase which the conferees cut down to $10,000. It seems to me that $10,000 is a pretty small increase considering the vast forest areas in many States of the Union and the great waste that is entailed now in the logging of such areas.

Mr. TARVER. The Subcommittee on Agriculture Appropriations has manifested throughout the years intense interest in experimentation in forest products and in the solution of the problems of forestry. In the preceding item—forestry range management investigations—our committee made provision in connection with the bill as it passed the House for appropriation of $480,000 in excess of the Budget estimate in order to provide for the establishment of 12 additional experimental forest stations throughout the United States.

In connection with the appropriations for the Madison laboratory to which the gentleman's inquiry relates, the committee has always endeavored to deal very liberally with the Madison laboratory, recognizing the importance of its work, and has made provision in the bill as it passed the House for, as I recall, the amount that the Budget estimated was necessary to meet the reasonable needs of that laboratory. We realize the enthusiasm of many of our friends in the House with regard to these types of experimentations, but we feel that under the present financial conditions of the Government, when we have exceeded the Budget estimates by approximately $490,000 in an effort to deal effectively with these problems which are not local to the area in which the gentleman is primarily interested, but which are general throughout the United States, we have been very liberal in connection with that subject matter. I now yield to the gentleman from Mississippi.

Mr. RANKIN. I would like to ask the gentleman a question concerning amendment No. 62. I notice the Senate increased the appropriation for the expenses of the Rural Electrification Administration, and also struck out those limitations that the House bill contained about which some of us complained when the measure was up before. As I understand it, your motion will be to concur in the Senate amendment?

Mr. TARVER. No. The conference report includes the proposed action with reference to amendments 62 and 63, and in connection with both of them the conferees on the part of the House have agreed to recommend that the House shall recede.

Mr. RANKIN. That is what I mean. I should have said amendments 62 and 63. These Senate amendments are very beneficial to rural electrification. Especially is that true as to amendment 63.

Mr. TARVER. No separate motion will be offered with reference to those amendments. The action with regard to them is recommended in the conefrence report.

Mr. RANKIN. But it means to recede and concur in these two Senate amendments?

Mr. TARVER. Exactly.

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

Mr. TARVER. I yield.

Mr. DONDERO. The question of the school lunch is a little confusing. Do I understand the conferees have adopted the principle of the school lunch, but fixed no definite amount?

Mr. TARVER. No. The House and Senate, in the passage of the National School-Lunch Act, authorized appropriations without limit for the national school-lunch program. The pending conference report provides for $75,000,000 for the next fiscal year for the purpose of carrying on that program.

Mr. DONDERO. Then, after that, what is the amount provided?

Mr. TARVER. Amounts which may be decided upon by the Congress from year to year as the needs of the program are reviewed.

Mr. DONDERO. That is just for 1 year?

Mr. TARVER. This is just for the fiscal year 1947.

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

Mr. TARVER. I yield.

Mr. KNUTSON. Recurring to amendment No. 37 dealing with forest products, just how much are you giving the laboratory at Madison, Wis.? That is amendment No. 37.

Mr. TARVER. The Senate has receded from its amendment increasing from $1,385,000 to $1,635,000, except as to $10,000, the sum involved in this paragraph of the amount involved in the Senate amendment, which it is provided shall be expended for research in the utilization of waste woods.

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

Mr. TARVER. Mr. Speaker, I yield 5 minutes to the gentleman from Missouri [Mr. CANNON].

Mr. CANNON of Missouri. Mr. Speaker, the conference report submitted today carries one of the best balanced agricultural programs ever brought before the House. Much of the credit, if not most of the credit, for its presentation in its present form is due to the work and wisdom of the distinguished gentleman from Georgia, Judge TARVER, chairman of the subcommittee.

Judge TARVER is perhaps better informed on agricultural matters, and agricultural legislation in particular, than any other Member of the body. His practical knowledge of farm matters and his long experience in agricultural appropriations particularly fit him for this work. As a result his suggestions have been so largely followed in the drafting of the bill and his recommendations have been so generally accepted on the conference report that so far as I know there is no disposition to oppose or criticize either the report or the amendments returned for action by the House.

During Judge TARVER's long and eminent service in the House he has made invaluable contributions to the welfare of the country in many respects and in many widely diversified fields. But throughout his membership here—a period covering something like two decades—he has rendered increasingly valuable service to agriculture, particularly in his chairmanship of the committee in charge of agricultural appropriations.

As chairman of the body in control of the purse strings he has been in a position to help the farmer more directly and more effectively than any number of Members of Congress lacking this exceptional advantage, however earnest their interest and intentions. In providing for parity prices, in formulating commodity-credit policies, in supporting REA, in providing funds for farm security and soil conservation and in numberless other ways he has aided in maintaining farm prices and farm prosperity and to that extent assisted American agriculture in its indispensable contribution toward the winning of the war.

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

Mr. CANNON of Missouri. I yield to the gentleman from Mississippi.

Mr. RANKIN. I wish to join the gentleman from Missouri in what he says about the service of the gentleman from Georgia [Mr. TARVER], on this particular bill. As far as the farmers are concerned, it provides funds for rural electrification for the coming year. By his agreeing to the Senate amendments to take out those limiting provisions that would have hampered the building of rural lines, he has added a great deal to the rural electrification program for the coming year, for which he deserves the commendation of every farmer in America.

Mr. CANNON of Missouri. No one is better qualified to testify to on that subject than the gentleman from Mississippi who has consistently led the fight for many years on behalf of rural electrification.

Mr. BROWN of Georgia. Mr. Speaker, will the gentleman yield?

Mr. CANNON of Missouri. I yield to the gentleman from Georgia.

Mr. BROWN of Georgia. I appreciate very much the compliment the gentleman paid to my colleague, Mr. TARVER. For many years I have watched the career of the gentleman from Georgia. He has always undertaken to obtain equality for the farmers in common with every other group. I know of no man who has done more for the farmers of this country than the gentleman from Georgia.

Mr. CANNON of Missouri. He has not only rendered this great service to American agriculture but he has done it at a minimum cost to the country. While he has provided for every legitimate need, he has exercised commendable economy in every bill he has reported.

If I were permitted to criticize the gentleman from Georgia, my only criticism would be that while he has served agriculture generally he has perhaps been a little too solicitous of the cotton industry. He has been always deeply interested in maintaining the price of cotton and in providing for research and other services to the cotton farmers which I sometimes thought went just a little bit beyond what was done for other branches of our agricultural economy, but notwithstanding that I must concede that his general service to agriculture as a whole has more than mitigated his perhaps pardonable partiality in that one respect.

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

Mr. CANNON of Missouri. I yield to my colleague from Missouri.

Mr. ZIMMERMAN. The gentleman from Missouri has stated that he thought possibly the gentleman from Georgia [Mr TARVER] had been a little too zealous in behalf of the cotton industry. Coming from a cotton district, the only part of Missouri which grows cotton, we do appreciate the splendid service the gentleman from Georgia has rendered the cotton growers of our State. I wish to say, however, that I believe a fair evaluation of the services of the gentleman from Georgia on this committee will show that he has been a strong supporter of all branches of agriculture, as well as cotton, and I think it hardly fair to say that he has been partial toward cotton because I think he has really been zealous for all branches of agriculture.

Mr. CANNON of Missouri. Coming as he does from the congressional district producing more cotton per acre than any other unirrigated district in the United States, the gentleman from Missouri is qualified to speak on the subject and I accept his opinion.

I count it a privilege to have served on the committee and subcommittee with the gentleman from Georgia, Judge TARVER. Few men have attained the stature and achieved the position he holds in the House and in the hearts of his associates. It has been given to few men to serve so notably and so efficiently his constituents and his country.

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

Mr. TARVER. Mr. Speaker, I yield such time as he may require to the gentleman from California [Mr. ANDERSON].

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

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

There was no objection.

Mr. ANDERSON of California. Mr. Speaker, I note with regret that the conference committee has failed to include in this bill the amount recommended by the Senate for further investigations and research on the extraction and processing of guayule rubber. In spite of repeated warnings from Members of Congress and the Interagency Policy Committee on Rubber the Senate confereees receded from their position and the guayule liquidation program will proceed.

To me this is a tragically short-sighted attitude for the Congress to adopt. It may seriously affect our national security in the future and it will definitely restrict our ability to develop a method of producing raw natural rubber in the United States.

In order to emphasize the position of the administrative agencies on this important subject I wish to include the following letter from W. L. Batt, chairman, Interagency Policy Committee on Rubber:

OFFICE OF WAR MOBILIZATION
AND RECONVERSION,
Washington, D. C., June 3, 1946.

The Honorable JACK Z. ANDERSON,
House of Representatives,
Washington, D. C.

DEAR MR. ANDERSON: As chairman of the Interagency Policy Committee on Rubber, I have been instructed to take whatever action that seems wise and necessary to implement a recommendation of that committee dealing with continuing research and development of natural rubber within this country.

In order to carry out the recommendations of the Interagency Committee, John Snyder, Director of the Office of War Mobilization and Reconversion, requested the Department of Agriculture to prepare certain amendments to the agriculture appropriations bill for the fiscal year 1947. These amendments have the approval of the Bureau of the Budget and were transmitted by the President to the Congress. Recently, I appeared before the Agriculture Subcommittee of the Senate Committee on Appropriations. The Senate Committee on Appropriations included them in reporting the agriculture appropriations bill and the Senate has acted favorably.

So that you may have a résumé of the situation, I am enclosing a copy of the formal statement submitted to the Agriculture Subcommittee of the Senate Committee on Appropriations. This statement includes several exhibits. Exhibit A is an excerpt from the first report of the Interagency Policy Committee on Rubber. Exhibits B, C, and D are copies of the Interagency Committee's letter to Mr. Snyder, Mr. Snyder's letter of agreement and the action taken. Also as exhibit E, I am including a copy of a letter dated March 18, 1946, in which the views of the Interagency Committee were set forth to the members of the Senate Committee on Appropriations.

The Interagency Policy Committee on Rubber hopes sincerely that the House of Representatives will concur with the sections of the agriculture appropriations bill dealing with natural rubber research and extracting processes as passed by the Senate. I am at the call of the House conferees, should they be appointed and desire additional information.

Sincerely yours,

W. L. BATT,
Chairman, Interagency Policy Committee on Rubber.

Mr. TARVER. Mr. Speaker, I yield 1 minute to the gentleman from Pennsylvania [Mr. RICH].

Mr. RICH. Mr. Speaker, I want to add my word of commendation for the gentleman from Georgia, we all like him, but I would like to ask the gentleman and the Congress that when you stop paying the farmers subsidies in a short time because of the Treasury being broke, what is the farmer going to do? Why do you not go out and increase the price of the farmers' commodities and let the consumer pay the farmer the price he ought to have for his work and his commodities. That will get the country on its feet and stop raiding the Treasury. That is the thing I would like to ask Members on that side of the House at this particular time. Put some business into the operation of the Government and do it quick before it is too late.

Mr. TARVER. No subsidies for farmers are carried in this bill. The gentle-

man knows my position with regard to the subject matter of subsidies. I may say to the gentleman frankly that it is somewhat in accord with his own views, but when he takes the position that payments to preserve the soil of this country, our greatest national resource, from erosion and to restore fertility are subsidies to the American farmers, the gentleman is incorrect in his viewpoint.

Mr. RICH. I am not talking about that. I am talking about the wheat farmer, the cotton farmer, the dairy farmer, and other farmers being paid subsidies, the thing that will eventually break the farmer and wreck the Treasury.

Mr. TARVER. There are no subsidies for farmers contained in this bill.

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

Mr. TARVER. Mr. Speaker, I yield 1 minute to the gentleman from Georgia [Mr. PACE].

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

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

There was no objection.

Mr. PACE. Mr. Speaker, reference has been made to the long and distinguished record in Congress of my colleague, the gentleman from Georgia, Judge TARVER.

Certainly no Member of the Congress is more entitled to receive, or more greatly deserves, public recognition and commendation for faithful service, devotion to duty, and untiring efforts in behalf of his country, his State, and the people of his home district.

Georgia is a great agricultural State and I feel greatly indebted to the gentleman from Georgia, Judge TARVER, for the interest he has always shown in the welfare of the farmers and in the protection of their interests. As chairman of the Subcommittee on Appropriations, which handles all appropriations for agriculture, he has never failed to fight the cause of those who produce the food and fiber to feed and clothe the Nation. He has actively supported the rural-electrification program, the tenant-purchase program, the soil-conservation and soil-building program, an expanded research program, and has fought day in and day out to secure fair prices and equality of treatment for the farmers.

The entire State of Georgia takes pride in the work of the gentleman from Georgia, Judge TARVER and understands what a great asset it is to our State to have him in this important and responsible position as chairman of this subcommittee. It is a great honor and service to our State.

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

The previous question was ordered.

The conference report was agreed to.

The SPEAKER. The Clerk will report the first amendment in disagreement.

The Clerk read as follows:

Senate amendment No. 43: On page 45, line 5, insert ": *Provided further*, That in obligating or expending funds herein contained for 'Forest roads and trails' the provisions of Revised Statute, 355, as amended, shall not be applicable to easements or rights-of-way for forest roads and trails constructed under the provision of this section, where the cost of any such easement or right-of-way acquired under a single instrument of conveyance and the estimated cost of the improvements to be constructed thereon does not exceed $40,000."

Mr. TARVER. Mr. Speaker, I move that the House recede and concur in the Senate amendment.

The motion was agreed to.

Mr. TARVER. Mr. Speaker, I ask unanimous consent that Senate amendments Nos. 52, 54, and 55, all relating to the agricultural wage-stabilization program, be considered en bloc.

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

There was no objection.

The SPEAKER. The Clerk will report the Senate amendments in disagreement.

The Clerk read as follows:

Senate amendment No. 52: Strike out "$2,394,764" and insert "$2,434,764."

Senate amendment No. 54: Page 59, line 13, strike out "$1,901,500" and insert "$2,251,500, of which not to exceed $350,000 may be expended for the wage stabilization program conducted during the fiscal year 1946 under the appropriation 'Salaries and expenses, War Food Administration', and, in the absence of other governing statute, the provisions of law applicable to such program during the fiscal year 1946 are continued during the fiscal year 1947."

Senate amendment No. 55: Page 60, line 5, after the word "orders" insert ": *Provided further*, That no part of this appropriation shall be used for agricultural wage stabilization with respect to any commodity unless a majority of the producers of such commodity within the area affected participating in a referendum or meeting held for that purpose request the intervention of the Secretary."

Mr. TARVER. Mr. Speaker, I move that the House recede and concur in the Senate amendments numbered 52, 54, and 55.

The motion was agreed to.

The SPEAKER. The Clerk will report the next amendment in disagreement.

The Clerk read as follows:

Senate amendment No. 66: Page 76, line 14, strike out all of section 5 and insert the following:

"SEC. 5. No part of any appropriation contained in this act shall be used to pay the salary or wages of any person who is a member of an organization of Government employees that asserts the right to strike against the Government of the United States, or who advocates, or is a member of an organization that advocates, the overthrow of the Government of the United States by force or violence: *Provided*, That for the purposes hereof an affidavit shall be considered prima facie evidence that the person making the affidavit is not a member of an organization of Government employees that asserts the right to strike against the Government of the United States, or that such person does not advocate, and is not a member of an organization that advocates, the overthrow of the Government of the United States by force or violence: *Provided further*, That such administrative or supervisory employees of the Department as may be designated for the purpose by the Secretary are hereby authorized to administer the oaths to persons making affidavits required by this section, and they shall charge no fee for so doing: *Provided further*, That any person who is a member of an organization that asserts the right to strike against the Government of the United States, or who advocates, or who is a member of an organization that advocates, the overthrow of the Government of the United States by force or violence and accepts employment the salary or wages for which are paid from any appropriation contained in this act shall be guilty of a felony and, upon conviction, shall be fined not more than $1,000 or imprisoned for not more than 1 year, or both: *Provided further*, That the above penalty clause shall be in addition to, and not in substitution for, any other provisions of existing law: *Provided further*, That nothing in this section shall be construed to require an affidavit from any person employed for less than 60 days for sudden emergency work involving the loss of human life or destruction of property, and payment of salary or wages may be made to such persons from applicable appropriations for services rendered in such emergency without execution of the affidavit contemplated by this section."

Mr. TARVER. Mr. Speaker, I move that the House recede and concur in the Senate amendment with an amendment.

The Clerk read as follows:

Mr. TARVER moves that the House recede from its disagreement to the amendment of the Senate amendment No. 66 and concur in the same with an amendment as follows:

"SEC. 5. No part of any appropriation contained in this act shall be used to pay the salary or wages of any person who engages in a strike against the Government of the United States or who is a member of an organization of Government employees that asserts the right to strike against the Government of the United States, or who advocates, or is a member of an organization that advocates, the overthrow of the Government of the United States by force or violence: *Provided*, That for the purposes hereof an affidavit shall be considered prima facie evidence that the person making the affidavit has not contrary to the provisions of this section engaged in a strike against the Government of the United States, is not a member of an organization of Government employees that asserts the right to strike against the Government of the United States, or that such person does not advocate, and is not a member of an organization that advocates, the overthrow of the Government of the United States by force or violence: *Provided further*, That such administrative or supervisory employees of the Department as may be designated for the purpose by the Secretary are hereby authorized to administer the oaths to persons making affidavits required by this section, and they shall charge no fee for so doing: *Provided further*, That any person who engages in a strike against the Government of the United States or who is a member of an organization of Government employees that asserts the right to strike against the Government of the United States, or who advocates, or who is a member of an organization that advocates the overthrow of the Government of the United States by force or violence and accepts employment the salary or wages for which are paid from any appropriation contained in this act shall be guilty of a felony and, upon conviction shall

be fined not more than $1,000 or imprisoned for not more than 1 year, or both: *Provided further*, That the above penalty clause shall be in addition to, and not in substitution for, any other provisions of existing law: *Provided further*, That nothing in this section shall be construed to require an affidavit from any person employed for less than 60 days for sudden emergency work involving the loss of human life or destruction of property, and payment of salary or wages may be made to such persons from applicable appropriations for services rendered in such emergency without execution of the affidavit contemplated by this section."

The motion was agreed to.

The SPEAKER. The Clerk will report the next amendment in disagreement.

The Clerk read as follows:

Senate amendment No. 67: Page 79, line 9, insert a new section as follows:

"SEC. 6. Section 14 (a) of the Federal Employees' Pay Act of 1946 shall not apply to employment of personnel required to do the work authorized by those appropriations for which increased funds are provided by this act."

Mr. TARVER. Mr. Speaker, I move that the House recede and concur in the Senate amendment with an amendment.

The Clerk read as follows:

Mr. TARVER moves that the House recede from its disagreement to the amendment of the Senate numbered 67 and concur in the same with an amendment, as follows:

"SEC. 6. Nothing contained in this act shall be construed to alter, or modify in any manner whatsoever, the aggregate maximum personnel ceilings established by section 14 (a) of the Federal Employees' Pay Act of 1946 (Public Law No. 390) nor to authorize the compensation of a greater aggregate number than the number provided for in the aforesaid act. In the case of any activity whose personnel may be increased in consequence of appropriations contained in this act, the Director of the Bureau of the Budget shall recommend and effectuate such reduction in personnel in such governmental agencies as he may deem advisable as will offset any increase in personnel for which provision is made in this act."

The motion was agreed to.

The SPEAKER. The Clerk will report the next amendment in disagreement.

The Clerk read as follows:

Senate amendment No. 68. Page 79, line 13, strike out "6" and insert "7."

Mr. TARVER. Mr. Speaker, I move that the House concur in the Senate amendment.

The motion was agreed to.

A motion to reconsider the votes by which action was taken on the several motions was laid on the table.

Mr. TARVER. Mr. Speaker, I ask unanimous consent that in connection with the remarks I made today upon the conference report I may be permitted to insert a table showing appropriations, reappropriations and loan authorizations carried in the bill as it passed the House, as it passed the Senate, and as it has been finally agreed to in the conference report.

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

There was no objection.

MESSAGE FROM THE PRESIDENT

A message in writing from the President of the United States was communicated to the House by Mr. Miller, one of his secretaries, who also informed the House that on the following dates the President approved and signed bills and joint resolutions of the House of the following titles:

On May 21, 1946:

H. R. 5059. An act to provide additional compensation for postmasters and employees of the postal service; and

H. R. 1457. An act for the relief of Josephine Benham.

On May 22, 1946:

H. R. 4761. An act to expedite the availability of housing for veterans of World War II by expediting the production and allocation of materials for housing purposes and by curbing excessive pricing of new housing, and for other purposes.

On May 27, 1946:

H. R. 5604. An act reducing or further reducing certain appropriations and contractual authorizations available for the fiscal year 1946, and for other purposes.

On May 28, 1946:

H. R. 4763. An act for the relief of R. L. Benton.

On May 29, 1946:

H. J. Res. 273. Joint resolution to provide for the proper observance of the one hundred and fifty-fifth anniversary of the adoption of the first 10 amendments to the Constitution, known as the Bill of Rights; and

H. J. Res. 353. Joint resolution extending the time for the release of powers of appointment for the purposes of certain provisions of the Internal Revenue Code.

On June 3, 1946:

H. R. 5504. An act to amend an act entitled "An act to establish a uniform system of bankruptcy throughout the United States," approved July 1, 1898, and acts amendatory thereof and supplementary thereto.

On June 4, 1946:

H. R. 3370. An act to provide assistance to the States in the establishment, maintenance, operation, and expansion of school-lunch programs, and for other purposes.

On June 8, 1946:

H. R. 1072. An act for the relief of Henry R. Butler;

H. R. 3228. An act for the relief of Sam Dishong;

H. R. 4141. An act for the relief of Piombo Bros. & Co.;

H. R. 4174. An act for the relief of Mayer G. Hansen;

H. R. 4270. An act for the relief of Southern California Edison Co., Ltd.;

H. R. 4298. An act for the relief of Severo Apoluna Dinson and Candilaria Dinson, and the legal guardian of Laura Dinson, and the legal guardian of Teresita Dinson;

H. R. 4418. An act for the relief of the city of San Diego, Tex.;

H. R. 4757. An act for the relief of Mrs. Gussie Feldman;

H. R. 4885. An act for the relief of Ernst V. Brender;

H. R. 5307. An act for the relief of Ben V. King;

H. R. 6010. An act for the relief of the Yakutat Cooperative Market; and

H. R. 6011. An act for the relief of Dr. Harry Burstein, Madeline Borvick, and Mrs. Clara Kaufman Truly (formerly Miss Clara M. Kaufman).

On June 10, 1946:

H. R. 216. An act for the relief of John Seferian and Laura Seferian;

H. R. 781. An act for the relief of the legal guardian of Douglas Charles McRae, a minor;

H. R. 1238. An act for the relief of Father Peter B. Duffee;

H. R. 2188. An act for the relief of George W. Bailey;

H. R. 2223. An act for the relief of Catherine Bode;

H. R. 2242. An act for the relief of Mrs. Lessie L. Bryant and Miss Jimmie Alexander;

H. R. 2246. An act for the relief of the estate of Michael O. Mello, and Christian O. Mello;

H. R. 2248. An act for the relief of Joseph E. Alarie;

H. R. 2926. An act for the relief of Mrs. Alice Breon;

H. R. 2973. An act for the relief of Ben Thomas Haynes, a minor;

H. R. 3270. An act for the relief of James B. McCarty;

H. R. 3340. An act for the relief of Mrs. Merla Koperski;

H. R. 3599. An act for the relief of Ama L. Normand and the estate of Curtis Joseph Gaspard, deceased;

H. R. 3618. An act for the relief of Mrs. Vannas H. Hicks;

H. R. 4172. An act for the relief of Carlton G. Jerry;

H. R. 4300. An act for the relief of the county of Hawaii, T. H.;

H. R. 4301. An act for the relief of Philip Naope Kaili and Susie Kaili;

H. R. 4750. An act for the relief of C. C. Vest;

H. R. 4800. An act for the relief of Harry Fleishman;

H. R. 4833. An act for the relief of the estate of Robert Lee Blackmon;

H. R. 4836. An act for the relief of Louis M. Drolet;

H. R. 4905. An act for the relief of Nina E. Schmidt;

H. R. 5049. An act for the relief of the estate of Obaldino Francis Dias;

H. R. 5525. An act for the relief of Sylvia Wagner; and

H. R. 6245. An act for the relief of Mary G. Paul.

CALL OF THE HOUSE

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

The SPEAKER. Evidently a quorum is not present.

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

A call of the House was ordered.

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

[Roll No. 153]

Andrews, N. Y.	Granger	Ploeser
Baldwin, Md.	Grant, Ind.	Reece, Tenn.
Barrett, Pa.	Hagen	Richards
Brumbaugh	Harris	Robinson, Utah
Cannon, Fla.	Horan	Roe, N. Y.
Carlson	Jensen	Sheppard
Cochran	Johnson, Ind.	Stewart
Colmer	Johnson,	Stigler
Courtney	Luther A.	Tolan
Crawford	Ludlow	Vursell
Curley	McGehee	Welch
Durham	McGregor	White
Ellsworth	Morrison	Winstead
Fenton	Norton	Wolfenden, Pa.
Folger	O'Hara	Woodruff
Gearhart	O'Konski	

The SPEAKER. On this roll call 385 Members have answered to their names, a quorum.

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

APPOINTMENT OF FACT-FINDING BOARDS TO INVESTIGATE LABOR DISPUTES—VETO MESSAGE FROM THE PRESIDENT OF THE UNITED STATES

The SPEAKER laid before the House the following veto message from the President of the United States:

To the House of Representatives:

I am returning herewith, without my approval, H. R. 4908, entitled "An act to provide additional facilities for the me-

diation of labor disputes, and for other purposes."

The outstanding domestic problem confronting this country today is the maintenance and increase of production. We must have production, or the effects of ruinous inflation will be felt by every one of our citizens. Strikes and lockouts are the greatest handicaps to attaining vital production.

Inasmuch as the solution of our present-day labor problems constitutes the key to production, this present bill must be judged in the light of whether it will assist in reducing labor strife in the Nation.

I have given careful study to the bill. I have not considered it from the standpoint of whether it favors or harms labor, or whether it favors or harms management. I have considered it from the standpoint of whether or not it benefits the public, which includes both management and labor.

In the determination of the question of whether or not the great majority of our citizens will be benefited by this bill, the question presented is whether it will help to stop strikes and work stoppages and prevent other practices which adversely affect our economy.

I have reached the conclusion that it will not.

I have tried, as representative of all the people of our Nation, to approach this problem objectively, free from the emotional strains of the times, and free from every consideration except the welfare of our Nation and of the world which is so dependent upon our recovery to a full peacetime economy.

This bill was undoubtedly passed by the members of the Congress in the sincere belief that it would remedy certain existing conditions which cause labor strife and produce domestic turmoil. I cannot agree with the Congress with reference to the results that would be achieved by it.

I trust that there will be no confusion in the minds of the members of the Congress or in the minds of the public between this bill and my request on May 25 for emergency legislation.

At that time I requested temporary legislation to be effective only for a period of 6 months after the termination of hostilities, and applicable only to those few industries which had been taken over by the Government and in which the President by proclamation declared that an emergency had arisen which affected the entire economy of the country.

It was limited to strikes against the Government. It did not apply to strikes against private employers.

Such emergency legislation is now before the Congress, and I again make the request that it be passed.

H. R. 4908 is utterly different from my proposal of May 25, in kind and in degree. Its range is broad, dealing with a wide variety of subjects some of which are wholly unrelated to the subject of settling or preventing strikes. It covers strikes against private employers. It is permanent legislation, operative even after the reconversion period is entirely over. And it applies not to a few selected and vital industries, but to every dispute, no matter how insignificant, if the dispute affects interstate commerce.

At the same time, May 25, I also requested permanent legislation leading to the formulation of a long-range labor policy designed to prevent the recurrence of such crises, and generally to reduce work stoppages in all industries. I further recommended the immediate creation by the Congress of a joint committee to study the entire question and, within 6 months, to bring in its recommendations for appropriate legislation. I again renew the recommendation that a joint committee be appointed to make a study of the whole subject of labor relations, and to suggest permanent long-range legislation.

The fact that we are faced with an emergency which does justify the passage of temporary emergency legislation does not, in my opinion, justify us in the adoption of permanent legislation without the study that such permanent legislation needs. The bill is actually a collection of separate unrelated measures and is not an over-all solution of this most important problem. We must not make a false start. We must not approach the problem on a piecemeal basis as this bill does.

It is suggested that the bill merely constitutes a beginning, that it should be placed upon our statute books, and that we can then proceed with the study of additional legislation. I cannot agree with this thesis. This bill is not a permanent solution of our difficulties; and if it should become law, I fear that it may possibly result in being the only permanent legislation we would obtain.

We are not faced with a decision of choosing between this legislation and no legislation at all. It is more properly a choice between this particular bill and a more adequate and more inclusive solution of the problem.

The proposed measure, although described as a mediation law, is divided into two unrelated parts. The first six sections contain provisions relative to the mediation of labor disputes, postponement of strikes, and fact-finding. The remaining sections consist of provisions relative to robbery, extortion, unauthorized welfare funds, prohibitions against the organization of supervisory employees, union liability in the courts, and provisions establishing criminal sanctions, injunctive remedies and suits for treble damages against unions engaging in secondary boycotts, judisdictional disputes, and certain other activities. These are a few of the many complex problems which must be studied with infinite care before the proper solutions are found and incorporated into permanent legislation.

One of the factors to be considered in judging this bill is whether or not it would have prevented, or shortened, the strikes which have so seriously damaged our economy these last few months. Judged solely from this standpoint, I am sure a fair-minded man would have to admit that it would have failed completely.

In 1943, in the heat of a controversy over a stoppage of war production in the coal mines, the Congress passed the War Labor Disputes Act, more commonly known as the Smith-Connally Act. In his veto message of June 25, 1943, President Roosevelt warned the Congress that the strike-vote provisions of section 8 of the Smith-Connally Act would not lessen but would promote industrial strife. That prediction was fully borne out by subsequent events. It is my belief that a similar result would follow the approval of this bill.

If a joint committee to investigate this entire subject were appointed immediately and if the subject were given the priority to which it is entitled, a report covering the entire field could be submitted to the Congress within this calendar year.

I have analyzed the bill carefully and herewith submit my comments on the various sections:

Section 1: Declares that the objectives of the act are to encourage settlement of disputes between labor and management by collective bargaining and by conciliation, mediation, and voluntary arbitration, thereby minimizing industrial strife, strikes, and lock-outs.

Upon careful consideration, I have come to the conclusion that the bill will not achieve this high and unquestionably desirable objective. On the contrary, much of the bill is not only wholly foreign to the achievement of that objective, but, in my judgment, would actually defeat it.

Section 2: Defines certain key terms used in the bill.

Section 3: Provides that employers and employees in industries affecting commerce shall: exert reasonable efforts to make and maintain, collective bargaining agreements; give adequate notice of proposed changes; provide for the final adjustment of grievances or questions regarding the interpretation of agreements; arrange promptly for conferences with respect to labor disputes and cooperate with the new Federal Mediation Board in attempting to settle disputes amicably. The Mediation Board may proffer its services for the purpose of aiding in the settlement of a labor dispute affecting commerce.

If Federal mediation is proffered, lockouts and strikes affecting commerce are unlawful until mediation is concluded or until 60 days after a written request has been made by one of the parties for a conference, whichever is earlier. An employer who changes the status quo by lock-out or other action is deemed to have engaged in an unfair labor practice within the meaning of the National Labor Relations Act. An employee who disturbs the status quo during this period, by striking or by engaging in a concerted slow-down of production, loses his status as an employee for the purposes of the National Labor Relations Act, unless he is reemployed.

Although section 3 is ostensibly designed to insure that the parties will attempt to reach a peaceful settlement, making a strike unnecessary, I feel that it would, in practice, tend to increase the number of strikes. I think it would lead to the development of methods to avoid the operation of this section. The bill provides that the right to strike is postponed only if the Federal Mediation

Board proffers its mediation services before the strike starts. I foresee that some unions might choose to strike before the Mediation Board has had an opportunity to determine whether it should enter into a certain case—an action not prohibited in the proposed statute. Although the purpose of the provision is to eliminate the so-called "quickie" strike, its effect might be to encourage unions to resort to such strikes.

If an employer violates the prohibitions of this section, he is merely guilty of an unfair labor practice. He may only be ordered by the National Labor Relations Board to cease and desist and to pay any back pay due. An employee, on the other hand, may suffer a far greater penalty. By section 3 (d), he loses his very status as an employee. That means that the employer, without offering any further reason, may refuse to reinstate him. The penalties are inequitable. An employer guilty of a violation can only be ordered (long after the event) to stop his violation and to restore the status quo. The employee, however, loses his basic industrial rights and perhaps even his means of livelihood. I fear that the provisions of section 3 (d) might well result in some employers provoking strikes in order to give them the opportunity to discharge the employee leaders.

To avoid the consequences of section 3, and to legalize a strike under the bill, a union need only give early notice of a request for a conference to start the running of the 60-day period during which strikes are forbidden. The result probably would be a great rush of premature notices for conferences. Sixty days thereafter, employees would feel free to strike—with the sanction of the Congress. So, too, there would be premature demands for mediation, long before the possibilities of direct negotiations between the parties had been exhausted.

No standard whatever—except only that the dispute should affect commerce—is provided for determining whether the Federal Mediation Board should proffer its services, although a strike can become illegal only if it occurs after such offer. It is apparently left to the Board's discretion. This places a heavy burden and extraordinary responsibility upon Federal mediation. Because of the serious consequences arising from the proffering of mediation services—namely, the outlawing of a strike—mediation is likely to be discouraged and withheld in many cases where it might prove most useful. It is highly undesirable for the mere fact of mediation to operate so repressively upon one of the parties. Mediation should be welcomed by both parties to be effective. This provision would have just the contrary effect.

And, under section 3, even if mediation is proffered, and the 60-day period expires without results, nothing happens. No facts are publicly found; no recommendations are made; no report is issued. No matter how important the dispute—whether in the steel, the automotive, or the shipping industry, so long as it is not a public utility—at the end of the 60 days, there is the anticlimax of nothing.

Not one of the major disputes which have caused such great public concern during the past months would have been affected in any way by this bill had it been law at the time.

The railroad strike would not have been covered by the bill at all. And the coal, steel, and automotive strikes were certainly not caused by an insufficient lapse of time between the unions' request for conferences and the calling of a strike. Each of these strikes would have had the full sanction of the bill.

Thus the very difficulties which this bill was presumably drafted to meet have been left untouched by it. These sections fail to provide a satisfactory method of coping with the labor-management disputes which confront the Nation.

Section 4: This creates a new five-man Federal Mediation Board. All mediation and conciliation functions of the Secretary of Labor and the United States Conciliation Service are transferred to the Board. The Board, although technically within the Department of Labor, would not be under the control of the Secretary of Labor.

I consider the establishment of this new agency to be inconsistent with the principles of good administration. As I have previously stated, it is my opinion that Government today demands reorganization along the lines which the Congress has set forth in the Reorganization Act of 1945, that is, the organization of Government activity into the fewest number of Government agencies consistent with efficiency. Control of purely administrative matters should be grouped as much as possible under members of the Cabinet, who are in turn responsible to the President.

The proposed Federal Mediation Board would have no quasi judicial or quasi legislative functions. It would be purely an administrative agency. Surely, functions of this kind should be concentrated in the Department of Labor.

Since 1913 there has been within the Department of Labor and responsible to the Secretary of Labor a United States Conciliation Service formed with the very purpose of encouraging the settlement of labor disputes through mediation, conciliation, and other good offices. The record of that service has been outstanding. During the period of 1 year from May 1945, through April 1946, it settled under existing law 19,930 labor disputes. Included in this total were 3,152 strikes, almost 10 each day. The Conciliation Service has formed one of the principal divisions of the Department of Labor.

The bill proposes to transfer that service and its functions to the newly formed Federal Mediation Board. To me this is the equivalent of creating a separate and duplicate Department of Labor, depriving the Secretary of Labor of many of his principal responsibilities and placing the conciliation and mediation functions in an independent body.

In the eyes of Congress and of the public the President and the Secretary of Labor would remain responsible for the exercise of mediation and conciliation functions in labor disputes, while, in fact, those functions would be conducted by another body not fully responsible to either.

As far back as September 6, 1945, I said in a message to Congress:

> Meanwhile plans for strengthening the Department of Labor and bringing under it functions belonging to it are going forward.

The establishment of the proposed Federal Mediation Board is a backward step.

Section 5: Provides that it is the duty of the Mediation Board to prevent or minimize interruption of commerce growing out of labor disputes. The Board may proffer its services upon its own motion or upon the request of one or more of the parties to the dispute. Where mediation does not succeed, the Board is required to recommend voluntary arbitration.

Section 6: Provides that where a labor dispute threatens a substantial interruption of an essential public-utility service, the Board, in the public interest, may request the President to create an Emergency Commission, and the President is authorized to appoint such Commission. The Commission investigates and reports within 30 days, after which the President must make the report public. The cooling-off period is extended for a maximum period of 95 days, with an additional 30 days upon the approval of the parties.

Much of the discussion with reference to section 3 is applicable here. It is difficult to understand why the Congress has applied the fact-finding principle to public utilities but has omitted it entirely in other industries of equal importance.

The remaining sections of the bill have nothing whatever to do with the expressed objectives of the bill.

Section 7: Reenacts in amended form the so-called Antiracketeering Act. On its face, this section does no more than prohibit all persons, whether union representatives or employees or others, from interfering with interstate commerce by robbery and extortion.

I am in full accord with the objectives which the Congress here had in mind.

However, it has already been suggested that some question may arise from the fact that section 7 omits from the original act the provision that it was not to be construed so as to "impair, diminish, or in any manner affect the rights of bona fide labor organizations in lawfully carrying out the legitimate objects thereof."

It should be made clear in express terms that section 7 does not make it a felony to strike and picket peacefully, and to take other legitimate and peaceful concerted action.

Section 8: Provides that it is a crime for an employer to contribute to a welfare fund to be administered solely by an employee representative. It is also a crime for the employee representative to receive the contribution. Welfare funds established by employee representatives are to be restricted to certain specific uses. The prohibitions of the section are made enforceable by injunc-

tions. Certain routine exemptions to the operation of the section are made.

Welfare funds supported by employers and administered by unions are no novelty. I believe it is inadvisable to remove such a question as this from the scope of collective bargaining between employer and employee. This section does more than require that there be joint control of such funds. It specifically limits the uses to which the moneys deposited in such funds may be put.

This whole subject needs long and careful study. To write into the permanent law the program for workers' welfare funds without a study by any committee of the Congress is, in my opinion, at least improvident. This particular provision was prepared and presented because of one of the items of controversy in the recent coal strike. I feel that this is altogether too important and too complicated a question to be disposed of hastily.

Section 9: This provision deprives supervisory employees of their status as employees for the purposes of the National Labor Relations Act.

This section would strip from supervisory employees the rights of self-organization and collective bargaining now guaranteed them under the National Labor Relations Act. I fear that this section would increase labor strife, since I have no doubt that supervisory employees would resort to self-help to gain the rights now given to them by law.

This complex question has long been under consideration by the National Labor Relations Board. The Board and the courts have pointed out that supervisory employees have a dual capacity. In dealing with the employees under them, they act for management. However, with respect to their own wages, hours of work, and other terms and conditions of employment, they act for themselves. The full right of supervisory employees to the benefits of collective bargaining is one that cannot be lightly thrown aside.

On the other hand, management is entitled to proper protection. Somewhere in the area of disagreement between the parties the line can be drawn with reasonable accuracy. There has been no attempt to draw that line in this section.

Section 10 provides that suits for violation of collective bargaining contracts affecting commerce may be brought in the Federal courts; labor organizations are deemed to be bound by the acts of duly authorized agents acting within the scope of their authority and may sue or be sued as a separate entity; money judgments against a labor organization are made enforceable but only against assets of the union; any employee who strikes or otherwise interferes with the performance of a collective bargaining contract in violation of the contract without approval of the labor organization party to the contract loses his status as an employee for the purposes of the National Labor Relations Act unless he is reemployed.

I am in accord with the principle that it is fair and right to hold a labor union responsible for a violation of its contract. However, this legislation goes much farther than that. This section, taken in conjunction with the next section, largely repeals the Norris-LaGuardia Act and changes a long-established congressional policy.

I am sure that, without repealing the Norris-LaGuardia Act, changing this long-established congressional policy, or imperiling the principles of the National Labor Relations Act, a sound and effective means of enforcing labor's responsibility can be found.

Section 11: This provision subjects various union activities to the antitrust laws with all their criminal sanctions, injunctive remedies, and provisions for treble damages. Although the section is entitled "Secondary boycotts," the scope of the section in fact extends far beyond such matters. While its enactment would provide remedies that might result in the elimination of certain evils, such as improper application of the secondary boycott, it would also make those remedies available against recognized legitimate activities of organized labor.

That there are some abuses in this field, no one can gainsay. I deplore the strike or boycott arising out of a jurisdictional dispute as one of the most serious of such abuses. A way must be found to prevent the jurisdictional strike. It cannot be justified under any circumstances. I am convinced, however, that the antitrust laws, the objectives of which are the elimination of unfair business practices and the protection of free competition, are not designed to solve the abuses pointed out in this section.

In this regard, however, I do not need to emphasize the necessity of applying the antitrust laws to combinations between employers and labor designed to restrain competition.

Section 11 (c) rescinds the Norris-LaGuardia Act with respect to antitrust actions against labor organizations. The labor injunction is a weapon to which no private employer should be entitled except within the careful restrictions laid down by that act. We should not invite the return to the practice of issuing injunctions without notice or hearing and a revival of the other abuses that tended to discredit our courts and give rise to the widespread popular denunciation of "government by injunction."

Injunctions requested by the Government itself, and designed to restrain strikes against the Government in cases where refusal to work for the Government has produced a condition of national emergency, are, to my mind, an essential element of government authority. This authority, however, should not be available to private employers under the vast variety of conditions contemplated by section 11 of this present bill.

Sections 12 to 14: These sections include provisions with respect to making copies of collective-bargaining agreements available to the public and with respect to furnishing available data which may aid in the settlement of labor disputes. They are unobjectionable.

The passage of H. R. 4908 confirms the need for a careful study of labor-management problems with a view toward long-range remedies. It demonstrates the dangers of attempting to draft permanent labor legislation without painstaking and exhaustive consideration.

H. R. 4908 strikes at symptoms and ignores underlying causes. As I have noted, not a single one of the recent major strikes would have been affected by this bill had it been law.

As I said to the Congress on May 25, we should immediately have temporary legislation, dealing with the urgencies of the present, so that strikes against the Government which vitally affect the public welfare can be halted. This is necessary in the midst of the extraordinary pressures of reconversion and inflation. I have asked the Congress for such legislation. The precise form which such emergency legislation is to take is, of course, for the Congress to decide. But if the form adopted is inadequate, the responsibility must also rest with the Congress.

It must be remembered that industrial strife is a symptom of basic economic maladjustments. We cannot attribute work stoppages to any one factor. As we move from war to peace, severe strains are placed upon our economic system. Labor and management alike are seeking security. The combination of rising prices, scarcity of commodities, lowered standards of living, and altered tax programs today creates fears which are present at the conference table to disturb the orderly process of collective bargaining.

A solution of labor-management difficulties therefore is to be found not alone in well-considered legislation dealing directly with industrial relations, but also in a comprehensive legislative program designed to remove some of the causes of the insecurity felt by many workers and employers.

During the past 10 months I have urged the Congress to enact such a program. Among the proposals which I have recommended are adequate insurance against unemployment, health, and medical services for families of low and moderate income at costs they can afford; a fair minimum wage, and the continuance of the price control and stabilization laws in effective form. These measures would remove some of the major causes of insecurity and would greatly aid in achieving industrial peace.

Our problem in shaping permanent legislation in this field is to probe for the causes of lock-outs, strikes, and industrial disturbances. Then, to the extent possible, we must eliminate these causes. Strikes against private employers cannot be ended by legislative decree. Men cannot be forced in a peacetime democracy to work for a private employer under compulsion. Therefore, strikes must be considered in the whole context of our modern industrial society. They must be considered in the light of inflationary pressures, of problems of full employment, of economic security.

Legislation governing industrial relations is workable only when carefully considered against this broad background. I am confident that with painstaking and dispassionate study which will probe fairly and deeply, Congress can evolve equitable legislation which

promises an era of peaceful industrial relations.

We accomplish nothing by striking at labor here and at management there. Affirmative policy is called for, and a congressional committee such as I have suggested is the best means of formulating it.

There should be no emphasis placed upon considerations of whether a bill is antilabor or prolabor. Where excesses have developed on the part of labor leaders or management, such excesses should be corrected—not in order to injure either party—but to bring about as great an equality as possible between the bargaining positions of labor and management. Neither should be permitted to become too powerful as against the public interest as a whole.

Equality for both and vigilance for the public welfare—these should be the watchwords of future legislation.

The bill which I am returning to you does not meet these standards.

Many procedures have been suggested from time to time by students of the problem. They should all be considered. A comprehensive study of this problem should be based on a realization that labor is now rapidly "coming of age" and that it should take its place before the bar of public opinion on an equality with management.

It is always with reluctance that I return a bill to the Congress without my approval. I feel, however, that I would not be properly discharging the duties of my office if I were to approve H. R. 4908.

HARRY S. TRUMAN.

THE WHITE HOUSE, *June 11, 1946.*

The SPEAKER. The objections of the President will be spread at large upon the Journal.

Mr. RANDOLPH. Mr. Speaker, the membership has a duty to discharge. Further debate would not aid that decision. I move the previous question.

The previous question was ordered.

The SPEAKER. The question is, Will the House, on reconsideration, pass the bill, the objections of the President to the contrary notwithstanding?

Under the Constitution, this vote must be determined by the yeas and nays.

The question was taken; and there were—yeas 255, nays 135, not voting 41, as follows:

[Roll No. 154]

YEAS—255

Abernethy	Boren	Cole, Kans.
Adams	Boykin	Cole, Mo.
Allen, Ill.	Bradley, Mich.	Cole, N. Y.
Allen, La.	Brehm	Cooper
Almond	Brooks	Corbett
Andersen, H. Carl	Brown, Ga.	Cox
Anderson, Calif.	Brown, Ohio	Cravens
Andresen, August H.	Bryson	Cunningham
Andrews, Ala.	Buck	Curtis
Arends	Buffett	Daughton, Va.
Arnold	Bulwinkle	D'Ewart
Auchincloss	Byrnes, Wis.	Dirksen
Baldwin, Md.	Camp	Dolliver
Barden	Campbell	Domengeaux
Barrett, Wyo.	Cannon, Fla.	Dondero
Bates, Mass.	Case, N. J.	Doughton, N. C.
Beckworth	Case, S. Dak.	Drewry
Bender	Chapman	Dworshak
Bennet, N. Y.	Chelf	Earthman
Bennett, Mo.	Chenoweth	Eaton
Blackney	Chiperfield	Elliott
Bland	Church	Ellis
Bolton	Clark	Elsaesser
Bonner	Clason	Elston
	Clevenger	Ervin
	Clippinger	Fallon
Fellows	Judd	Rizley
Fernandez	Kean	Robertson, N. Dak.
Fisher	Kearney	Robertson, Va.
Fuller	Keefe	Robsion, Ky.
Gamble	Kerr	Rockwell
Gary	Kilburn	Rodgers, Pa.
Gathings	Kilday	Roe, Md.
Gavin	Kinzer	Rogers, Fla.
Gerlach	Knutson	Rogers, Mass.
Gibson	Kunkel	Russell
Gifford	Landis	Sasscer
Gillespie	Lanham	Schwabe, Mo.
Gillette	Larcade	Schwabe, Okla.
Gillie	Latham	Scrivner
Goodwin	Lea	Shafer
Gore	LeCompte	Sharp
Gossett	LeFevre	Short
Graham	McConnell	Sikes
Grant, Ala.	McCowan	Simpson, Ill.
Gregory	McKenzie	Simpson, Pa.
Griffiths	McMillan, S. C.	Slaughter
Gross	McMillen, Ill.	Smith, Ohio
Gwinn, N. Y.	Mahon	Smith, Va.
Gwynne, Iowa	Maloney	Smith, Wis.
Hale	Manasco	Springer
Hall, Leonard W.	Mansfield, Tex.	Stefan
Halleck	Martin, Iowa	Stevenson
Hancock	Martin, Mass.	Stockman
Hand	Mason	Sumner, Ill.
Hare	Mathews	Sumners, Tex.
Harness, Ind.	May	Sundstrom
Hartley	Merrow	Taber
Hays	Michener	Talbot
Hébert	Miller, Nebr.	Talle
Hendricks	Mills	Tarver
Henry	Monroney	Taylor
Herter	Mundt	Thomas, N. J.
Heselton	Murray, Tenn.	Thomason
Hess	Murray, Wis.	Tibbott
Hill	Norblad	Towe
Hinshaw	Norrell	Trimble
Hobbs	Pace	Vinson
Hoeven	Patman	Vorys, Ohio
Hoffman, Mich.	Peterson, Ga.	Vursell
Hoffman, Pa.	Phillips	Wadsworth
Holmes, Mass.	Pickett	Weaver
Holmes, Wash.	Pittenger	Weichel
Hope	Ploeser	West
Howell	Plumley	Whitten
Jarman	Poage	Whittington
Jenkins	Pratt	Wickersham
Jennings	Price, Fla.	Wigglesworth
Jensen	Priest	Wilson
Johnson, Calif.	Ramey	Winter
Johnson, Ill.	Rankin	Wolcott
Johnson, Lyndon B.	Reed, Ill.	Wood
Johnson, Okla.	Reed, N. Y.	Woodruff
Jones	Rees, Kans.	Worley
Jonkman	Rich	Zimmerman
	Riley	
	Rivers	

NAYS—135

Angell	Flood	Lynch
Bailey	Fogarty	McCormack
Baldwin, N. Y.	Forand	McDonough
Barrett, Pa.	Fulton	McGlinchey
Barry	Gallagher	Madden
Bates, Ky.	Gardner	Mankin
Beall	Geelan	Mansfield, Mont.
Bell	Gordon	Marcantonio
Beimiller	Gorski	Miller, Calif.
Bishop	Granahan	Morgan
Bloom	Green	Murdock
Bradley, Pa.	Hall, Edwin Arthur	Murphy
Buckley	Harless, Ariz.	Neely
Bunker	Hart	O'Brien, Ill.
Butler	Havenner	O'Brien, Mich.
Byrne, N. Y.	Healy	O'Neal
Canfield	Hedrick	O'Toole
Cannon, Mo.	Heffernan	Outland
Carnahan	Hoch	Patrick
Celler	Holifield	Patterson
Clements	Hook	Pfeifer
Coffee	Huber	Philbin
Combs	Hull	Powell
Cooley	Izac	Price, Ill.
Crosser	Jackson	Quinn, N. Y.
D'Alesandro	Kee	Rabaut
Davis	Kefauver	Rabin
Dawson	Kelley, Pa.	Rains
De Lacy	Kelly, Ill.	Randolph
Delaney, James J.	Keogh	Rayfiel
Delaney, John J.	King	Resa
Dingell	Kirwan	Rogers, N. Y.
Douglas, Calif.	Klein	Rooney
Douglas, Ill.	Kopplemann	Rowan
Doyle	LaFollette	Ryter
Eberharter	Lane	Sabath
Engel, Mich.	Lemke	Sadowski
Engle, Calif.	Lesinski	Savage
Feighan	Link	Sheridan
Flannagan	Luce	Smith, Maine
	Lyle	Somers, N. Y.
Sparkman	Thomas, Tex.	Wasielewski
Spence	Torrens	Wolverton, N. J.
Starkey	Traynor	Woodhouse
Sullivan	Voorhis, Calif.	
Thom	Walter	

NOT VOTING—41

Andrews, N. Y.	Grant, Ind.	O'Konski
Brumbaugh	Hagen	Peterson, Fla.
Carlson	Harris	Reece, Tenn.
Cochran	Horan	Richards
Colmer	Johnson, Ind.	Robinson, Utah
Courtney	Johnson, Luther A.	Roe, N. Y.
Crawford	Lewis	Sheppard
Curley	Ludlow	Stewart
Durham	McGehee	Stigler
Ellsworth	McGregor	Tolan
Fenton	Morrison	Welch
Folger	Norton	White
Gearhart	O'Hara	Winstead
Granger		Wolfenden, Pa.

So, two-thirds not having voted in favor thereof, the veto of the President was sustained and the bill was rejected.

The Clerk announced the following pairs:

Mr. McGregor and Mr. Grant of Indiana override, Mr. Welch sustain.

Mr. Ellsworth and Mr. Carlson override, Mr. Roe of New York sustain.

Mr. Colmer and Mr. McGehee override, Mrs. Norton sustain.

Mr. Stigler and Mr. O'Hara override, Mr. Curley sustain.

Additional general pairs:

Mr. Sheppard with Mr. Crawford.

Mr. Courtney with Mr. Andrews of New York.

Mr. Winstead with Mr. Horan.

Mr. Folger with Mr. Fenton.

Mr. Robertson of Utah with Mr. Gearhart.

Mr. Tolan with Mr. Hagen.

Mr. Morrison with Mr. Johnson of Indiana.

Mr. Harris with Mr. Reece of Tennessee.

Mr. Richards with Mr. Wolfenden of Pennsylvania.

Mr. Luther A. Johnson with Mr. Lewis.

Mr. Cochran with Mr. O'Konski.

Mr. BREHM changed his vote from "nay" to "aye."

The result of the vote was announced as above recorded.

The SPEAKER. The message and the bill, together with the accompanying papers, are referred to the Committee on Labor and ordered printed as a public document.

The Clerk will notify the Senate of the action of the House.

UNITED STATES PARTICIPATION IN PHILIPPINE INDEPENDENCE CEREMONIES, JULY 4, 1946

Mr. McCORMACK. Mr. Speaker, I ask unanimous consent to take from the Speaker's table House Joint Resolution 360, to provide for United States participation in the Philippine independence ceremonies on July 4, 1946, with Senate amendments and concur in the Senate amendments.

The Clerk read the title of the joint resolution.

The Clerk read the Senate amendments, as follows:

Page 1, line 4, strike out "nine" and insert "not more than fifteen."

Page 1, line 4, strike out "Three" and insert "Not more than three."

Page 1, line 6, strike out "three" and insert "not more than six."

Page 1, line 8, strike out "three" and insert "not more than six."

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

Mr. MARTIN of Massachusetts. Mr. Speaker, reserving the right to object, as I caught the reading of the amendments, they merely increase the size of the representation that we will have at the Filipino birthday?

Mr. McCORMACK. That is correct. As the gentleman will remember, we passed the resolution providing for three and the Senate increased that number to six.

Mr. MARTIN of Massachusetts. That is the only change?

Mr. McCORMACK. That is the only change.

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

There was no objection.

The Senate amendments were concurred in.

A motion to reconsider was laid on the table.

DEPARTMENT OF LABOR, FEDERAL SECURITY AGENCY, AND RELATED INDEPENDENT OFFICES APPROPRIATION BILL, FISCAL YEAR 1947

Mr. HARE. Mr. Speaker, I move that the House resolve itself into Committee of the Whole House on the State of the Union for the consideration of the bill (H. R. 6739) making appropriations for the Department of Labor, the Federal Security Agency, and related independent agencies, for the fiscal year ending June 30, 1947, and for other purposes; and pending that motion, Mr. Speaker, I ask unanimous consent that general debate continue not to exceed the balance of the afternoon, the time to be equally divided between the gentleman from Michigan [Mr. ENGEL] and myself, that debate be confined to the bill, and that at the conclusion of debate the Clerk begin to read the bill for amendment.

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

There was no objection.

The SPEAKER. The question is on the motion offered by the gentleman from South Carolina.

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. 6739, with Mr. THOMASON in the chair.

The clerk read the title of the bill.

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

Mr. HARE. Mr. Chairman, I yield myself 30 minutes.

Mr. Chairman, before proceeding with the discussion of the many provisions in this bill I want to express to my colleagues on the committee who heard and considered the justification for these appropriations my sincere and deep appreciation for their highly valued aid and cooperative assistance in every way. We were fortunate in having the same minority members we had last year; namely Mr. ENGEL of Michigan, Mr. KEEFE of Wisconsin, and Mr. H. CARL ANDERSEN of Minnesota. These gentlemen have served on the committee for several years, particularly Mr. ENGEL, and by reason of their interest, experience and familiarity with the subjects involved it is a pleasure to say they have been of great service to the chairman of the committee in an effort to properly evaluate the services of the different agencies and the justifications supporting them. Of course, I am greatly indebted to Judge TARVER of Georgia, for his highly valued service and assistance. He has been a member of this committee for a number of years. In fact, he has served on this particular committee several years longer than your chairman and the interest manifested and shown by him is deeply appreciated and it is impossible to estimate the increasing value to the committee and to the Congress due to his number of years of service and studious application to the many activities involved and provided for in this bill. He is not only deeply interested in the many activities provided for by the Subcommittee on Agriculture, of which he is chairman, but he has always manifested a deep concern as a member of this subcommittee in the various activities and services being rendered the country by the Department of Labor and the Federal Security Agency. On the majority side we have two new members of the committee this year, Mr. ROONEY of New York, and Mr. NEELY of West Virginia, and I wish to express to them personally my sincere appreciation of their hearty and sympathetic cooperation and express the hope they may find the work sufficiently interesting as to command their continued cooperation for many years to come.

The bill carries upward of 100 appropriation items and the committe gave 8 weeks to hearing and considering the justifications. There are a number of items that do not have the full and complete endorsement of each member of the committee, but the amounts here recommended reflect the cooperative and combined judgment of the entire membership with possibly two or three exceptions.

An examination of the hearings amounting to approximately 1,400 pages of printed matter will indicate the extent to which the committee endeavored to obtain all the facts supporting the justifications and the exercise of its best judgment in reaching a proper determination of all matters before it for consideration. A reduction in the appropriation for some of the items may seem rather drastic. On the other hand, it may appear that some items could have been reduced to a greater extent, but I think it is fair to say at this time that this is one bill where the committee has been making some rather drastic reductions for a number of years, but I hope they have not been sufficient to reduce the efficiency of any of the activities provided for. I think it is fair to say further that in several instances we have found where pronounced reductions in appropriations have been offset by increased efficiency on the part of those directing the activities. If I recall correctly, the Chairman, Dr. Altmeyer, of the Social Security Board, testified that the personnel of this agency has been reduced from upward of over 2,000 in 1942 to approximately 1,500 for the fiscal year 1946, despite the fact there has been a decided increase in the work load of the agency. It may be of interest to note further that the appropriation for the beginning of the fiscal year 1943 as it passed both Houses carried, in round numbers, $1,261,000,000, or a decrease of $141,000,000 as compared with the appropriation of the previous year.

In 1944 the appropriation was $1,200,000,000, or $61,000,000 less than the appropriation for 1943. The appropriation for the fiscal year beginning in 1945 was $1,135,000,000, or a decrease of $65,000,000 as compared with the previous year. The amount provided for in the fiscal year 1946 and carried in the bill as it passed the House was $1,086,000,000 in round numbers, or $49,000,000 less than the appropriation for 1945. You can understand, therefore, why this committee has not been able to make as drastic reduction as some might think should follow the cessation of hostilities. The reason is clear, we have been making such reductions for the past 5 years. It should be observed further that this bill carries with it appropriations for activities not heretofore carried. I refer to the National Wage Stabilization Board, the Retraining and Reemployment Administration, and other activities that heretofore appropriations were obtained through other committees.

The estimates submitted this past year were made and presented upon the theory that both the war in Europe and the Pacific would continue through the fiscal year 1946, but it will be recalled that the committee in marking up the bill proceeded upon the theory that the war in Europe would be over by July 1, 1945. Consequently, the bill this past fiscal year did not carry appropriations that could now be eliminated because of the cessation of hostilities. However, there are a few wartime activities that have been eliminated in the meantime, but it must be remembered there are some activities that were reduced during the war that are now reassuming normal proportions.

The amount carried in this bill for the present fiscal year 1946 plus the amount transferred to the Department, including any deficiency appropriations obtained amounted to $1,202,631,586. The amount carried in the bill for fiscal year 1947 totals $1,131,403,126, or $71,228,460 less than the appropriation for the fiscal year 1946, and $41,019,774 less than the budget estimate for 1947.

DEPARTMENT OF LABOR

The amount available in the Department of Labor for the fiscal year 1946 was $162,736,932. The amount provided for the fiscal year 1947 is $129,181,702, or a decrease of $33,555,230. We will not be able to go into great detail as to the various items, but we shall be glad to break this down into the principal activities in the Department.

OFFICE OF THE SECRETARY

The Office of the Secretary administers the activities of all the bureaus in the Department by approving labor policies and coordinating their operations. This office also provides central machinery for the performance of over-all management,

functions, which include central budgeting and financial controls, personnel administration, procurement, general service facilities, and so forth. The amount requested for 1947 was $982,000 and the amount carried in the bill is $862,000, or a decrease of $120,000. The request for 28 new positions involving a total of $115,406 has not been recommended. The committee felt that operating expenses of administering the enlarged functions of the Department sufficient economies may be made to offset any additional work due to the transfer of the National Wage Stabilization Board and the Reemployment and Retraining Service to this department.

OFFICE OF THE SOLICITOR

The Solicitor serves as a legal adviser to the Secretary of Labor and other officials of the Department; he is also charged with the responsibility of analyzing legislation which pertains or relates to the interest of the Department. The Budget Bureau estimate was $1,034,000 for salaries and expenses in this agency, but the committee recommends only $925,000, or a decrease of $109,000. The committee has not approved the request for an increase of 23 new positions, but has approved the 234 positions allowed in the 1946 appropriation, together with 28 positions from other agencies recently transferred to the Department.

DIVISION OF LABOR STANDARDS

The functions of this division are to develop desirable labor standards for industrial practices, to promote uniformity in labor law administration, to make specific recommendations of methods and measures to improve industrial relationships of the working conditions of wage earners, and to make available to interested persons existing resources of the Department of Labor and pertinent material obtained from public or private sources. The Budget estimate for this division was $283,800, the amount recommended for 1947 was $215,000, or a decrease of $68,800. The committee was apparently impressed with an item of $34,696 to provide for a labor education standards program. However, there seems to be some difference of opinion between the promoters of this proposal. Some witnesses testified that it was for the purpose of preparing and distributing bulletins of information to be used by schools, colleges, labor groups and other agencies; whereas, others felt it would consist of a kind of extension service corresponding to that carried on by the Department of Agriculture. The committee felt inclined to approve the item, but it is thought if this item is to be enlarged and is to become an extension service comparable in any way to that carried on by the Department of Agriculture additional legislation will be required.

CONCILIATION SERVICE

The objective of the Conciliation Service is to promote and establish harmonious labor-management relationships in industry through the settlement of labor disputes. It is alleged that its responsibilities are particularly heavy at this time for the reason that with the exception of the National Mediation Board, which has jurisdiction over all labor disputes involving railroad employees, the Conciliation Service is the sole agency of the Government in this field of work at the present time. The committee has always been very kindly disposed to this particular activity, but we feel that without being specifically critical this agency has failed to meet the objective contemplated by the Congress. Instead of reducing the number of labor disputes or increasing the harmonious labor-management relationships in industry we find there has been increased discord and an increased number of labor disputes despite the efforts of the Conciliation Service. I think it is fair to say this cannot be attributed to any lack of ability or inefficiency on the part of those charged with the responsibility of the Service. I think it is due largely to the failure of the Congress to properly evaluate many human equations that would have to be met and considered by this agency, and while I have always been a devoted and loyal friend to this Service and I still have confidence in the objective, I am convinced that the formula heretofore used in its operations will have to be changed in some way before we can expect to reach the objective contemplated by the Congress. The Budget estimate for 1947 was $2,363,500 and the amount recommended by the committee is $2,300,000, or a decrease of $63,500. It should be noted however, that the amount recommended is $271,339 above the base for 1947 and it will provide for 32 additional positions or inspectors in the Conciliation Service.

Mr. WOODRUFF. Mr. Chairman, I make the point of order that a quorum is not present.

The CHAIRMAN. Evidently a quorum is not present.

The Clerk will call the roll.

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

[Roll No. 155]

Adams	Fulton	Outland
Andresen, August H.	Gearhart	Pace
Andrews, N. Y.	Gillespie	Patman
Arends	Granger	Patrick
Baldwin, Md.	Grant, Ala.	Peterson, Fla.
Barry	Grant, Ind.	Powell
Bates, Ky.	Griffiths	Randolph
Bland	Harris	Reece, Tenn.
Bolton	Hart	Reed, N. Y.
Boykin	Hartley	Richards
Brumbaugh	Heselton	Robinson, Utah
Buffett	Horan	Roe, N. Y.
Bunker	Jarman	Sabath
Cannon, Fla.	Johnson, Ind.	Schwabe, Okla.
Carlson	Johnson, Luther A.	Shafer
Celler	Kee	Sheppard
Clark	Lea	Simpson, Pa.
Cochran	LeCompte	Slaughter
Colmer	Lemke	Stewart
Courtney	Lesinski	Stigler
Crawford	Ludlow	Sumners, Tex.
Curley	Lyle	Thomas, Tex.
Dawson	McDonough	Tolan
Domengeaux	McGehee	Torrens
Durham	McGregor	Vursell
Eberharter	McKenzie	Wasielewski
Ellsworth	Morrison	Welch
Fenton	Norton	White
Fisher	O'Hara	Winstead
Flannagan	O'Konski	Wolcott
Folger	O'Neal	Wolfenden, Pa.
		Woodhouse

Accordingly the Committee rose; and the Speaker having resumed the chair, Mr. THOMASON, 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. 6739, and finding itself without a quorum, he had directed the roll to be called, when 335 Members responded to their names, a quorum, and he submitted the names of the absentees to be spread upon the Journal.

The SPEAKER. The Committee will resume its sitting.

Accordingly the House resolved itself into the Committee of the Whole House on the State of the Union for the consideration of the bill H. R. 6739, with Mr. THOMASON in the chair.

Mr. HARE. The next item is:

APPRENTICE TRAINING SERVICE

This Service brings together employers and labor for the formation of programs for apprenticeship. It formulates and promotes standards necessary to safeguard the welfare of apprentices and cooperates with State agencies engaged in the formation and promotion of standards of apprenticeship and the further development of such State activities. The amount estimated for this Service for 1947 by the Budget Bureau was $1,832,000 and the amount recommended by the committee is $1,800,000, or a decrease of $32,000.

BUREAU OF LABOR STATISTICS

This Bureau performs statistical and research work in the field of general labor economics, employment statistics, productivity and technological development, occupational outlook, prices and cost of living, the gathering of wage data, compiling of information on industrial relations and statistical information on industrial hazards. Its vast resource of information is used by labor, management, State officials, Members of Congress, private citizens and individual firms. The work of this Bureau has undoubtedly increased to a considerable extent in recent years, but the appropriation has grown by leaps and bounds in the last few years. This is accounted for in a large measure through the demand of numerous war agencies and war activities for statistical data for use in planning various and sundry types of programs. The Bureau submitted a special item of $620,400 to be used in obtaining certain statistical data said to be necessary in connection with the proposed housing program. The total Budget estimate for the next fiscal year was $5,427,000; the amount approved by the committee was $4,787,000, or a decrease of $640,000.

THE CHILDREN'S BUREAU

The chief responsibility of the Children's Bureau is to investigate and report upon all matters pertaining to the welfare of children and child life. It is also charged with administering the child-labor provisions of the Fair Labor Standards Act and to administer the maternal and child-welfare provisions of parts 1, 2, and 3 of title V of the Social Security Act. Its work breaks into four major functions: First, the maintenance of fact-finding, advisory, and reporting services pursuant to the act establishing the Bureau; second, child-labor administration under the Fair Labor Standards Act; third, the administration of grants to States for maternal and child welfare under title V of the Social Security Act;

and fourth, the administration of grants to States for maternity and infant care for the wives and infants of servicemen in the lowest four pay grades. The amount recommended by the Budget for salaries and expenses is $447,500, which represents an increase of $53,705 over the 1947 base and is to be used in making studies of juvenile delinquency and studies of employment opportunities and controls for inexperienced young people.

The Budget estimate for salaries and expenses under the Fair Labor Standards Act was $298,600 and the amount recommended by the committee was $256,309, or a decrease of $42,291.

The amount recommended by the Budget for maternal and child welfare was $516,800 and the amount recommended by the committee is $438,535, or a decrease of $78,265.

The Budget estimate of grants to States for emergency maternity and infant care was $17,593,000 and the amount recommended by the committee is $16,664,000, or a decrease of $929,000.

We might say that the Budget submitted a supplemental item which provided for the Children's Bureau to conduct a study of the experience gained in the administration of the Emergency Maternity and Infant Care Program, which the committee has not allowed and which accounts for the total deduction in this item. The number of infant care cases handled through January of the fiscal year 1946 was 1,125,814.

RETRAINING AND REEMPLOYMENT ADMINISTRATION

The objective of the Retraining and Reemployment Administration, authorized in title III of the War Mobilization and Reconversion Act of 1944, is to effect coordination during the reconversion period among the activities of those agencies of the Government charged with the functions of retraining, reemployment, vocational education, and vocational rehabilitation. The legislation for this activity expires June 30, 1947. The Budget estimate for this was $338,000 and the committee recommended the full amount.

Mr. VOORHIS of California. Mr. Chairman, would the gentleman care to yield at this point?

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

Mr. VOORHIS of California. I wanted to ask the gentleman about the apprenticeship training program. Am I correctly informed that the committee bill carries the amount for that purpose which was recommended by the Bureau of the Budget?

Mr. HARE. The amount requested was $1,832,000. The amount allowed was $1,800,000, which was $295,000 more than it had for 1946 and $32,000 less than the amount requested by the Bureau of the Budget for 1947.

Mr. VOORHIS of California. Is it not true, in the gentleman's opinion, that the work of that agency is a very important one at the present time?

Mr. HARE. I agree with you thoroughly.

Mr. VOORHIS of California. What is the relationship between that apprenticeship training service and the retraining and reemployment service?

Mr. HARE. The apprenticeship training service is an old service provided for by act of Congress. It was originally placed in the Department of Labor and was there for a number of years until the war came on. Then it was placed in the War Manpower Commission and was carried on by that agency until the latter part of last year, when it was transferred by Executive order back to the Labor Department. It is now an agency of the Department of Labor. Its purpose is to prepare standards of apprenticeship for the several States, because the apprenticeship program is a State program; it operates under State law; and this agency provides for uniformity in establishing a standard for what would be known as a standard for a particular position or type of work.

Mr. VOORHIS of California. I am glad the committee has allowed practically the Budget estimate for this item, for it seems to me that both from the point of view of training workers for the construction program we have on and also from the more important point of view of trying to open opportunities for veterans that this work is one of the most important that is being done by any governmental agency.

UNITED STATES EMPLOYMENT SERVICE

Mr. HARE. The United States Employment Service assists in the development and coordination of a Nation-wide system of public employment offices for men, women, and juniors, establishes operating standards and procedures, and promotes uniformity in the operation of the employment service; maintains a program for clearance of labor between the States; and provides an adequate and effective job placement and counseling service for veterans.

The Budget estimate was $5,132,000 and the committee recommended $6,394,600. In recommending the total of $6,394,600 for general administration expenses, the committee has added a proviso that $2,650,600 shall be for use in carrying into effect the provisions of title IV of the Servicemen's Readjustment Act of 1944, which amplifies the responsibilities of the Veterans' Employment Service in aiding veterans to obtain saisfactory employment. The increase is recommended after hearing the testimony of the Director of Veterans' Employment Service and the officials of the United States Employment Service. The increase will be used for increasing the number of employees of the Veterans' Employment Service, which has to do solely with the efforts of assisting veterans to obtain satisfactory employment. The amount appropriated for general administration for the fiscal year 1946 was $11,732,000 and the amount the committee is recommending for 1947 is $5,337,400 less than the 1946 total.

The committee, in recommending the appropriation of $68,517,000, has divided such amount into two parts. The first, $17,129,250, is to provide necessary funds for the operation of the service as a Federal agency through October 6, 1946. The second part, $51,387,750, is proposed for making payments to the several States beginning October 7, 1946, in accordance with the provisions of the act of June 6, 1933, as amended, to January 1, 1942—Twenty-ninth United States Code 49–491—and for carrying into effect section 602 of the Servicemen's Readjustment Act of 1944. This service has much to contribute toward a return to normal employment conditions and production, and the testimony before the committee revealed that the demands for service upon the local employment offices by both employee and employer is the greatest in its history.

WOMEN'S BUREAU

The committee was impressed with certain features of the work carried on by this Bureau and, therefore, approved the Budget estimate of $234,000 for the fiscal year 1947, which represents an increase of $32,100, which will provide for 10 new positions, together with $1,579 for automatic promotions under the Mead-Ramspeck Act. The committee has increased the appropriation for this Bureau for printing and binding by $1,000 to enable it to print and distribute a list of bulletins which might be of assistance to women workers and available at the Government Printing Office.

WAGE AND HOUR DIVISION

This Division is responsible for the administration of the Fair Labor Standards Act and the Walsh-Healey Public Contracts Act. Both acts deal with the establishment of wage-and-hour standards for employees. The Fair Labor Standards Act covers employees engaged in interstate commerce or in producing goods for interstate commerce and requires that a minimum wage, and time-and-a-half for hours worked in excess of 40, be paid. The Walsh-Healey Act requires Federal Government supply contracts to contain certain maximum and minimum wage, child labor, safety, and health stipulations.

The Budget estimate is $4,623,000 and the committee recommended $4,203,700, which is a decrease of $419,300. The amount recommended will enable the Division to make 45,000 inspections, which it is believed should prove adequate at this time to insure enforcement of the provisions of the Fair Labor Standards Act and the Walsh-Healey Act. This is the same number of inspections that was made during the fiscal year 1945. The estimates presented to the committee contemplated a sufficient staff to make 56,000 inspections during the fiscal year 1947. It is not felt that an increase in the number of inspections is necessary, but rather that the Division should continue to operate at the 1945 level, and, inasmuch as the employees worked a 48-hour week during the 1945 fiscal year, there should be an adjustment of the estimates for 1947 so as to permit the making of 45,000 inspections on the basis of a 40-hour week. Such course requires an addition of 87 inspectors and 40 clerical-facilitating employees, at a cost of $361,840.

NATIONAL WAGE STABILIZATION BOARD

Salaries and expenses: Budget estimates, $5,191,900; recommended, $4,191,900; decrease, $1,000,000.

This agency was established on December 31, 1945, by an Executive order which also abolished the National War Labor Board. Its principal objective is to control the amount of any wage or salary increase which can be recognized as a basis for increasing prices or as a base for increasing the cost of goods or services under contract to the Federal Government. The National Wage Stabilization Board has the responsibility for applying these controls. In carrying out such principal function, the Board receives and acts on applications for the approval of wage or salary increases and decides whether and to what extent such increases can be approved under the standards prescribed by the Executive order and applicable regulations. To the extent that any wage or salary increase is not so approved by the Board, the increase cannot be used as a basis for increasing prices or cost to the Government. In addition to the rules limiting the extent to which wage and salary increases may be used for price purposes, there are rules which maintain, in effect, direct wage controls in certain limited areas, chiefly the building and construction industry. This means that no wage increase legally may be made in such industry without prior approval. In addition, no wage decreases in any industry legally may be made without prior approval of the Board.

The committee was favorably impressed by the statement of the Chairman of the Board, but felt that some reduction could be made in the estimate submitted, and, accordingly, is proposing a reduction of $1,000,000. In addition, the committee is proposing reductions in the allotments from the traveling-expense appropriation for this activity of $38,500, and $5,000 from the appropriation for contingent expenses.

RETRAINING AND REEMPLOYMENT ADMINISTRATION

Salaries: Budget estimate, $338,000; recommended, $338,000.

The objective of the Retraining and Reemployment Administration, authorized in title III of the War Mobilization and Reconversion Act of 1944, is to effect coordination during the reconversion period among the activities of those agencies of the Government charged with the functions of retraining, reemployment, vocational education, and vocational rehabilitation. The legislation for this activity expires June 30, 1947. It is felt that the full amount requested would be needed if this agency is to accomplish its objective by June 30, 1947.

EMPLOYMENT OFFICE FACILITIES AND SERVICES

Budget estimate, $68,517,000; amount recommended, $68,517,000.

The committee, in recommending the appropriation of $68,517,000, has divided such amount into two parts. The first, $17,129,250, is to provide necessary funds for the operation of the service as a Federal agency through October 6, 1946. The second part, $51,387,750, is proposed for making payments to the several States beginning October 7, 1946, in accordance with the provisions of the act of June 6, 1933, as amended, to January 1, 1942 (29 U. S. C. 49–491), and for carrying into effect section 602 of the Servicemen's Readjustment Act of 1944. This service has much to contribute toward a return to normal employment conditions and production, and the testimony before the committee revealed that the demands for service upon the local employment offices by both employee and employer is the greatest in its history.

OFFICE OF EDUCATION

The Budget estimate for salaries and expenses submitted by the Budget Bureau is $1,520,200, or an increase of $56,562, the amount approved over the corresponding item for 1946, but an increase of $577,662 above the base for 1947, which included certain items for national defense purposes. The increase provided for 126 new positions with proportionate increase in miscellaneous expenses. The committee recommended an increase of $49,052, providing for 52 new positions at a total cost of $46,552. The statutory grants approved by the Budget are recommended by the committee and are as follows: For the development of vocational education, $14,200,000; promotion of vocational education in Hawaii, $30,000; promotion of vocational education in Puerto Rico, $105,000; and further endowment of colleges of agriculture and the mechanic arts, $2,480,000. The committee approved a specific request in the amount of $1,337,000 to be allocated to States for carrying on food conservation activities.

OFFICE OF VOCATIONAL REHABILITATION

Vocational rehabilitation service is provided for under Public Law 113 and undertakes to render aid and assistance to physically handicapped persons who may be restored to an employable status. It is a program operated by State boards of vocational education in accordance with State plans approved by the Office of Vocational Rehabilitation. The testimony before our committee disclosed that a year ago there were 89,416 disabled persons in the process of rehabilitation. The estimate for the fiscal year 1946 will be approximately 105,000. The estimate for the fiscal year 1947 being 120,000. The economic value of the program as shown from the hearings before our committee discloses there were 41,925 persons rehabilitated into employment during the last fiscal year. That is, these persons were actually placed on the pay rolls of employers in a way and under conditions which apparently proved to be satisfactory to both employer and employee. It is stated that prior to the beginning of the rehabilitation program that the average income of such persons from what they could earn in part-time employment and what they received in the way of charitable contributions, relief payments, and so forth, amounted to $24 per month; whereas, according to the testimony furnished your committee, the same individuals following the completion of rehabilitation services had an average earning of $147 per month. It was stated that 18 percent of the number referred to had never been employable before and that 79 percent were not working at the time they were referred to the State agencies for rehabilitation. The estimates submitted by the Budget Bureau for the next fiscal year for grants or aid to the States is $11,747,700, or an increase of $42,400, which is recommended by the committee. The general expense item approved by the Budget for 1947 is $644,300, or an increase of $170,912 over the appropriation for the fiscal year 1946. The amount recommended by the committee is $564,300, which is an increase of $90,912 over the appropriation for 1946, but a decrease of $80,000 in the Budget estimate.

FOOD AND DRUG ADMINISTRATION

For the enforcement and operation of the Food and Drug Administration the committee has recommended a total of $3,482,383, or an increase of $40,083 over the amount of the appropriation for the fiscal year 1946. This agency is performing an outstanding service in a most important work. It has the responsibility of enforcing five laws, to wit, the Federal Food, Drug and Cosmetic Act; the Tea Importation Act; the Import Milk Act; the Federal Caustic Poison Act; and the Filled Milk Act. It is in constant contact with American manufacturers in its operations and enjoys the greatest respect and cooperation from this large group of American businessmen. Food and drug manufacturers and processors have been called upon to do an ever-increasing production job during the past years, and it is much to their credit that they have processed more foods and drugs than ever before. They have suffered the loss of experienced employees, have found it increasingly difficult to replace obsolete or worn-out equipment, and have been faced with numerous handicaps due to emergency conditions, but throughout the emergency and much to the credit of the Food and Drug Administration, the manufacturers have maintained an attitude that the American public and the armed forces are entitled to pure, clean, and uncontaminated foods and to potent, pure, and uncontaminated drugs.

UNITED STATES PUBLIC HEALTH SERVICE

The present budget was prepared and the estimates have been considered under the Reorganization Act of 1944. The $10,897,000 item carried in the last appropriation bill for the control of malaria was primarily a national defense item and as such has been eliminated from this bill. However, an increase in the control of communicable disease item of $1,040,000 in 1946 to $7,372,000 in 1947 is an increase of $6,332,000, the greater portion of which will be used to continue the program for malaria control. It was pointed out to the committee that a large number of veterans who saw service in the Tropics, many of whom were subjected to malaria, will upon return enlarge the necessity for increased activities in the malaria-control program, and it was contended that this problem will be found in many sections of the country now practically free from malaria, but the malaria-control program is combined with the control of other communicable diseases, such as typhus fever, and so forth. Recent experience has disclosed that the use of the relatively new insecticide, DDT, has been very effective in combating the spread of insect-borne diseases and the committee feels it will be an expensive economy to deny a proper appropriation

to proceed as rapidly as possible with preventive measures. The typhus program parallels in many ways the program to combat malaria and other tropical diseases and it is felt that the program to control such diseases should all be under one supervision.

Another national defense item carried in the 1946 appropriation, $59,957,000 to be used for training of nurses, has been eliminated as a defense item, but $16,300,000 has been included to continue the training-for-nurses program to its completion. The total amount carried in the appropriation bill for the fiscal year 1946 for the Public Health Service was $142,305,380, the amount carried for the fiscal year 1947 is $95,173,879, or a decrease of $47,131,501, which represents a decrease below the Budget estimate of $10,141,321.

ST. ELIZABETHS HOSPITAL

The committee has approved $3,729,358 for St. Elizabeths Hospital, which is $1,062,358 above the Budget estimate. The increase is approved for the purpose of eliminating, if possible, numerous deficiencies which have been the experience of the institution during the last few years, and to provide $75,000 for a general over-all survey of the entire institution by the Public Buildings Administration. It should be noted, however, that the increase is over the Budget estimate, but represents a decrease of $2,377,007 below the appropriation for 1946.

SOCIAL SECURITY BOARD

The committee has recommended $484,000,000 for grants to states for old-age assistance, aid to dependent children, and aid to the blind, which when broken down will be as follows: Old-age assistance, $398,700,000, or an increase of $27,700,000 over the appropriation for the fiscal year; aid to dependent children, $73,950,000, or an increase of $14,656,000; and aid to the blind, $11,350,000, or an increase of $644,000, making an overall increase in these three items of $43,000,000.

Grants to States for unemployment compensation administration will show a decrease from $57,042,000 for the fiscal year to $49,045,000 for the fiscal year 1947, the decrease being $7,997,000.

EMPLOYEES' COMPENSATION COMMISSION

The United States Employees' Compensation Commission is charged with the duty of administering several laws which provide workmen's compensation benefits to employees in certain employment in Federal jurisdiction. It is responsible also for administering statutory benefits authorized in the case of certain civilian workmen employed outside the United States. It is difficult to estimate in advance the necessary funds required to make payment to individuals for death and disability benefits for the reason that one cannot know in advance the number and extent of those entitled to such benefits. However, the committee has approved an appropriation of $11,100,000 for benefit payments, which is $630,000 less than the estimate submitted by the Commission and approved by the Budget. The committee felt that possibly there would be some decrease in the number of liabilities during the next fiscal year as compared with the fiscal year 1946. It is further thought that the present reorganization proposal now pending before the Congress, if made effective, may result in some economies during the next year. The total amount carried in the bill for the fiscal year 1947 is $12,600,000, which represents a decrease in the appropriation for 1946 to the extent of $10,420,390.

NATIONAL LABOR RELATIONS BOARD

The total estimates for the National Labor Relations Board call for an appropriation of $4,746,900 for the next fiscal year, or a decrease of $238,030 below the amount available for the present fiscal year and a decrease of $677,400 below the Budget estimate.

RAILROAD RETIREMENT BOARD

The amount approved by the committee for the fiscal year is $300,995,000, which is an increase of $6,300,000 over the appropriation for 1946 and a decrease of $3,800 below the Budget estimate for 1947.

CONCLUSION

Mr. Chairman, we have not discussed the provisions of this bill in great detail, but we invite your attention to our report, as well as the hearings before our committee. Your committee has given careful consideration to the evidence submitted in support of the estimates. We may have made mistakes in properly evaluating them, but our recommendations are now before you. If the majority of you think the reductions made are too drastic, or that we have erred in our judgment in any way, there is nothing to prevent you from offering amendments adjusting the appropriations to meet the will of the majority of the Members of the House. On the other hand, if you think we have failed to make the necessary reductions and still maintain that degree of efficiency desired in all the agencies involved you will have the same opportunity to make further reductions.

Mr. KEEFE. Mr. Chairman, I yield myself 10 minutes.

Mr. Chairman, a reading of the bill will indicate the widely varying character of the numerous departments and agencies and institutions that are provided for in this appropriation bill. It is called the Labor and Federal Security appropriation bill and makes available for the next fiscal year funds to carry on the activities of those two great Departments of Government.

For a long time it was very noticeable, especially during the war period, that functions of the Labor Department had been transferred to other departments of Government, so that up until a year ago the Labor Department had been stripped of many of its fundamental functions and we found those functions scattered through other agencies of Government.

I have been one who for several years has urged upon the Secretary of Labor, and in speeches in the well of this House upon the Congress, that it seemed to me that the functions of the Department of Labor that properly belong to that Department ought to be restored to that agency, and that those functions of the Department of Labor that are not proper functions of that Department ought to be transferred to the agency where they most properly belong. You will recall that when the War Manpower Commission was set up under the direction of Mr. McNutt by Executive order the Apprenticeship Training Division was transferred from the Labor Department over to the War Manpower Commission. The employment services were transferred from the Labor Department to the War Manpower Commission. Although we had in the Labor Department a Conciliation Service that this subcommittee and the Congress dealt generously with every year in the matter of funds, we found that the War Production Board, the Army and the Navy, and the Maritime Commission all had set up within their agencies so-called labor conciliation services. Some 2 years ago I appeared on the floor of this House in support of a motion to strike out the appropriation for the Labor Conciliation Service in a naval appropriation bill, and I pointed out at that time the tremendous confusion and duplication that existed in the field of labor conciliation and mediation due to the fact that the Government had seen fit to set up these competing and duplicating conciliation services in various and sundry departments of Government other than the Labor Department.

I recall so well when standing in the well of this House and making that sort of a statement that the chairman of the Committee on Labor, the distinguished gentlewoman from New Jersey, arose and stated that she had just contacted the then Secretary of Labor, Madam Perkins, and gave assurance to the House that there was no duplication, there was no confusion, and that everything was working out perfectly lovely and fine, and as a result of that speech the effort which was then being made to bring back to the Labor Department its proper functions was defeated.

A year later when this bill came up before the committee for consideration, attention was again called to that situation, and lo and behold, the RECORD discloses, for any one who wants to read it, that the Undersecretary of Labor, then Mr. Tracey, and the Secretary of Labor, then Madam Perkins, came before the committee and said it was time to take their hair down and tell the committee the facts. There was duplication. There was confusion. There was such duplication and such confusion that I am certain it contributed in large measure to the resignation of John Steelman as Director of the Conciliation Service in the Department of Labor.

I am glad to know that at long last the Department of Labor has recognized the efforts that the committee has tried to put forth in its behalf to bring back to the Department of Labor the functions that properly belong there and to let other agencies of Government handle the functions that properly belong there.

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

Mr. KEEFE. I yield to the gentleman from West Virginia.

Mr. RANDOLPH. The gentleman from Wisconsin is vigorously correct in his presentation of this subject. There have been those of us on the House Labor Committee who saw the danger to which the gentleman has directed attention. We have tried, with him, to rectify it. I believe much of the confusion, as the gentleman calls it today, is not always due to a controversy between management and labor, but is aggravated because the Government itself has added to the troubled situation by overlapping and duplicating practices.

Mr. KEEFE. I do not believe there is any question about it. One of the prime complaints that always came to me from labor was the fact that they had labor functions scattered through some 26 agencies of the Government, instead of having the matters handled where they should be handled, in the Department this Congress has set up, the Department of Labor, to handle labor disputes.

I call your attention to some general observations on this subject matter. I am speaking generally without getting into particularization yet as to this bill. I have told you about the transfer to the War Manpower Commission of the Apprenticeship Training Division and of the United States Employment Service. Those services by administrative action have now been sent back to the Labor Department, so we now have in the labor section of the bill the apprenticeship training and the United States Employment Service, again back in the Labor Department where they very properly belong.

You will note also for years this Congress, as a result of organic legislation, placed the Children's Bureau in the Department of Labor. The Children's Bureau has two fundamental functions to perform. One of those functions is the matter of inspecting and enforcing the child labor laws. The other function is to administer grants in aid to the States under three titles of the Social Security Act. Another function was added to the Children's Bureau when the Congress saw fit to carry out the emergency maternal infant-care program and has provided year after year the appropriations to finance that most splendid undertaking. So that for years now, since the adoption of the M. I. C. program, the Children's Bureau has had three fundamental functions.

I call the attention of the Members of Congress to a function that to me has always seemed utterly intolerable. You will recall that we have a Wage and Hour Division, an inspection service, that is set up fundamentally for the purpose of making inspections in plants of this country to see to it that compliance is had with the provisions of the wage-hour law.

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

Mr. KEEFE. Mr. Chairman, I yield myself 15 additional minutes.

The Wage and Hour Division was charged with the responsibility of making those inspections and to see to it that the wage-and-hour law was enforced throughout the country. You will also recall that at the same time we had what was called the Public Contracts Division, dealing with the Walsh-Healey contracts, so that we had two inspection services, one the Wage and Hour Division with its inspectors handling violations under the Fair Labor Standards Act, and a set of inspectors working under another Administrator, the Public Contracts Division, enforcing the Walsh-Healey Act.

I am glad to say that I raised the question with Miss Perkins when she was Secretary of Labor and administratively she did combine those inspection services into one service, which is now being administered by Mr. Walling, head of the Wage and Hour Division. But here is the funny thing. I hope you will follow me rather closely, because you must have a careful understanding of the law in order to follow.

An employer performing service or work, or employing people under the wage-hour law, was subject to inspection by the Wage-Hour Division. If he was performing a public contract for services to the country in excess of $10,000, he came under the Walsh-Healey Act. When we passed the Walsh-Healey law we provided that the inspectors under the Walsh-Healey Act, of the Public Contracts Division, would have complete charge of inspecting for child-labor violations and could also prosecute or recommend prosecution or do all things necessary to see that the child-labor laws were properly carried out so far as those employees working under the Walsh-Healey Act were concerned. But right across the street is an employer who is not under the Walsh-Healey Act, but comes under the wage-and-hour inspection of the Fair Labor Standards Act. Strange as it may seem, those people under the combined inspection services would also inspect on behalf of the Children's Bureau for child-labor violations. But instead of being authorized to go through and handle the violations and prosecute if necessary, they have to funnel their inspections through the Children's Bureau and let the Children's Bureau handle child-labor violations in those plants that were making consumer goods and were not under the terms of the Walsh-Healey Act. That has always seemed to me to be a ridiculous situation. I am very happy to note that the President in his recommended reorganization plan has left in the Department of Labor the labor functions of the Children's Bureau and has transferred to the Wage-Hour Division the entire control over the question of not only inspection for wage-hour violations but entire control for inspection of child-labor violations. That is a step in the right direction. That is a program I have advocated now for 3½ years and I believe the former Secretary of Labor would have carried it out administratively had she remained as Secretary of Labor. I am glad that the President has seen fit to recommend that in his reorganization plan. I am also glad to note that as part of that reorganization plan the President has recommended that the medical services and the child welfare services of the Children's Bureau shall be transferred to the Federal Security Agency. I have advocated that for 3½ years, since I have been pretty well acquainted with the workings of that Agency. That matter is going to come before the Congress for a vote some day and it would be well for the Members of Congress to thoroughly orient themselves and understand that situation before condemning that portion of the President's reorganization plan. Here is what will happen: Here is the Children's Bureau that is charged with allocating funds to States under 3 titles of the Social Security Act. The Social Security Board is charged with allocating funds for the rest of the titles under Social Security. Is there any reason in the world why in the Department of Labor you should have a bureau set up with a great big staff to handle the matter of the allocation of funds for child and maternal welfare, and so on, which involves the health and welfare of individuals, and have the Social Security Board handling the other titles of grants to States that involve substantially the same thing? Under the President's reorganization plan, those functions of the Children's Bureau are transferred to the Social Security Board. I think there not only could be more efficient administration of the grants-in-aid program under Social Security, but I think an efficient administration will save a great deal of money. I personally want to compliment the President for that portion of his reorganization plan.

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

Mr. KEEFE. I yield.

Mr. HENRY. I quite agree with what the distinguished gentleman from Wisconsin is saying. The only difficulty I find with the President's reorganization plan is that there are other reorganizations in his plan with which I do not agree, and I shall be compelled to vote against some of them.

Mr. KEEFE. I am speaking only of one plan. I think it is reorganization plan No. 2. There may be some question as to the wisdom of the dissolution of the Employee's Compensation Board. That is included in that plan. But the other part of the plan which transfers from the Census Bureau to the Federal Security Agency the Bureau of Vital Statistics, I am in complete accord with, because it centralizes in one bureau all of the agencies having to do with public health and welfare. As one Member of Congress I hope we will be able to accomplish that and build in this country one agency of government of sufficient size and dignity that it may achieve Cabinet status, to deal with the welfare and the rights of human beings in the matter of public health.

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

Mr. KEEFE. I yield.

Mr. VOORHIS of California. I want to compliment the gentleman on the last remark he made which I believe is a very statesmanlike remark. I wanted to ask him for my own information, and to sharpen the point a little, about the child welfare proposition that the gentleman was discussing a moment ago. It is true that the Social Security Board administers the aid of dependent chil-

dren which is a program of grants-in-aid to States?

Mr. KEEFE. That is right.

Mr. VOORHIS of California. Am I correct that other functions for child and maternity welfare, as now being conducted by the Children's Bureau, are also grants-in-aid programs?

Mr. KEEFE. That is right.

Mr. VOORHIS of California. In other words, they are not action programs but purely grants-in-aid programs?

Mr. KEEFE. That is right.

Mr. VOORHIS of California. That could quite as well be administered by the Social Security Board on the same basis and with the same personnel as they administer the other grants-in-aid?

Mr. KEEFE. That is right. They administer the child welfare service program, the crippled children grants-in-aid program, the child welfare grants-in-aid program under the provisions of three titles of the Social Security Act. The Social Security Board, on the other hand, administers all of the other programs set up under the Social Security Act, and they all relate to the general over-all picture, and they are grants-in-aid programs, and they all require the States, under the terms of the Social Security Act, to conform to certain standards that are set up. Those standards are pretty well known. There is not any reason in the world why the administration of those grants-in-aid programs, in my humble opinion, could not be turned over to the Federal Security Agency, and the same people working in the Children's Bureau today handle those grants-in-aid in the Federal Security Agency.

Mr. VOORHIS of California. I agree with the gentleman.

Mr. KEEFE. I think it is time we stopped this duplication of administrative set-ups to handle the same general program.

Now, I want to discuss just a little bit one or two items in this bill which may surprise some people, because the committee has seen fit to override the recommendations of the Bureau of the Budget and grant appropriations in excess of the Budget estimates.

We have out here St. Elizabeths Hospital. That is one of the institutions that is covered by this bill. It is administered by one of the finest administrators, in my judgment, that is to be found in the United States. It should be a model institution, and it is. But it is very rapidly declining, because the Congress of the United States has not seen fit to give the necessary personnel to that institution to enable it to properly function and give the care that it ought to give to the inmates of that great institution.

Soldiers, sailors, and members of the armed forces out there are entitled to the best care this Government can give them. A hospital is a 7-days-a-week institution. They cannot stop on Saturday afternoon, they cannot quit on Sunday, they cannot work that way running a hospital; it is a 7-days-a-week institution. They used to work 48 hours. We went back to a 40-hour week. Does it take any great persuasive argument to convince anyone that with the reduction in the workweek from 48 to 40 hours on a 7-day-week operation they will have to have more men and women working out there if they are going to give the aid to those people and the help and care to which they are entitled? And yet Dr. Overholser told us that the Budget estimate before him showed clearly that the Budget Bureau not only did not give him an increase to provide for the necessary additional personnel but in effect actually cut his budget.

I said: "Dr. Overholser, are you going to be able to operate this hospital on the money that is carried in this Budget estimate?"

He said: "I cannot."

"Can you give any degree of decent care to these inmates out there under this Budget estimate?"

And he said: "I cannot."

My colleague the gentleman from Minnesota [Mr. H. CARL ANDERSEN] and the speaker now addressing you went out there to look that hospital over. Mr. Chairman, I want to say a word of tribute to those wonderful men and women who are out there working on those wards, taking care of the thousands of insane patients who are out there. How in the name of God they can get people to work at all in many parts of that institution is a thing that intrigues me.

This committee put into this bill sufficient funds to enable Dr. Overholser and his very able administrative assistants to get sufficient personnel to give just a minimum of decent care to the people who are compelled to be in that hospital, and the committee has carried in this bill therefore an appropriation in excess of the amount requested.

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

Mr. KEEFE. Mr. Chairman, I yield myself 10 additional minutes.

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

Mr. KEEFE. I yield.

Mrs. BOLTON. I wish to commend the committee for its very fine action in the matter of St. Elizabeths Hospital. The nursing care, the medical care, and just the basic physical care of the hospital itself is one of the most difficult things in the world. Too much cannot be said of the consecrated service being rendered by the staff and the workers of this great hospital in spite of low salaries, insufficient numbers, and difficult working conditions. I wish to ask the gentleman whether he has examined the President's reorganization plan and whether he is satisfied to have St. Elizabeths Hospital cease to take Army and Navy personnel who need treatment in such an institution. The gentleman will remember that St. Elizabeths originated as an Army hospital. Has he had time to examine into the implications of the reorganization plan, especially as it relates to St. Elizabeths Hospital, and would he care to go into the whole new problem it creates.

Mr. KEEFE. That, of course, is a very highly controversial question and I am very frank to say that I have examined the President's proposal but I do not care to express or hazard an opinion with respect to it at this particular time.

Mrs. BOLTON. Does the gentleman feel that some action will be taken by this body on that plan?

Mr. KEEFE. The matter is now pending before the Committee on Expenditures in the Executive Departments. They are holding hearings.

Mr. H. CARL ANDERSEN. Mr. Chairman, will the gentleman yield?

Mr. KEEFE. I yield.

Mr. H. CARL ANDERSEN. Before I put to the gentleman the question I wish to ask him to elaborate upon, I want to say that if there is one man in the Congress of the United States who understands what is contained in this particular appropriation bill, that man is the gentleman from Wisconsin, FRANK KEEFE. Glance at the printed hearings and see for yourself the knowledge displayed by Congressman KEEFE of the subject now before us.

I wonder if the gentleman from Wisconsin will elaborate upon the point that was brought out by the committee at the time we visited St. Elizabeths Hospital in which the Superintendent there told us of the difficulty under which they operate because of this 25-percent differential given to the Veterans' Administration, thus enabling them to take the best personnel away from such institutions as St. Elizabeths. I wish the gentleman would elaborate upon that point.

Mr. KEEFE. I do not think time will permit of doing that except to say that in order to run a hospital of the character of St. Elizabeths any one knows that you must have the highest type of trained psychiatrists, including psychiatric nurses and medical attendants in that hospital. They are experiencing tremendous difficulty out there, and I may say that that is true of other institutions throughout the country because of the extremely attractive salaries being offered by the Veterans' Administration for the character of service that they have to utilize in St. Elizabeths. I want to pay a little word of tribute to those magnificent psychiatrists, nurses, and doctors who are self-sacrificing in an institution of that kind and are willing to stay on the job and give these people the care they are entitled to in the face of the tremendously increased offers of job opportunities in the Veterans' Administration. It is a situation that somebody connected with a committee ought to look into if we are not going to have a very disturbing situation in all of the other hospitals of the country not under the control of the Veterans' Administration.

Let me point out one other item, and this relates to public health. We were advised after the hearings closed that the Bureau of the Budget had cut the National Institute of Health nearly $2,000,000. I found out about it, and I called those people up and asked them some questions. What will be involved if this cut takes place? They told me. They did not tell us when they were before the committee because they were acting under a rule which says that a representative of a department shall not

justify any item that is not included in the budget. I was simply amazed to find that the Bureau of the Budget had cut the Public Health Service in three of its most vital research programs and evidently were doing it on the basis or the hope that the Congress would pass this national-science bill, that then they could turn these funds over to some "super-duper" investigation or scientific organization.

I took the position, and I maintain it now, that there is not a possibility of that bill passing this Congress before adjournment. What would happen in the next 6 or 8 months, then, if we took away the funds that are now being devoted by the National Institute of Health to the financing of clinics throughout the country? What would happen to that scientific research and investigation in the next 6 or 8 months? I will tell you what will happen. It would stop. The research that is being carried on now in connection with malaria would stop; the research that is now being carried on in connection with penicillin would stop; and the research that is carried on now in connection with communicable diseases would have to stop on July 1. You must realize that that is not research being conducted by the National Institute of Health only. We have organizations all over this country, I believe some 51 research organizations, devoting themselves to an effort to get at the cause and the cure for malaria. There are organizations breaking down the potentials of this mysterious and magnificent drug, penicillin, where they have not even scratched the surface, having only broken it down into four essential characteristics. I, for one, want to say that the members of this subcommittee and the full Committee on Appropriations are not going to permit the termination of the magnificent research work that involves the lives and future of human beings. So we gave to the United States Public Health Service the money and the funds in excess of the recommendation of the Bureau of the Budget to carry on this work. I believe that the Members of Congress will applaud the committee for taking that very desirable action.

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

Mr. KEEFE. I yield to the gentlewoman from Ohio.

Mrs. BOLTON. As far as I am concerned, I do most earnestly applaud the committee for its splendid service. May I ask the gentleman this, whether the functions of the Bureau of the Budget are of a character that it can cut all the bills to pieces before the Congress has opportunity to see them, and whether the committees of the Congress do not have the right, yes, the obligation to consider the original plans of the departments rather than having to consider a second-hand version when they come back after they have been hashed up by the Budget? It is only in recent years that the Budget has assumed prior rights of consideration of all legislation presented to the Congress.

Mr. KEEFE. I have my individual views on that matter and I have often wondered why they called it a Bureau of the Budget. That is all I have to say on the subject, and so far as I am concerned, when I have the ability to understand and I know the public need and necessity I, as one Member of Congress, am going to exercise my prerogative and my responsibility, and my duty to the people of this country to see to it that an agency of Government such as the United States Public Health Service that is dealing with the lives and the fortunes and the health of individuals is not going to be curtailed in carrying out its proper functions. That is the attitude of this subcommittee and that attitude has been confirmed by the full committee.

I just want to say one word further, and that relates to this subject of cancer research. Can you think of anything more important than the research that is being conducted to try to find the cause and, if possible, the cure for that dread scourge? I cannot think of any, and so far as I am concerned one of the reasons why I have such great confidence in the United States Public Health Service and its personnel is because when that subject was before the subcommittee, my distinguished friend, the gentleman from West Virginia, Governor NEELY, who is tremendously interested in this matter of cancer research, felt that they were not asking for enough money. He suggested that the committee would be willing to give them a very greatly increased appropriation for cancer research, and unlike some agencies of government, it was refreshing to find the answer come back, "Governor, we would like to have a lot more money, but we have asked you only for the amount that we can expeditiously expect."

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

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

Mr. JENNINGS. I want to say that this House and the country is indebted to the very able Representative, the gentleman from Wisconsin [Mr. KEEFE], for the informative and convincing explanation that he is making of projects that are carried in this measure.

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

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

Mr. VOORHIS of California. I merely want to ask the gentleman whether he has the slightest idea why in the world the Budget should have cut off the funds for these research projects.

Mr. KEEFE. There was no reason given, but I understand through the grape vine that somebody was hopeful that this national science bill would pass, which proposed to set up a "super-duper" department of investigation and scientific research, and they wanted the funds to ultimately filter into that organization. But it would have been disastrous to the research that is now going on, and we must continue to maintain and support that research. God Almighty knows this Nation, if it needs anything under the sun, needs the expenditure of money in the interest of the preservation of public health. That is why I am such a protagonist of the judicious expenditure of funds in that direction.

Let me say this further. This is not a bill in which you can make drastic cuts, as you can in some other bills. We have done pretty well, as the chairman told you a while ago, cutting in the spots where you could reduce expenditures in connection with this appropriation during the last 5 years.

I call your attention to the fact that the grants-in-aid program and the grants to the States that are contained in this bill under Social Security, with all of its old-age assistance and crippled children assistance, and so on, the grants-in-aid program of the Children's Bureau, the grants-in-aid for vocational education, the grants-in-aid for the employment services, the grants-in-aid for the endowment of colleges of agriculture and mechanical arts, vocational rehabilitation, the grants-in-aid for venereal disease control, control of tuberculosis, assistance to the States in general public health services, control of communicable diseases, the grants-in-aid to the blind and to crippled children, the unemployment compensation payments, the Federal unemployment compensation grants, the employees' compensation payments, railroad retirement grants, and all that sort of thing, amount to a total of $986,000,000 out of this bill, and they are all sums of money that this committee cannot touch. The Congress has passed the legislation and said, "We want these bills paid." You have to pay the old-age assistance on a matching basis, as provided by law. You have to provide these grants to the States, and many more than I have indicated. But when you come to talk about economy, you cannot economize where you are going to cut off the life and the future of a human being or a child; but we have done a fairly good job in this bill, if you will analyze it, in cutting some of the spots where you can cut.

The gentleman from California asked a question about apprenticeship training.

Mr. VOORHIS of California. That is right.

Mr. KEEFE. I want to give a little further answer to it.

Mr. VOORHIS of California. I would appreciate it very much if the gentleman would do that.

Mr. KEEFE. I think many people have a mistaken idea as to what the Federal part in apprenticeship training really is. Apprenticeship training systems are State systems. Apprenticeship training results from the enactment of laws by the legislatures of the States whereby they set up the facilities and the program for apprenticeship training. It usually means simply this, that the State system through the State Board of Apprenticeship Training enters into agreement with employers in the State that can comply with the necessities for instruction, and they will indenture apprentices to those employers under a contract by which at the time of graduation that individual may become a journeyman. They work closely with the vocational system. The vocational schools furnish a portion and part of the instruction.

The CHAIRMAN. The time of the gentleman from Wisconsin has again expired.

Mr. KEEFE. Mr. Chairman, I yield myself five additional minutes.

The Federal Government goes out into the States and into the field to try to stimulate the States through their legislatures to adopt apprenticeship training systems, and they send their representatives into the States where they already have these systems to aid the States in carrying out the apprenticeship training program that is provided under the GI bill of rights. The gentleman will recall that when the GI bill was on this floor I was privileged to offer the amendment which the committee accepted which made the apprenticeship training available to the veteran as part of the educational program under that bill. Hundreds of thousands of veterans are availing themselves throughout this country of the right to secure training and education under the apprenticeship system. I want to call your attention to this situation. There are many States in the Union that do not even have a system of apprenticeship training. Then what happens? That is where the Federal organization comes into play. What they have done is this: The Federal Apprenticeship Training Division goes into a State, such as the State of Texas, for example, which has no State system of apprenticeship, and they enter into a contract with the State agency by which the State agency designates the Federal Apprenticeship Training Organization to act for them in the placement of apprentices under the GI bill of rights. I personally think it is one of the great organizations of the country and that the apprenticeship training is a very far reaching and very necessary program to aid in securing trained mechanics and journeymen. Especially is that true because of the tremendous demand for artisans necessary in connection with the building program that is now going on.

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

Mr. KEEFE. I yield.

Mr. VOORHIS of California. May I say to the gentleman I think he has rendered a great service to the veterans by the amendment that he offered to the GI bill. I understand that more than 80 percent of the people at present taking advantage of the apprentice training program are veterans.

Mr. KEEFE. That is true.

Mr. VOORHIS of California. May I ask the gentleman whether in his judgment the funds carried in the bill, which I understand are approximately the Budget estimate, are in his opinion sufficient to enable this work to be adequately carried on in the next fiscal year?

Mr. KEEFE. As one who has for many years been a strong advocate of apprenticeship training, I may assure the gentleman that in my opinion the funds that are carried in this bill are wholly adequate to carry out the functions of the Federal Apprenticeship Training Division.

Mr. VOORHIS of California. I thank the gentleman very much.

Mr. KEEFE. There are many, many other things in connection with this bill that I could discuss but I do not want to take up any more time. I would like to call your attention to a few things that were unearthed which were interesting. Just let me tell you of one interesting situation to show how government operates. You remember back in the days of Paul McNutt when he was running the employment services and he issued an order to his Federal employment offices that they were not to make any referrals to agriculture and that they were only to make referrals to industry? Congress got a little upset about that, and they said they were going to do something to have an employment service for domestic agriculture. So they voted, I believe, some $30,000,000 to the Department of Agriculture to be administered by the Extension Service of the Department of Agriculture who were to go out and recruit the help and make placements on the farm. Strange as it may seem, this year when I started to puddle around in the water, not knowing just where we were going, we discovered before we got through that the United States Employment Service in 11 States, and 11 of the most important agricultural States in the Union, had made contracts with the Agriculture Department Extension Service by which the USES performed the placement service for agriculture in those States and was paid for it out of the $30,000,000 which we appropriated to the Extension Service.

If that is not a ridiculous conglomeration of confusion, then I do not know what is. I am calling attention to it because some committee of this Congress ought to be able someday to put their finger upon this amazing confusion that exists that allows such an unusual expenditure of public funds. Why did not we make the appropriation directly to the USES in the first place instead of funneling it over to Agriculture and then over to the USES with all of the administrative expenses hooked on as a result of that sort of operation? Members of Congress, if you give studious attention to one of these bills and one of these departments, you will find not only in that instance but in hundreds of instances cases of confusion and duplication until the whole thing is confounding to an individual sitting there on this little subcommittee trying to understand the complexities of a bill that covers so many agencies as are found in this one.

The CHAIRMAN. The time of the gentleman from Wisconsin has again expired.

Mr. KEEFE. Mr. Chairman, I yield 2 minutes to the gentlewoman from Illinois [Miss SUMNER].

Miss SUMNER of Illinois. Mr. Chairman, this bill contains conspicuous appropriations for the officials who concern themselves with women and children's problems, but nobody should get the impression that dependent women and children of this country can bear to have their standards of living reduced.

I mention this now because the principal argument for the British loan bill is that the British stood alone and the Americans can stand a loan.

Mr. HARE. Mr. Chairman, I have no further requests for time. I ask that the Clerk read.

The Clerk read as follows:

ST. ELIZABETHS HOSPITAL

Salaries and expenses: For support, clothing, and treatment in St. Elizabeths Hospital of persons who have become insane since their entry into the armed forces of the United States, insane beneficiaries of the Bureau of Indian Affairs, insane beneficiaries of the United States Employees' Compensation Commission, and all other insane persons whose admission to the hospital is authorized by law, including reimbursement to employees for the cost of repair or replacement (where the damage exceeds $2 and does not exceed $100) of personal belongings damaged or destroyed by patients while employees were in line of duty; travel expenses; printing and binding; and not exceeding $3,000 for maintenance, repair, and operation of motor-propelled passenger-carrying vehicles; and not to exceed $185,000 for repairs and improvements to buildings and grounds; and not to exceed $15,000 for furnishing and laundering of such wearing apparel as may be prescribed for employees in the performance of their official duties; $3,729,358, including cooperation with organizations or individuals in scientific research into the nature, causes, prevention, and treatment of mental illness, and including maintenance and operation of necessary facilities for feeding employees and others (at not less than cost), and the proceeds therefrom shall reimburse the appropriation for the institution; and not exceeding $1,500 of this sum may be expended in the removal of patients to their friends; for expenses of attendance at meetings of a technical nature, pertaining to hospital administration and medical advancement, when authorized by the Federal Security Administrator; not exceeding $2,500 for the purchase of such books, periodicals, and newspapers as may be required for the purposes of the hospital and for the medical library, not exceeding $75,000 for transfer to the Federal Works Agency for expenses incident to a survey of the buildings and grounds of the hospital; and not exceeding $1,500 for the actual and necessary expenses incurred in the apprehension and return to the hospital of escaped patients: *Provided*, That so much of this sum as may be required shall be available for all necessary expenses in ascertaining the residence of inmates who are not or who cease to be properly chargeable to Federal maintenance in the institution and in returning them to such places of residence: *Provided further*, That not exceeding $200 additional may be paid to two employees to provide mail facilities for patients in the hospital: *Provided further*, That during the fiscal year 1947 the District of Columbia, or any branch of the Government requiring St. Elizabeths Hospital to care for patients for which they are responsible, shall pay by check to the superintendent upon his written request, either in advance or at the end of each month, such amounts as shall be calculated by the superintendent to be due for such care on the basis of a per diem rate approved by the President and bills rendered by the superintendent of St. Elizabeths Hospital in accordance herewith shall not be subject to audit or certification in advance of payment; proper adjustments of such bills paid for in advance on the basis of such calculations shall be made monthly or quarterly, as may be agreed upon by the superintendent of St. Elizabeths Hospital and the District of Columbia Government, department, or establishments concerned. All sums paid to the superintendent of St. Elizabeths Hospital for the care of patients that he is authorized by law to receive shall be deposited to the credit on the books of the Treasury Department of the appropriation made for the care

and maintenance of the patients at St. Elizabeths Hospital for the year in which the support, clothing, and treatment is provided, and be subject to requisition upon the approval of the superintendent of St. Elizabeths Hospital.

Mr. KEEFE. Mr. Chairman, where is the Clerk reading?

The CHAIRMAN. At page 32, line 19.

Mr. KEEFE. Mr. Chairman, I ask unanimous consent to return to page 26.

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

There was no objection.

The CHAIRMAN. Does the gentleman from South Carolina desire recognition?

Mr. HARE. Mr. Chairman, the chairman of the subcommittee desires recognition for the purpose of calling attention to what appears to be a typographical error in the appropriation line 16 on page 26. Instead of $11,530,888 the amount should be $16,628,000.

I offer an amendment.

The Clerk read as follows:

Committee amendment offered by Mr. HARE: Page 26, line 16, strike out "$11,530,888" and insert "$16,628,000."

The amendment was agreed to.

The Clerk read as follows:

This title may be cited as the "Employees' Compensation Commission Appropriation Act, 1947."

Mr. TABER. Mr. Chairman, I make the point of order that a quorum is not present.

The CHAIRMAN. The Chair will count. [After counting.] Fifty-six Members are present, not a quorum. The Clerk will call the roll.

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

[Roll No. 156]

Andrews, N. Y.	Gearhart	O'Hara
Auchincloss	Gifford	O'Konski
Baldwin, Md.	Granger	O'Neal
Bell	Grant, Ind.	O'Toole
Bland	Hall, Edwin Arthur	Patrick
Bloom	Harris	Peterson, Fla.
Boren	Hart	Quinn, N. Y.
Boykin	Hébert	Rains
Bradley, Mich.	Herter	Reece, Tenn.
Brumbaugh	Hinshaw	Richards
Buckley	Holmes, Wash.	Robinson, Utah
Bunker	Hook	Roe, N. Y.
Cannon, Fla.	Horan	Rogers, N. Y.
Carlson	Johnson, Ind.	Sabath
Celler	Johnson, Luther A.	Sheppard
Clements	Jones	Short
Cochran	LaFollette	Simpson, Pa.
Cole, N. Y.	Lanham	Starkey
Colmer	Ludlow	Stewart
Cooley	Lynch	Stigler
Courtney	McCormack	Sumner, Ill.
Crawford	McGehee	Sumners, Tex.
Curley	McGregor	Tolan
Dawson	McMillen, Ill.	Torrens
Domengeaux	Mankin	Traynor
Durham	Mason	Wasielewski
Eaton	May	Welch
Ellsworth	Monroney	White
Fellows	Morrison	Winstead
Fenton	Norblad	Woodhouse
Flannagan	Norton	Worley
Fogarty		
Folger		

Accordingly the Committee rose; and the Speaker having resumed the chair, Mr. THOMASON, Chairman of the Committe of the Whole House on the State of the Union, reported that that committee having had under consideration the bill H. R. 6739, and finding itself without a quorum, he had directed the roll to be called, when 329 Members responded to their names, a quorum, and he submitted herewith the names of the absentees to be spread upon the Journal.

The SPEAKER. The Committee will resume its sitting.

Accordingly the House resolved itself into the Committee of the Whole House on the State of the Union for the further consideration of the bill H. R. 6739, with Mr. THOMASON in the chair.

The CHAIRMAN. The Clerk will read.

The Clerk read as follows:

TITLE IV—NATIONAL LABOR RELATIONS BOARD

Salaries: For three Board members of the National Labor Relations Board and other personal services of the Board in the District of Columbia and elsewhere necessary in performing the duties authorized by law, $2,991,000.

Mr. TABER. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. TABER: Page 44, line 20, strike out lines 20 to 23, inclusive.

Mr. TABER. Mr. Chairman, I offer this amendment to strike out the appropriation for the National Labor Relations Board. Those who are forward looking have become more and more disturbed by the performances of the National Labor Relations Board. The Government, in my opinon, has no business in labor disputes except to act as a mediator and to be fair between the employer and the employee. They have not only failed to be fair as between employer and employee, but they have failed to be fair between different groups of employees and they have, by pressure and various other operations, many of them outside of the law, like their incursions into the agricultural labor field, destroyed the confidence that the public should have in that Board. Perhaps the law might function if a board had been appointed which had in mind the responsibility that the Government owes, but that has not been the case. The only way out of this situation from the standpoint of promoting industrial peace, giving the workingman a chance, giving collective bargaining a chance to continue and to succeed, is to get rid of the operations of this Board. Perhaps we will need a mediation board. Perhaps we will need another board after this one is disposed of, but the way things are going it is absolutely impossible to have any kind of approach to industrial peace unless we proceed to wipe out this sore upon the body politic.

For my own part, I like to see the workingman have a chance. He does not have that chance when we are subjected to such enormous monstrosities as we have been lately. It has been a terrible thing when they have kept plants closed for period after period by rows between different labor unions. It has been a terrible thing when local unions have been obliged to pass a resolution designating the management of operation with reference to labor disputes to labor leaders some thousands of miles away, and then have those people go off and pay no attention to the local problems. So in so many instances collective bargaining has been dead. It has been a terrible situation.

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

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

Mr. SMITH of Ohio. Does the gentleman believe the National Labor Relations Board has been a force for mitigating labor disputes or for aggravating them?

Mr. TABER. It has been a force for aggravating them and making them worse. Continually the number of strikes that have happened has risen as a result of the operations of the National Labor Relations Board.

Mr. Chairman, I hope this amendment will be adopted and that we can begin to proceed toward industrial peace.

Mr. HARE. Mr. Chairman, I rise in opposition to the amendment.

Mr. Chairman, to strike out this appropriation or to adopt the amendment offered by my good friend from New York, for whom I always have a great admiration, would go to the very root of the collective-bargaining policy established by the Congress. The collective-bargaining program is lodged in the National Labor Relations Board. It is a function of the National Labor Relations Board to determine the bargaining agency in difficulties or misunderstandings arising between management and labor, by holding elections. If we approve this amendment, that entire program will be eliminated and that policy will be absolutely destroyed. The Board also has the function of looking into unfair labor practices. If we adopt this amendment, we can expect additional unrest between labor and management.

I am not prepared to say that the Board has been successful in every detail, because hardly any agency of the Government has been successful in every detail. We have made some mistakes here in this wonderful body. We have here great minds and great hearts endeavoring to solve the great problems of the Nation, yet I think we have made mistakes at times.

If we will take a look at the history of the National Labor Relations Board for the last few years we will be convinced that it is rendering a valuable service to the Nation and a valuable service to the people it endeavors to represent. I am particularly interested in activities of this Board and its work since our genial and good friend, Jack Houston, who served in this House for a number of years, has been a member of the Board. We find from the testimony that was submitted to our committee only a few weeks ago that in 1943 the number of cases disposed of was 9,783. The number of cases disposed of in 1944 was 10,229. The number of cases disposed of in 1945 was 10,298. In the fiscal year 1946 up to date, they have disposed of 12,751. It is interesting to note that while we have increased the appropriation for this agency over the years as much as 18 percent, the number of cases disposed of has increased 23 percent. In other words, over the last few years or

over the last 4 years, we might say, the number of cases disposed of by this Board, and disposed of satisfactorily to the parties interested, has increased 23 percent.

The CHAIRMAN. The time of the gentleman has expired.

Mr. McCORMACK. Mr. Chairman, I ask unanimous consent that the gentleman may proceed for an additional minute.

The CHAIRMAN. Without objection, it is so ordered.

There was no objection.

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

Mr. HARE. I yield.

Mr. McCORMACK. In effect, would not the adoption of this amendment, at least for 1 year, mean striking out the very heart, so far as governmental action is concerned, with reference to collective bargaining and looking into unfair labor practices? And would it not be injurious to the best interests of good management and labor relationships?

Mr. HARE. I said at the outset it would absolutely destroy our collective bargaining policy. It would absolutely destroy the functioning of this agency with reference to determining who the bargaining agent is or who the bargaining agent will be in case of a labor dispute. It will also eliminate that function of determining what is an unfair labor practice. If we destroy those three, the responsibility will be on this body.

The CHAIRMAN. The time of the gentleman has expired.

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

The question was taken; and on a division (demanded by Mr. TABER) there were—ayes 53, noes 77.

So the amendment was rejected.

The Clerk read as follows:

No part of the funds appropriated in this title shall be used in any way in connection with a complaint case arising over an agreement, or a renewal thereof, between management and labor which has been in existence for 3 months or longer without complaint being filed by an employee or employees of such plant: *Provided*, That, hereafter, notice of such agreement or a renewal thereof shall have been posted in the plant affected for said period of 3 months, said notice containing information as to the location at an accessible place of such agreement where said agreement shall be open for inspection by any interested person: *Provided further*, That these limitations shall not apply to agreements with labor organizations formed in violation of section 158, paragraph 2, title 29, United States Code.

Mr. ELLIOTT. Mr. Chairman, I offer an amendment which is at the desk.

The Clerk read as follows:

Amendment offered by Mr. ELLIOTT: On page 46, line 3, after the word "code", strike out the period, insert a comma, and add the following: "*Provided further*, That no part of the funds appropriated in this title shall be used in connection with the investigation, hearings, directives, or orders concerning bargaining units composed in whole or in part of agricultural laborers as that term is defined in the Social Security Act in section 409, title 42, United States Code."

Mr. ELLIOTT. Mr. Chairman, this amendment is the same amendment that was adopted in 1945 and practically the same amendment that was adopted on the Case bill on February 6, 1946. This defines agricultural labor:

The term "agricultural labor" includes all service performed—

(1) On a farm, in the employ of any person, in connection with cultivating the soil, or in connection with raising or harvesting any agricultural or horticultural commodity, including the raising, shearing, feeding, caring for, training, and management of livestock, bees, poultry, and fur-bearing animals and wildlife.

(2) In the employ of the owner or tenant or other operator of a farm, in connection with the operation, management, conservation, improvement, or maintenance of such farm and its tools and equipment, or in salvaging timber or clearing land of brush and other debris left by a hurricane, if the major part of such service is performed on a farm.

(3) In connection with the production or harvesting of maple sirup or maple sugar or any commodity defined as an agricultural commodity in section 1141j (g), title 12, as amended, or in connection with the raising or harvesting of mushrooms, or in connection with the hatching of poultry, or in connection with the ginning of cotton, or in connection with the operation or maintenance of ditches, canals, reservoirs, or waterways used exclusively for supplying and storing water for farming purposes.

(4) In handling, planting, drying, packing, packaging, processing, freezing, grading, storing, or delivering to storage or to market or to a carrier for transportation to market any agricultural or horticultural commodity; but only if such service is performed as an incident to ordinary farming operations or, in the case of fruits and vegetables, as an incident to the preparation of such fruits or vegetables for market. The provisions of this paragraph shall not be deemed to be applicable with respect to service performed in connection with commercial canning or commercial freezing or in connection with any agricultural or horticultural commodity after its delivery to a terminal market for distribution for consumption.

As used in this subsection, the term "farm" includes stock, dairy, poultry, fruit, fur-bearing animal, and truck farms, plantations, ranches, nurseries, ranges, greenhouses, or other similar structures used primarily for the raising of agricultural or horticultural commodities, and orchards."

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

Mr. ELLIOTT. I yield.

Mr. LEA. Is it not true that the definition of "agricultural labor" that you would apply to this amendment is the definition that was adopted in the House by the Ways and Means Committee several years ago?

Mr. ELLIOTT. Yes.

Mr. LEA. And has since been approved two or three times by the House?

Mr. ELLIOTT. Yes.

Mr. HOFFMAN of Michigan. Mr. Chairman, will the gentleman yield? I could not hear what the distinguished gentleman was asking you.

Mr. ELLIOTT. The gentleman from California [Mr. LEA] said that this amendment was the same amendment that was adopted a few years ago and again in 1945 and again in 1946.

Mr. Chairman, as I started to say, this amendment is much needed at the present time in the interest of protecting the processing, handling, and production of foodstuffs of all kinds on the farms. We all know that we need some clarification in defining agricultural labor connected with agriculture and harvesting and processing in order to properly protect agriculture at this particular time.

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

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

Mr. Chairman, the heart of the matter as far as this amendment is concerned seems to me to be this—that we have had various definitions or interpretations of agriculture on the part of many agencies of the Government. In order to establish a definition for "agriculture" this House has previously, as the distinguished chairman of the Committee on Interstate and Foreign Commerce pointed out a few moments ago, several times adopted this same amendment which is now being offered, and attached it to previous bills, so that confusion can be done away with.

I am sure the House today will again support the same amendment. The last time, as I recall, it was offered by the gentleman from California [Mr. LEA].

There is no other question involved. Some of these days the Committee on Agriculture will bring up the entire problem of the definition of "agriculture." Until then, it is necessary to attach it to individual bills, because it expires with the provisions of the bill and must therefore be renewed.

I ask for an aye vote.

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

Mr. PHILLIPS. I yield.

Mr. OUTLAND. Can the gentleman point out to the House during the 3 years in which these groups have been covered by the National Labor Relations Board where we have had any industrial strife as a result?

Mr. PHILLIPS. Yes; I think I could, but I should have to take more time than I have.

Mr. OUTLAND. If the gentleman will yield further, I may say that about 25,000 people who would be involved if this amendment were reenacted are employed in my district. Since the National Labor Relations Board has acted as the jurisdictional agent there has not been one strike. Pass this amendment and you will see more strikes and strife than we have ever had before because you are doing away with the only machinery we have for dealing with labor disputes.

Mr. PHILLIPS. The gentleman's point is not very well taken because the amendment has been in force now for several years on other bills. I am glad to know there have been no strikes.

Mr. ROONEY. Mr. Chairman, I rise in opposition to the amendment offered by the gentleman from California.

This amendment is similar to last year's so-called Lea amendment, and I must again oppose it for the reason that we are discussing and considering legislation on an appropriation bill which is vicious in its nature, insofar as the rights of the workingman in industrial food-processing plants are concerned.

This proposed legislation is not for the benefit of the farmer; this rider is for the benefit of huge private industrial corporations and canning plants and would deprive, were we to enact this amendment to the pending bill, a million and a half workers who were protected purposely by this Congress when clothed with the provisions of the Wagner Act.

Section 2 (3) of the National Labor Relations Act defines the employees who are entitled to the protection of the act. Those employees who may truly be regarded as farm labor are by the terms of this section presently excluded from the operation of the act. The farmer's hired hand and other employees engaged in ordinary cultivating and harvesting operations have never been included under the jurisdiction of the National Labor Relations Act.

The proposed rider offered by the gentleman from California would deprive a million industrial food-processing workers of the protection of the Wagner Act by amending that act to make the social-security definition of agricultural labor applicable. Over 500,000 industrial employees are affected directly by the Social Security Act definition.

By the trick phrase "bargaining units composed in whole or in part of agricultural laborers" an estimated additional half million industrial workers would be excluded. An entire bargaining unit would be excluded as long as a single worker in the unit could be regarded as coming within this false and expanded concept of agricultural labor.

Apart from these evils in its substance, the proposed rider typifies the viciousness of seeking to evade the obligations of law by the device of riders attached to appropriations. There have been efforts in the past to amend the act to exclude these broad groups of workingmen from the benefits of the act. Up to this date Congress has refused to enact such an amendment. Now the device of appropriations riders is being brought into play by my distinguished friend in an effort to evade the proper procedures of amendment. The law is left on the books, but the use of funds for its enforcement is so circumscribed as to make the law a nonentity.

Furthermore, by legislating through appropriations, Congress places the Board in the position of seeking interpretations from the Comptroller General. Thus, the Comptroller General, not the Federal Circuit Court of Appeals—as required by statute—is forced to make decisions as to when and where the act may be enforced. The rider device converts the Comptroller General into a superjudge.

As I said previously, the employer groups seeking enactment of this rider are private industrial corporations, not farmers. The industries which would obtain special exemption and unfair competitive advantages include such operations as the Trulyn Shippers, in Edinburg, Tex., employing over 1,000 men and women in the packing of tomatoes, and the American Fruit Growers, a multimillion-dollar corporation which purchases agricultural products from farmers, packs them and distributes through its own commercial outlets under its own brand name.

Some of the employers who are seeking this exemption have been the subject of investigation and exposure by the La Follette committee in connection with their antilabor activities. Included among them are the antilabor Associated Farmers of California. By enacting this rider, the Congress would permit itself to be used as an antilabor instrument of these employers instead of confining its deliberations on an appropriation bill to financial matters appropriate to the subject matter of the bill.

We would be opening the door and inviting other groups to ask for similar exemptions. If this group is excluded this afternoon by the backhanded device of a rider, placing limitation on the use of the National Labor Relations Board's funds, will we not be bombarded with demands from other special-interest groups to exclude other types of employees?

I am in thorough accord with the position taken by the gentleman from California [Mr. OUTLAND], and am seriously apprehensive of the results of the passage of this rider for the reasons given by him awhile ago.

This amendment is just as viciously antilabor as the Case bill which we buried earlier today following its veto by President Truman. As a member of this Subcommittee on Appropriations for the Labor Department, Federal Security Agency, I shall ask for a roll-call vote in the event the rider is attached here in the Committee of the Whole. I urge you to defeat it.

Mr. ANDERSON of California. Mr. Chairman, I move to strike out the last five words.

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

Mr. ANDERSON of California. I yield to the gentleman from California.

Mr. ELLIOTT. I would like to answer the gentleman from California [Mr. OUTLAND]. Before he was a Member of Congress I was the Congressman from the district which he now serves. There were strikes in that district and there were foodstuffs that rotted and spoiled because we needed such an amendment as I have offered here today.

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

Mr. ANDERSON of California. I yield to the gentleman from California.

Mr. OUTLAND. I may say for the benefit of the House that the gentleman who represented the portion of the district I am talking about is the gentleman now occupying the floor, the gentleman from California [Mr. ANDERSON].

Mr. ELLIOTT. I am talking about Ventura and that territory.

Mr. OUTLAND. I may say in that connection that the National Labor Relations Board has had jurisdiction since 1942 over these particular canneries and packing sheds and since that time there has not been one bit of industrial strife because the machinery to take care of it has been there.

Mr. ANDERSON of California. Mr. Chairman, in connection with this jurisdictional dispute over who represents the district now represented by the gentleman from California [Mr. OUTLAND], the gentleman from California [Mr. ELLIOTT] formerly had three counties of it and I had one.

Mr. Chairman, the gentleman from California [Mr. OUTLAND] stated that there has been no industrial strife in the canneries and packing plants in California. Those of you who were present when I took the floor not long ago to criticize the action of the NLRB will there has been no industrial strife in the canneries and packing plants in California. Because of the fact that the A. F. of L. has shown enough intestinal fortitude to override a decision rendered by the National Labor Relations Board foodstuffs in California today are being canned and processed and sent to market. If the A. F. of L. and the canners had followed the order that was issued by the National Labor Relations Board ordering the canneries and processing plants to bargain with both the CIO and the A. F. of L. there would not be a bit of our food being processed or canned. There would be nothing but trouble. I think the gentleman from California [Mr. OUTLAND] must know that is true.

What we need in this country more than any other one thing is a definition by the Congress of the term "agriculture" and the term "agricultural labor." The amendment offered by the gentleman from California [Mr. ELLIOTT] seeks to do that in this instance. Again I point out to you that we have under the National Labor Relations Act one definition of "agriculture" and "agricultural labor;" under the Wages and Hours Act we have another definition; under the Social Security Act another definition; and under the Internal Revenue Act still another definition. This is another attempt by those of us who are primarily involved to clarify the situation so that we can do away with some of this agricultural and industrial strike that we have in this country.

May I pay my respects to the preceding speaker? He spoke, as do many Members who are not familiar with the subject, about the Associated Farmers of California. I am proud to say that when I was first elected to Congress in 1938 I was an active member of that organization. That was one group in California that had intestinal fortitude enough to fight Harry Bridges and his gang to their knees and keep them out of the agricultural fields.

Mr. COFFEE. Mr. Chairman, I rise in opposition to the amendment.

Mr. HARE. Mr. Chairman, I ask unanimous consent that all debate on this amendment and all amendments thereto close in 15 minutes, the last 5 minutes to be reserved to the committee.

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

There was no objection.

Mr. COFFEE. Mr. Chairman, the rider now being debated would remove over 1,000,000 workers from the protection of the Wagner Act. I need not stress the seriousness of this exclusion. When workers can no longer defend themselves, their very bread and butter may be at stake and violent strife which

they do not seek may be thrust upon them.

All this is done by a singularly specious piece of word trickery. From the first drafting of the Labor Relations Act, it was felt that agriculture and farm workers fell in a special category. Farm labor was excluded from the act. Now, truly industrial workers are robbed of their rights by the mean device of calling them agricultural labor.

The men and women who work in packingsheds and similar industries do exactly the same kinds of jobs as their brothers and sisters who work in factories making broomsticks or lightbulbs. They punch a clock when they go to work, they stand at a work bench under the eye of a foreman, they use machines, and as far as the individual worker is concerned, it is more or less chance that the raw material of the work happens to be the produce of the land.

The simple evidence of the eye is clear enough. Equally clear is the industrial nature of food processing as seen in the eyes of the law. In the North Whittier Heights case, the ninth circuit court stated:

> When the product * * * leaves the farmer as such and enters a factory for processing and marketing, it has entered upon the status of industry. In the status of this industry, there would seem to be as much need for the remedial provisions of the Wagner Act as for any other industrial activity.[1]

This judgment by the ninth circuit court was backed up by the Supreme Court of the United States. The Supreme Court denied certiorari in this case.

Federal administrative judgments run in the same direction. By an ironical twist, the inflated definition of agricultural labor used in this rider is borrowed from what is called the social security definition. Yet the Chairman of the Social Security Board himself, Arthur J. Altmeyer, described one of the main kinds of packing sheds as follows:

> Employees of the large expensively equipped packing plants are little more than attendants of the machines they operate. The inside of a typical citrus packing house is a maze of conveyer belts and machinery. There is little to distinguish the conditions under which workers perform services in these plants from those in ordinary urban factories.

It is perfectly true that the working farmer has many serious problems. He did yeoman service during the war and he still serves his country from dawn till dark. But the sources of this rider have nothing to do with the American family size farm. The attack against food processing workers was launched by large-scale grower-shippers who no more resemble farmers than the chairman of the board of the United States Steel Corp. It smacks of cowardice as well as falsehood for businessmen to hide behind the name of farmer in an attempt to steal the rights of industrial workers.

We have heard much in recent weeks about the need to find a solution for labor disputes. Now we are presented with this rider which virtually guarantees not less but very much more strife in labor relations. We have seen the effects of special privilege before. Here is a most outrageous case wherein for the selfish interests of a few industrialists, masquerading as farmers, the Congress, if it passes this rider, will put itself in the position of forcing workers to the final recourse of the strike to preserve their basic rights as freemen.

I hope the gentleman from California [Mr. OUTLAND], who has made a very pronounced and assiduous study of this whole subject matter, will be accorded courteous attention when he speaks following me, because he is conversant with every aspect of the problem and speaks from first-hand knowledge.

The CHAIRMAN. The Chair recognizes the gentleman from California [Mr. MILLER].

Mr. MILLER of California. Mr. Chairman, perhaps my district contains as many packing plants as any other section of the State of California. These plants are on about an 11-month operation basis throughout the year. The people who work in them are urbanites; they live in cities. They follow their occupation just the same as people employed in any other line of industry. They are not even close to the farm. To accept this definition that is going to put them in the same classification as the people who reside in the country, people who actually get dirt under their fingernails on the farms is quite unfair. It is merely an attempt to break down the standards that have been set for city dwellers. They work as other industrial workers and their work is classified more as that of industrial workers than it is of agricultural workers. They do not nor can they supplement their living standards with country products as do those who live on the farm.

This thing sneaks in the back door. It has been brought in here by the Associated Farmers. I am proud to say that I come from a district where there are a lot of Associated Farmers, and they have never supported me. If the definition of agricultural workers must be revamped, let us do it in an orderly fashion through legislation introduced for the purpose and not slip it in behind the scenes as a sneak rider. Let us enter the house boldly through the front door and not by stealth by way of the back door when no one is on guard. This is an attempt to break down the standards of labor in the cities by forcing on urban workers the lower standards of the unorganized workers of the rural sections of the country.

The CHAIRMAN. The Chair recognizes the gentleman from West Virginia [Mr. NEELY].

Mr. NEELY. Mr. Chairman, the pending amendment constitutes a deplorable example of the unsound and unjustifiable custom of making or modifying laws by means of riders on appropriations bills. The purpose of the amendment is to transmute a million industrial workers in processing plants and packing sheds into agricultural laborers or farmers, and thus by legislative legerdemain deprive them of the benefits of the Wagner Act. This undertaking is on the logical level of a contention that a wheelbarrow can be transformed into an automobile by pushing it into a garage.

The food-processing workers whom the amendment would classify as farmers or agricultural workers, have, for many years, peacefully organized and collectively and harmoniously bargained with their employers in pursuance of the provisions of the Wagner Act. But if the proposed amendment is enacted, this army of law-abiding, deserving men and women will be deprived of all means of protecting the industrial rights which they enjoy under existing law. For example, under the operation of the amendment, if the workers in a food-processing plant should form a union, as they have the inalienable right to do, there would be no lawful authority to certify them as a bargaining agency. Therefore, the strike with all its burdensome consequences would be the only means to which these union workers could resort to obtain recognition of their collective status from an unfriendly employer.

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

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

Mr. ELLIOTT. This amendment does not include commercial canneries and commercial packers.

Mr. NEELY. Of course, it does not. But it does include those who work in what are called the packing or processing sheds.

Mr. ELLIOTT. It possibly may, yes.

Mr. NEELY. Mr. Chairman, to adopt the amendment will be to add another injury to the many which the Nation's toilers have suffered at the hands of those in high places during recent months; it will be to encourage industrial strife; it will be to substitute contention for content.

To defeat the amendment will be to preserve legislative propriety, do justice to a million of those who live by toil, and promote industrial peace.

The CHAIRMAN. The Chair recognizes the gentleman from California [Mr. OUTLAND].

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

Mr. OUTLAND. I am glad to yield to the gentleman.

Mr. McCORMACK. It is my understanding that these workers or persons who would be exempted do not work on the farms.

Mr. OUTLAND. Not a single one works on the farm. Not one hired man now comes under the jurisdiction of the NLRB.

Mr. McCORMACK. My understanding is that this applies not only to those who pack, can, and process, but also applies to everybody employed in connection with distribution. Is that correct?

Mr. OUTLAND. That is correct. And that is why it is unfair to term this amendment as one affecting agricultural laborers.

Mr. Chairman, may I quote from the amendment offered by the gentleman from California [Mr. ELLIOTT]. The language in part is as follows: "Composed in whole or in part of agricultural

[1] 109 Fed. 2d 76, Jan. 17, 1940, C. C. A. Ninth Circuit.

labor as defined in the Social Security Act."

Mr. Chairman, that means if the bargaining unit had just one person as a member who qualified as agricultural labor as defined in the Social Security Act, then the National Labor Relations Board would have no jurisdiction whatsoever. I wonder if the Congress wants to take that step. Think of the intricacies that will be involved. Secondly, I would like to say to my colleagues the gentleman from California [Mr. ANDERSON] and the gentleman from California [Mr. PHILLIPS] that I, too, want to see a definition of agricultural labor that means the same thing in one law as it does in the other. I will join with you on that. But, gentlemen, why not put it in a separate bill instead of tacking it on as a rider on an appropriation bill? Why drag in such a definition by tactics such as this? That is not the way to get a definition of agricultural labor. Let us put it in a bill by itself, and I will join with you then in working out a common definition. Mr. Chairman, we hear a great deal about the need for more and more food supplies not only in this country but in other nations of the world. If you enact a rider like this, you are going to create additional strife in the processing and packing plants of America that are helping to process and to transport this food that is so badly needed. I am certain that we do not want to take this step. We are anxious to do everything possible in this House to reduce labor strife. By passing a rider like this we are going to do everything we can to encourage labor strife. And we are doing it because the membership is not fully informed as to the true implications of this rider. It seems to me that this would be a backward step and not a forward step. If we want to define agricultural labor, let us do it, but let us not do it by enacting a rider like this. The NLRB does not touch one single hired man in this country. Agricultural labor is not the issue here today. This point I cannot emphasize too strongly. We are hitting the people working in mechanized plants and processing plants that are as much industrialized as my colleague the gentleman from West Virginia pointed out a few moments ago. I urge that this rider be voted down.

The CHAIRMAN. The Chair recognizes the gentleman from Michigan [Mr. ENGEL].

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

Mr. ENGEL of Michigan. I yield.

Mr. TABER. I wonder what the gentleman thinks of the operation of this board in connection with farms in New Jersey where they went in and tried to organize and force the men into unions on the farms of New Jersey?

Mr. ENGEL of Michigan. Mr. Chairman, I want to discuss this question from the point of view as to whether it is good legislation to change fundamental law with a rider attached in this way to an appropriation bill. I am not going to discuss it from any other angle. We have here one-half of the California delegation in favor of the bill and the other half against it. It is apparently a California fight from start to finish. I have tried to protect the legislative prerogatives of the various committees of this House. This is not the place to write a definition of agricultural labor. If there were any question about it, the argument this afternoon ought to convince any fair-minded person that this is not the place to write that definition.

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

Mr. ENGEL of Michigan. I yield.

Mr. KEEFE. Is it not a fact that the reasons for defining agriculture by the definition sought to be put in this bill for tax purposes under the Social Security Act is an entirely different reason than that contained in the National Labor Relations Act and Wage-Hour Act?

Mr. ENGEL of Michigan. That is correct.

Mr. KEEFE. They are not similar at all, are they?

Mr. ENGEL of Michigan. No they are not. Farmers and farm labor are specifically exempt from the National Labor Relations Act. That act does not apply to farmers and people working on the farms.

Mr. HOFFMAN of Michigan. Mr. Chairman, will the gentleman yield? Does not the gentleman want to be corrected on that?

Mr. ENGEL of Michigan. It does not apply to the people working on the farms.

Mr. HOFFMAN of Michigan. It applies to the farmer when he takes his products to the packing house and helps to package them.

Mr. ENGEL of Michigan. That statement has been made and denied on this floor several times this afternoon. The argument on this very question ought to be convincing that the definition for "agricultural labor" ought to be changed only after all parties have been heard by the proper legislative committee and should not be written into an appropriation bill on the floor of this House.

At the beginning of my remarks I stated that I wanted to discuss this question purely from a point of view as to whether it is good legislation to change fundamental law with a rider attached to an appropriation bill in this way. As is well known, the national labor relations law has been bitterly opposed by industry and just as enthusiastically supported by labor. Any definition of "agricultural labor" which may be written into this bill will only apply to the funds appropriated therein and the amendment must be written into each annual appropriation bill to make it effective. This is the third California versus California fight we have had on the floor of this House and you are going to have it every year so long as you continue to write that definition into an appropriation bill. If this policy is continued the Appropriations Committee will find itself in a position where half of the bill will be appropriations and the other half of the bill limitations on appropriations changing fundamental law. We will spend 1 day debating the advisability of making appropriations for a specific purpose and the next day debating whether or not fundamental law of the land should be changed without committee consideration by riders on an appropriation bill. Even the proponents of this amendment have told me personally that I was right in the position that I have taken in this matter. There may have been some excuse during the war for putting some of these riders on an appropriation bill. The war is over. It is up to the proponents of this amendment to go to the proper legislative committee with a bill, have that committee hold hearings where both labor and industry can be heard on the matter, and then after proper hearings submit to the House for consideration a definition of "agricultural labor" which will once and for all settle this question.

Let me remind both labor and industry that this practice works both ways. You will, without a doubt, find amendments offered in the future changing fundamental laws affecting both industry and labor. This amendment has been proposed for the past 3 years. It was attached, I believe, on two occasions to the War Labor Board appropriation. Ample time has been given for legislative action. If the proper legislative committee does not bring your bill out, all you have to do is to place a petition on the Speaker's desk and if a majority of this House, 218, want that bill passed they can bring it to the floor within 30 days.

I shall continue to oppose legislative riders of this type on appropriation bills. This practice, particularly in peacetime, is not only bad practice but will result in the enactment of laws without that proper consideration which is so essential to good legislation.

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

All time has expired.

The question is on the amendment offered by the gentleman from California [Mr. ELLIOTT].

The question was taken; and on a division (demanded by Mr. ELLIOTT) there were—ayes 84, noes 64.

Mr. MARCANTONIO. Mr. Chairman, I demand tellers.

Tellers were ordered; and the Chairman appointed Mr. HARE and Mr. ELLIOTT to act as tellers.

The committee again divided; and the tellers reported that there were—ayes 113, noes 67.

So the amendment was agreed to.

The Clerk concluded the reading of the bill.

Mr. HARE. Mr. Chairman, I ask unanimous consent to return to page 26, line 16, for the purpose of offering a committee amendment.

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

There was no objection.

Mr. HARE. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. HARE: Page 26, line 16, after the word "diseases", insert "including the operation and maintenance of centers for the diagnosis, treatment, support, and clothing of persons afflicted with venereal diseases; transportation and subsistence of such persons and their attendants to and from the place of treatment or allowance in lieu thereof; diagnosis and treatment (including emergency treatment for

other illnesses) of such persons through contracts with physicians and hospitals and other appropriate institutions without regard to section 3709 of the Revised Statutes; fees for case finding and referral to such centers of voluntary patients; reasonable expenses of preparing remains or burial of deceased patients; furnishing and laundering of uniforms and other distinctive wearing apparel necessary for employees in the performance of their official duties; recreational supplies and equipment; leasing of facilities and repair and alteration of leased facilities; and for grants of money, services, supplies, equipment, and use of facilities to States, as defined in the act, and with the approval of the respective State health authorities, to counties, health districts, and other political subdivisions of the States, for the foregoing purposes, in such amounts and upon such terms and conditions as the Surgeon General may determine."

The CHAIRMAN. The question is on the amendment offered by the gentleman from South Carolina.

The amendment was agreed to.

Mr. HARE. Mr. Chairman, I move that the Committee do now rise and report the bill back to the House with sundry amendments, with the recommendation that the amendments be agreed to and that the bill, as amended, do pass.

The motion was agreed to.

Accordingly the Committee rose; and, the Speaker having resumed the chair, Mr. THOMASON, 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. 6739) making appropriations for the Department of Labor, the Federal Security Agency, and related independent agencies, for the fiscal year ending June 30, 1947, and for other purposes, had directed him to report the bill back to the House with sundry amendments, with the recommendation that the amendments be agreed to and that the bill, as amended, do pass.

Mr. HARE. Mr. Speaker, I move the previous question on the bill and all amendments thereto to final passage.

The previous question was ordered.

The SPEAKER. Is a separate vote demanded on any amendment?

Mr. ROONEY. Mr. Speaker, I demand a separate vote on the Elliott amendment.

The SPEAKER. Is a separate vote demanded on any other amendment? If not, the Chair will put them en gros.

The amendments were agreed to.

The SPEAKER. The Clerk will report the amendment on which a separate vote is demanded.

The Clerk read as follows:

Amendment offered by Mr. ELLIOTT: On page 46, line 3, after the word "code", strike out the period and insert a comma and the following: *"Provided further*, That no part of the funds appropriated in this title shall be used in connection with investigation, hearings, directives, or orders concerning bargaining units composed in whole or in part of agricultural laborers as that term is defined in the Social Security Act in section 409, title 42, United States Code."

The SPEAKER. The question is on the amendment.

The question was taken; and on a division (demanded by Mr. ROONEY and Mr. MARCANTONIO) there were—ayes 104, noes 65.

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

The SPEAKER. Evidently a quorum is not present.

The Doorkeeper will close the doors, the Sergeant at Arms will notify absent Members, and the Clerk will call the roll.

The question was taken; and there were—yeas 202, nays 134, not voting 95, as follows:

[Roll No. 157]

YEAS—202

Abernethy	Gerlach	Miller, Nebr.
Allen, Ill.	Gibson	Mills
Allen, La.	Gifford	Mundt
Almond	Gillespie	Murray, Tenn.
Andersen, H. Carl	Gillie	Norblad
Anderson, Calif.	Gore	Norrell
Andresen, August H.	Gossett	Pace
Andrews, Ala.	Grant, Ala.	Peterson, Ga.
Arends	Gregory	Phillips
Arnold	Griffiths	Pickett
Barden	Gross	Poage
Barrett, Wyo.	Gwynne, Iowa.	Pratt
Beall	Hagen	Price, Fla.
Beckworth	Hale	Ramey
Bell	Hall, Edwin Arthur	Rankin
Bennet, N. Y.	Hall, Leonard W.	Reed, N. Y.
Bennett, Mo.	Halleck	Rees, Kans.
Blackney	Hancock	Riley
Bolton	Hare	Rivers
Bonner	Harness, Ind.	Rizley
Boykin	Hays	Robertson, N. Dak.
Brehm	Hébert	Robertson, Va.
Brooks	Henry	Rockwell
Brown, Ga.	Hess	Rodgers, Pa.
Bryson	Hill	Roe, Md.
Buck	Hinshaw	Rogers, Fla.
Buffett	Hobbs	Russell
Bulwinkle	Hoeven	Schwabe, Mo.
Byrnes, Wis.	Hoffman, Mich.	Schwabe, Okla.
Camp	Hoffman, Pa.	Scrivner
Campbell	Holmes, Mass.	Shafer
Cannon, Mo.	Hope	Sharp
Case, S. Dak.	Howell	Short
Chapman	Jarman	Sikes
Chelf	Jenkins	Simpson, Ill.
Chenoweth	Jennings	Simpson, Pa.
Church	Jensen	Slaughter
Clark	Johnson, Calif.	Smith, Ohio
Clevenger	Johnson, Ill.	Smith, Va.
Cole, Kans.	Johnson, Lyndon B.	Smith, Wis.
Cole, Mo.	Johnson, Okla.	Springer
Cooley	Jonkman	Stefan
Cooper	Kearney	Sumners, Tex.
Cox	Kerr	Sundstrom
Cravens	Kilburn	Taber
Cunningham	Kilday	Talle
D'Ewart	Kinzer	Tarver
Dolliver	Knutson	Taylor
Domengeaux	Larcade	Thomas, N. J.
Dondero	Latham	Thomason
Doughton, N. C.	Lea	Tibbott
Drewry	LeCompte	Towe
Dworshak	LeFevre	Trimble
Earthman	Lemke	Vursell
Elliott	Lewis	Wadsworth
Ellis	Lyle	Weaver
Elsaesser	McConnell	Welchel
Elston	McCowen	West
Engle, Calif.	McMillan, S. C.	Whitten
Ervin	Mahon	Whittington
Fellows	Maloney	Wickersham
Fernandez	Manasco	Wilson
Fisher	Martin, Iowa	Winter
Fuller	Martin, Mass.	Wolcott
Gamble	Mathews	Wood
Gary	Merrow	Worley
Gathings	Michener	Zimmerman
Gavin		

NAYS—134

Adams	Bradley, Pa.	Clippinger
Angell	Buckley	Coffee
Bailey	Bunker	Corbett
Barrett, Pa.	Butler	Crosser
Barry	Canfield	D'Alesandro
Bates, Mass.	Carnahan	Delaney, James J.
Bender	Case, N. J.	Delaney, John J.
Biemiller	Celler	Dingell
Bishop	Clason	Dirksen
Bloom	Clements	Douglas, Calif.
Douglas, Ill.	Kelley, Pa.	Ploeser
Doyle	Kelly, Ill.	Powell
Engel, Mich.	Keogh	Price, Ill.
Fallon	King	Priest
Feighan	Kirwan	Quinn, N. Y.
Flood	Klein	Rabaut
Forand	Kopplemann	Rabin
Fulton	Kunkel	Rains
Gardner	Landis	Randolph
Geelan	Lane	Reed, Ill.
Goodwin	Lesinski	Resa
Gordon	Link	Rogers, Mass.
Gorski	Luce	Rooney
Granahan	McCormack	Rowan
Green	McDonough	Ryter
Hand	McGlinchey	Sabath
Harless, Ariz.	Madden	Sadowski
Havenner	Mankin	Sasscer
Healy	Mansfield, Mont.	Sheridan
Hedrick	Marcantonio	Smith, Maine
Heffernan	Miller, Calif.	Somers, N. Y.
Heselton	Morgan	Sparkman
Hoch	Murdock	Spence
Holifield	Murphy	Starkey
Hook	Murray, Wis.	Stevenson
Huber	Neely	Sullivan
Hull	O'Brien, Ill.	Thom
Izac	O'Brien, Mich.	Thomas, Tex.
Jackson	O'Neal	Voorhis, Calif.
Judd	O'Toole	Vorys, Ohio
Kean	Outland	Walter
Kee	Patrick	Wasielewski
Keefe	Patterson	Wigglesworth
Kefauver	Philbin	Wolverton, N. J.
	Pittenger	Woodhouse

NOT VOTING—95

Andrews, N. Y.	Fogarty	Morrison
Auchincloss	Folger	Norton
Baldwin, Md.	Gallagher	O'Hara
Baldwin, N. Y.	Gearhart	O'Konski
Bates, Ky.	Gillette	Patman
Bland	Graham	Peterson, Fla.
Boren	Granger	Pfeifer
Bradley, Mich.	Grant, Ind.	Plumley
Brown, Ohio	Gwinn, N. Y.	Rayfiel
Brumbaugh	Harris	Reece, Tenn.
Byrne, N. Y.	Hart	Rich
Cannon, Fla.	Hartley	Richards
Carlson	Hendricks	Robinson, Utah
Chiperfield	Herter	Robsion, Ky.
Cochran	Holmes, Wash.	Roe, N. Y.
Cole, N. Y.	Horan	Rogers, N. Y.
Colmer	Johnson, Ind.	Savage
Combs	Johnson, Luther A.	Sheppard
Courtney	Jones	Stewart
Crawford	LaFollette	Stigler
Curley	Lanham	Stockman
Curtis	Ludlow	Sumner, Ill.
Daughton, Va.	Lynch	Talbot
Davis	McGehee	Tolan
Dawson	McGregor	Torrens
De Lacy	McKenzie	Traynor
Durham	McMillen, Ill.	Vinson
Eaton	Mansfield, Tex.	Welch
Eberharter	Mason	White
Ellsworth	May	Winstead
Fenton	Monroney	Wolfenden, Pa.
Flannagan		Woodruff

So the amendment was agreed to.

The Clerk announced the following pairs:

On this vote:

Mr. Fenton for, with Mr. Eberharter against.

Mr. Ellsworth for, with Mr. Rayfiel against.

Mr. Brumbaugh for, with Mr. Savage against.

Mr. Horan for, with Mr. Pfeifer against.

Mr. Graham for, with Mr. De Lacy against.

Mr. O'Hara for, with Mr. Roe of New York against.

Mr. McGregor for, with Mr. Byrne of New York against.

Mr. Grant of Indiana for, with Mr. Lynch against.

Additional general pairs:

Mr. Hart with Mr. Brown of Ohio.

Mr. Bland with Mr. Jones.

Mr. Hendricks with Mr. Herter.

Mr. Bates of Kentucky with Mr. Bradley of Michigan.

Mr. McGehee with Mr. Gwinn of New York.

Mr. Cochran with Mr. Hartley.

Mr. McKenzie with Mr. Andrews of New York.

Mr. Colmer with Mr. Johnson of Indiana.

Mr. Mansfield of Texas with Mr. Holmes of Washington.
Mr. Sheppard with Mr. Auchincloss.
Mr. Combs with Mr. Curtis.
Mr. May with Mr. McMillen of Illinois.
Mr. Stigler with Mr. Crawford.
Mr. Courtney with Mr. Plumley.
Mr. Monroney with Mr. Cole of New York.
Mr. Davis with Mr. Mason.
Mr. Morrison with Mr. Carlson.
Mr. Flannagan with Mr. Reece of Tennessee.
Mr. Vinson with Mr. Sharp.
Mr. Torrens with Mr. Rich.
Mr. Fogarty with Mr. Stockman.
Mr. Traynor with Mr. Robsion of Kentucky.
Mr. Folger with Miss Sumner of Illinois.
Mr. Tolan with Mr. Talbot.
Mr. Boren with Mr. Woodruff.
Mr. Patman with Mr. Gillette.

Mrs. ROGERS of Massachusetts and Messrs. PLOESER, HAND, FULTON, and KUNKEL changed their vote from "yea" to "nay."

Mr. THOMASON changed his vote from "nay" to "yea."

The result of the vote was announced as above recorded.

The doors were opened.

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

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

The SPEAKER. The question is on the passage of the bill.

The bill was passed.

A motion to reconsider was laid on the table.

EXTENSION OF REMARKS

Mr. REED of New York (at the request of Mr. TABER) was given permission to extend his remarks in the RECORD and include an editorial and a quotation of law.

Mrs. LUCE (at the request of Mr. MARTIN of Massachusetts) was given permission to extend her remarks in the RECORD in three instances and include several newspaper articles.

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

Mr. WOLVERTON of New Jersey asked and was given permission to extend his remarks in the RECORD in two instances on the subject of railroad retirement.

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

Mr. CANFIELD asked and was given permission to extend his remarks in the RECORD and include newspaper articles on the life of Nicholas Murray Butler.

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

Mr. REED of Illinois asked and was given permission to extend his remarks in the RECORD and include newspaper articles.

Mr. JENSEN asked and was given permission to extend his remarks in the RECORD and include an address delivered by Dr. Clyde M. Longstreth, of Atlantic, Iowa.

Mr. SCHWABE of Missouri asked and was given permission to extend his remarks in the RECORD and include an editorial appearing in the Washington Star by David Lawrence.

Mr. SLAUGHTER asked and was given permission to extend his remarks in the RECORD and include an article from the Kansas City Star.

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

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

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

Mr. POWELL asked and was given permission to extend his remarks in the RECORD in two instances; to include in one an editorial appearing in yesterday's Washington Post and in the other an article from Everybody's Digest.

Mr. GARDNER asked and was given permission to extend his remarks in the RECORD and include an address delivered last Wednesday on Government's position in the realm of human relations.

Mr. VOORHIS of California asked and was given permission to extend his remarks in the RECORD in three instances; to include in one a magazine article, in one a brief essay, and in the other some resolutions.

Mr. BOREN (at the request of Mr. RIVERS) was given permission to extend his remarks in the RECORD.

Mr. JOHNSON of Oklahoma asked and was given permission to extend his remarks in the RECORD and include letters, editorials, and other data.

Mr. ROWAN asked and was given permission to extend his remarks in the RECORD and include an address delivered by Harold Nommensen, president of the Progressive Steel Workers Union at the dedication of a plaque in memory of 63 employees of the Wisconsin Steel Co. plant in Chicago who lost their lives in World War II.

Mrs. SMITH of Maine asked and was given permission to extend her remarks in the RECORD and include an editorial on the British loan from the Daily Kennebec Journal.

Mr. SHORT asked and was given permission to extend his remarks in the RECORD and include an address he recently delivered in Springfield, Mo.

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

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

SPECIAL ORDER GRANTED

Mr. PATRICK. Mr. Speaker, I ask unanimous consent that on Thursday next, at the conclusion of the legislative program of the day and following any special orders heretofore entered, I may be permitted to address the House for 10 minutes.

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

There was no objection.

UNITED STATES PRINCETON UNIVERSITY BICENTENNIAL COMMISSION

The SPEAKER. Pursuant to the provisions of Public Law 367, Seventy-ninth Congress, the Chair appoints as Commissioners of the United States Princeton University Bicentennial Commission the following Members of the House of Representatives to serve with himself: Mr. FEIGHAN, Mr. ANDREWS of New York, Mr. GAMBLE, and Mr. MATHEWS.

The SPEAKER. Under previous order of the House, the gentleman from Washington [Mr. COFFEE] is recognized for 1 hour.

THE AMERICAN MERCHANT MARINE AND THE AMERICAN MARITIME INDUSTRY

Mr. COFFEE. Mr. Speaker, I wish to address my remarks today to some aspects of the American merchant marine and the American maritime industry generally. All of us have been forcibly reminded of the significance of this industry in our national economic life and in the economic well-being of the entire world by the present collective-bargaining negotiations now taking place under the auspices of the Department of Labor here in Washington. The fact that the maritime unions have already set a strike date, June 15, imposes a real resposibility upon all parties—labor, management, and Government—to see to it that a satisfactory solution is arrived at before then in respect to the wages, hours, and working conditions of the unions.

It is not my purpose at this time to discuss these negotiations, the concrete proposals, or the past history of collective bargaining in this industry. I would describe for the honorable Members some rather peculiar characteristics of this industry usually described as a private enterprise operated by private shipowners earning a profit based on the risks taken with privately owned and invested capital.

It is an odd fact that not until the workers in the industry sat across the table from the operators, their employers with whom they were bargaining, was the analomous and wholly false and deceptive role of these ship operators revealed to the naked eye for all to see.

The unions, duly certified through the National Labor Relations Board as the collective-bargaining representative of the workers are today bargaining with the spokesmen of three shipowner and ship-operator associations—the Waterfront Employers Association of the Pacific Coast, the American Merchant Marine Institute, and the Pacific American Shipping Association.

The unions represent the workers. Who do the association spokesmen represent?

Mr. Frank J. Taylor, chairman of the American Merchant Marine Institute and chief management spokesman in these negotiations, very carefully describes himself as follows: "Chairman of the Committee for General Agents for the War Shipping Administration."

General agents for the War Shipping Administration. We have, then, collective-bargaining negotiations being conducted between bona fide representatives of the workers and ship operators acting as general agents of the War Shipping Administration. To what does this add up?

These ship operators do not own the vessels. The vessels are the property of the people of the United States. Some 2,400 of the 3,100 ships in the merchant marine are today owned by the United States Government. But the United States does not operate these vessels; instead, the War Shipping Administration, utilizing the private operators as agents, turns the ships over to them, and guarantees profits upon their operation.

The ship operators who are arguing today about the impossibility of establishing a work-week at sea of less than 56 hours, who repeatedly raise the question of the feasibility of profitable operations if maritime workers have a workweek of less than 7 days, are today establishing wage rates, hours, and working conditions for United States Government property. This is the truth of it.

The United States Maritime Commission—after February 2, 1942, the War Shipping Administration assumed this responsibility—throughout the war chartered vessels at exorbitant hire to private operators. One might say fantastically exorbitant rates.

The story has already been told once in the CONGRESSIONAL RECORD. It will be well to refresh ourselves at this time by turning to a recent statement by the gentleman from Massachusetts, Congressman WIGGLESWORTH, on this entire charter-hire practice.

Between July 1941 and December 1942 the United States Maritime Commission paid out $199,767,162 in charter hire on 758 vessels. The book value of these vessels amounted to $37,900,000. The American taxpayers were saddled with an excess charge of almost $162,000,000. It has been estimated that up to April 1945 $76,153,323 was expended on charter hire on vessels with a total book value of $2,400,161. Nearly $74,000,000 in public funds was squandered by the charter-hire policy.

These are the agents, private operators who in 4 years earned 30 times over the book value of their vessels.

We are seeing in Washington today a shadow play or better a Punch-and-Judy show. American shipowners, hired agents of a United States Government agency are performing in the stage of labor relations, making claims and counter claims, rejecting union proposals, and issuing press releases, all of which have nothing to do with the case.

For the War Shipping Administration must, in the final analysis, play the tune that the ship operators by no understandable power dictate.

We have recently seen the United States Government involved in two labor disputes—coal and railroad. In both instances Government seizure and a Government dictated or negotiated agreement settled the dispute.

In the maritime industry there is no need for Government seizure before Government negotiations could be held. In the maritime industry the most that is required is to destroy the mirage of private operation, to pierce the legal fiction under which the private owners are now operating. The WSA could simply dispense with its private operators now acting as its agents, negotiate its own contracts, and operate the vessels which it owns with the personnel manning them at present.

Everyone knows this. President Truman knew this when he threatened to break a possible strike by using Navy and Coast Guard personnel to man the ships. Why raise this false issue? Is there any real need for the personnel of the armed forces?

The present personnel on the ships and the docks are prepared to work and would, I believe, cheerfully and speedily negotiate a contract with the real owners of the vessels in the merchant marine, the United States Government, if that became necessary.

But I am not certain that the War Shipping Administration even need dispense with its agents in this instance; though perhaps a careful investigation of the operations of the United States Maritime Commission and the War Shipping Administration during the war years will reveal how much of a parasitic growth these private agents have been, how profitable their riskless operations.

In the present collective-bargaining negotiations the least we should expect from the War Shipping Administration is a forcible reminder to its agents that bargaining should be carried on in good faith, that issues should be settled on their merits, and that the strike should be prevented in the only manner all of us are anxious to see, the speedy arrival at a negotiated agreement.

It is this point that I wish to repeat today. This is the key to the entire situation.

Private enterprises, hired agents of the Government, are not meeting with the unions as operators of Government-owned vessels but as private capitalists protecting their own investments and aiming at maximizing their own gain. The situation would be ludicrous were it not so serious for the American people and for the workers in the American maritime industry.

We have in the maritime industry today the most thorough and complete separation of those two inseparables of capitalist enterprise—risk and profits. The Government of the United States, as the owner of the vessels, takes the risks on all these ventures; the ship operators take the profits.

Has the Government, through the War Shipping Administration, done all in its power to reach a peaceful settlement in this dispute? Not at all.

There has been no active intercession by the War Shipping Administration in this case except to publicize its planning, with other interested Government agencies, in the event of Government operation and direct Government negotiation.

But why wait until after Government operation before exercising the right and power the Government does possess at this time? Why all this talk about the need for special legislation, for special Government actions on the part of the Executive when the Government now has all the power and all the legal right as the owner of these vessels to force its agents to negotiate and to reach an agreement.

We in Washington have seen some strange methods used in solving recent labor disputes. In one instance the railroads, the desire of the striking workers to return to work on the basis of the findings of a Presidential fact-finding board was denied as President Truman insisted that the brotherhoods accept his own proposal and his only. In the coal case the United Mine Workers Union negotiated directly with the Government after the seizure of the mines and a satisfartory settlement seems to have been achieved.

There was no negotiation between the Government and the unions after seizure of the railroad lines. There was in the coal case. What can we expect to happen in the maritime industry? Strike-breaking as in railroad or negotiation as in coal?

Collective bargaining and direct negotiations between owners and workers has been and is the most satisfactory method of solving labor disputes. It has not been tried sufficiently in this instance.

Why expect the private operators now here in Washington to get down to brass tacks in negotiations, to make concessions now, to bargain in good faith when they have nothing to lose by remaining adamant and forcing a strike and consequent Government action?

The War Shipping Administration now stands squarely behind its agents in these collective-bargaining negotiations, and the War Shipping Administration has the power to see to it that genuine collective bargaining takes place and is consummated in a contract.

The ship operators are dealing with the unions. Let us have the shipowners, the United States through the War Shipping Administration, participate directly in all of this. Unless such action takes place, and speedily, we will see the entire maritime industry of the United States stopping at dead center.

I now yield to the gentleman from California [Mr. PATTERSON].

Mr. PATTERSON. We have just gone through a railroad crisis where charges and countercharges of double dealing have filled the air. A body of evidence has been published in some newspaper indicating that the dealings with the railway unions by the White House have left room for considerable suspicion that there has been something less than a frank approach to the real issues in the threatened railway strike. The charge was made by the unions that the White House interfered with negotiations which were making some progress, hampered those negotiations with threats, and finally broke the unions to a settlement which many still regard as unjust.

Are we running into a similar double-dealing situation in the dispute in the maritime industry? Are we going to be presented with a situation in which the Army, the Navy, and the Coast Guard have to be called in to an extreme national emergency without knowing the real reasons for the use of such power in a labor dispute?

Certain disturbing situations have occurred in the last 10 days. As we know, the maritime unions, which have scheduled a strike by a secret vote of their membership in the event collective bargaining failed, on June 15 were called

down to Washington by the Secretary of Labor. He told them to get together in day and night sessions and to spare no efforts to avert what he termed a national disaster, in the form of a maritime strike.

Hardly had these negotiations gotten under way when President Truman told a press conference, first, that the outlook in negotiations was "gloomy," and, second, that relief ships must move. The President inferred that a maritime strike would interfere with the movement of relief supplies to hungry peoples abroad. The President told the press that he will use armed forces to run the maritime industry in the event of a strike.

This statement, in the midst of negotiations, seriously hampered the efforts of the unions and the Labor Department conciliators to work out a settlement and to avert a strike. This statement of the President in effect gave the employers, the operators, and the shipping industry advance notice that the Government itself would support all efforts to break a strike. He told the employers in effect that they could continue to hold out and to refuse to deal and to make promises because the inference was plain that the Government would be behind them.

Before making such inflammatory statements, it would have been simpler to check the real facts in the situation. What are the facts?

The shipment of relief supplies abroad and the movement of troops has never been an issue in the threatened maritime strike. It is not an issue now. Early in May all of the maritime unions involved in the dispute held a convention in San Francisco. At that time all of the unions pledged that all relief ships with food and troop ships would be loaded and sailed to their destinations in the event of a strike. There is not a maritime union in the United States that has threatened to impede the movement of this type of cargo. Yet the President of the United States gave that as a reason for threatening that the armed forces would break a strike in the maritime industry.

While persons in high places are spreading calumnies about the merchant seamen and confusing the real economic issues in the threatened strike, it is well to recall the record of the merchant seamen in the last war.

Even before the war, the maritime unions were among the first to recognize the menace of Fascist aggression. There were many instances where longshoremen refused to load scrap iron, oil and war materials destined for Japan. Seamen refused to sail such ships. It must be recalled that much of the material of war shipped to Japan prior to Pearl Harbor was used subsequently in snuffing out the lives of many American soldiers and sailors. During the war the maritime unions voluntarily submitted a no-strike pledge to the President of the United States. They kept that no-strike pledge 100 percent. Not a ship was delayed due to a strike by these maritime unions at any time during the war. This is a record to be proud of.

It is also a matter of record that the merchant seamen suffered more casualties during the war than any branch of the armed services, in proportion to their numbers. In the darkest days of the war, when freight ships loaded with war materials were sailing without convoy, many to a watery grave, the merchant seamen came forward, manned their posts, and stuck to their posts regardless of risk. They kept 'em sailing on the Red Sea run, on the Murmansk run, on the Liverpool run. They delivered the goods. They were responsible for maintaining the lifeline between America's arsenal and the fighting fronts of our allies.

Great tribute has been paid to merchant seamen. Many in the highest places, including the chiefs of staff of the allied governments, have told of the great contribution of the merchant seamen in helping to win the war. However, these praises have been forthcoming on days of ceremony, such as Maritime Day, when medals are handed out posthumously to the wives of merchant seamen who gave their lives, and when the ship operators are able to set the stage with fancy banquets and dinners in celebration of the heroic exploits of the rank and file sailor and longshoreman.

Now is the time to recall the heroic record of the American merchant marine. Now is the time to recall that record because of the calumnies that are being foisted everywhere to becloud the fact that the seamen's unions are asking for a decent living wage for their members. Here is what Gen. Douglas MacArthur said of the merchant seamen when he had successfully ended his campaign in the Southwest Pacific area:

> I wish to commend to you the valor of the merchant seamen participating with us in the liberation of the Philippines. With us they have shared the heaviest enemy fire. On this island I have ordered them off their ships and into foxholes when their ships became untenable targets of attack. At our side they have suffered in bloodshed and in death. The high caliber and efficiency and the courage they displayed in their part of the invasion marked their conduct throughout the entire campaign in the Southwest Pacific area. They have contributed tremendously to our success. I hold no branch in higher esteem than the merchant marine services.

General Eisenhower said:

> When final victory is ours there is no organization that will share its credit more deservedly than the merchant marine. The real heroes of this war are the GI Joes in the Army, the Navy, and the merchant marine.

President Roosevelt also paid tribute to the merchant seamen on many occasions, pointing out we must use the merchant fleets of the Nation "wisely and vigilantly" after the war is won.

More than 6,000 members of one union alone, the National Maritime Union, made the supreme sacrifice in the war. Thousands were injured, became prisoners of war, suffered the harrowing experiences of trying to survive on rafts. Hundreds received medals for their valor and a great many received the President's Distinguished Service Medal for sacrifice under unusual circumstances. A number of Liberty ships were named for the heroes of the merchant marine.

They did a job.

Let us not stand idly by now while sinister forces attempt to do a job on them while they are in the legitimate pursuits of attempting to improve their living standards. Let us not stand idly by while threats are made to use the Army and Navy against them.

On the other hand, let us do all we can to help inject a note of reasonable negotiations into this dispute on the issues.

The sending of relief troops abroad is not an issue.

Sending troop ships abroad is not an issue.

Even the record of the merchant seamen during the war is not an issue.

There is one simple question involved in these strikes scheduled for June 15, and that is the economic question. It involves the maritime unions' legitimate request to reduce the number of hours worked from the present inhumanly long 56-hour and 63-hour week. The unions also seek to win wage increases that have already been won in many industries, such as automobile, steel, electrical, and so forth.

It should be possible to settle this question across the conference table and it should be possible for the Government and its representatives to guarantee a reasonable approach to these negotiations rather than inject threats of force.

I think this strike can be averted if the Government, the real owner of 80 percent of the merchant marine, takes a firm stand in forcing genuine collective bargaining by the ship operators.

If steps are taken in the direction of improving the living standards and working conditions of American merchant seamen, we can be assured that there will be no strike in the maritime industry on June 15.

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

Mr. COFFEE. I yield to the gentleman from California [Mr. HAVENNER].

Mr. HAVENNER. Mr. Speaker, we have heard a lot recently about an impending national strike in the maritime industry. Newspapers have carried reports of intensive preparation being carried on by agencies of the United States Government to operate and man the vessels of the American merchant marine in the event such a strike takes place. I think it is appropriate to look behind the headlines and try to see just what is involved in the dispute between maritime workers and their employers and attempt to learn whether the demands being made by the unions are reasonable or whether the employers' refusal to grant them is unreasonable.

The major point on which negatiations were deadlocked is the 40-hour week. Is a 40-hour week, 8-hour day an unreasonable request on the part of merchant seamen? The shipowners say it is. I can recall reading of similar statements by the owners of American factories when the 12-hour day was being debated. There were predictions of disaster when it was proposed that the working day be reduced to 10 hours and the same thing happened when the 8-hour law went into effect. American shipowners bitterly resisted previous efforts to shorten seamen's hours, making the identical arguments which they offer today. Yet the work-

ing hours aboard ship have been reduced from 12 hours a day to 8 hours a day for some classes of personnel and the American merchant marine still thrives.

Today the men are asking for an 8-hour day, 40-hour workweek as opposed to a 56- to 63-hour week. It does not seem to me that there can be any justification, economic, social, or moral for demanding that merchant seamen work 7 days a week, a minimum of 56 to 63 hours and often much longer than that. Congress has seen fit to guarantee by legislation that the vest majority of American workers shall work no more than 40 hours per week.

Let us look for a minute at the fight of the seamen for a 40-hour week in its historical perspective. In my judgment, the rectification of seamen's hours and working conditions is long overdue. The seamen have been most neglected of all American industry on limitation of weekly hours.

For oceangoing seamen, for centuries the traditional working time at sea was 7 days of 12 hours each, or 84 hours a week. This was true in the American service as well as the European merchant marine, while the sailing ship was queen of the ocean. Then came steam. The changes wrought in the seamen's labor by this technical advance were finally reflected in the delayed adoption of the 8-hour day on shipboard. Steam vessels had displaced sails in large measure more than a decade before the turn of the century but it took three additional decades for the beginning of an 8-hour day at sea. This change came largely through collective bargaining by the growing seamen's unions, following the reduction of working hours in shore industries. It was crystallized into law for unlicensed workers in the engine room by the La Follette Seamen's Act of 1915. It did not become legally binding for the deck crew until the passage of the amending act of 1936. It is still not law for members of the stewards' department.

But while the working day at sea was thus being reduced from 12 hours to 8, the number of working days in the week have remained unchanged. "One day's rest in seven" laws, enacted by several States for shore industries, have no counterpart for the seaman. The Fair Labor Standards Act of 1938 which sets the 40-hour week for manufacturing and commerce generally, excludes him. Fair weather or foul, in the Arctic or the Tropics, he still toils at the engines or on deck for 7 times 8, or 56 hours weekly. If he is a cook or messman his week may run to 63 hours. In cases of emergency, all hands, regardless of rating, may be called upon for hours unlimited, with no extra compensation for the time so worked.

With the modern advance in social and industrial standards, Yankee capacity for continuous improvement of operating processes, and the huge expansion of the American labor force, there is no longer any reason for condemning seamen, of all workers, to a 56-hour week. Their work is heavier, their calling is more hazardous, their living accommodations while at sea are more uncomfortable, than those of the vast majority of shore workers who already benefit by the 40-hour provisions of the Fair Labor Standards Act. It is time for this discrimination against seamen to be wiped out.

I hope that when amendments to the Fair Labor Standards Act are presented to us we will have the opportunity to vote for the establishment of a 40-hour week for merchant seamen. However, since the unions are trying to accomplish this worthy end through the process of collective bargaining it seems to me that they should have our warmest support for the success of their efforts. Merchant seamen like all American workers are entitled to the standard American work week.

A second point on which the workers and the shipowners are in disagreement is on the matter of wage. After working 240 hours a month a seaman gets about $127 or $31.25 a week. In other words the basic wage aboard an American vessel is 56 cents an hour for skilled labor. Let us compare just a few seamen's classifications with comparable work ashore. The nearest equivalent to an able seaman is a ship's rigger. While a seamen gets 56 cents an hour, his shoreside equivalent will receive from $1.03 to $1.20 an hour. Similarly engine department classifications such as firemen, and watertenders receive about the same pay as an able seaman. A stationary engineer who performs similar work ashore receives $50 for a 40-hour week. In some industries where the work is not nearly as arduous nor as exacting, men get about $1.20 an hour.

The steward's department reveals a similar condition. A second cook who also acts as the ship's baker for up to 60 men receives only $162.50 monthly, or 68 cents an hour. Similar work ashore earned, in 1944, an average of 85.3 cents an hour, and this for work performed under controlled factory conditions and not handicapped by shipboard facilities.

These comparisons leave out of account the versatility and the adaptability which seamen are expected to display. On the issue of the specific skills required seamen have been held to wage levels far below those commensurate with their duties and responsibilities. Even if common laborer rates were used as a standard, this inequity would still exist. In the shipbuilding and repair industry laborers received in 1945 from 78 to 80½ cents an hour, with provisions for overtime. The least skilled worker on a ship must have greater qualifications, yet this rate is higher than is received by all except an insignificant fraction of the most highly paid unlicensed seamen, mainly chief stewards.

To have a real appreciation of the seamen's wage problems one must consider their total annual earnings. Because of a high percentage of illness and injury in the maritime industry, and because of the need for periods ashore with family and friends, average employment of seamen, even when jobs are plentiful, ranges from 8 to 9 months during a year. It is important to note that in 6 months of labor at sea the seaman has as many workdays as the shoreside worker has in 8 months on land. The seaman, however, is paid only while under ship's articles.

American seamen have the right to properly maintain a home and family the same as the rest of the American people. His ability to feed, clothe, and shelter his family and dependents during the course of any year depends entirely upon the amount of money the seaman receives during that year. It is obvious from some of the facts that I have stated here seamen's wages are substandard and that consequently their families are forced to live at substandard conditions.

The labor costs of shoreside industries directly affect the cost of water transportation. Yet for some reason, the workers ashore can be paid a living wage. Even the administrative staff employed by shipping operators, the office clerks and stenographers, are paid according to prevailing industrial standards. Only the seamen are expected to sacrifice. It is their wages which, according to the shipowners, make all the difference between ability and inability to meet foreign competition. But no one can explain why the shoreside wages paid to the majority of the operating personnel in the industry have no such effect.

It is only when he works aboard ship that an employee loses his right to a decent wage.

I think it is high time we abandoned such specious reasoning and lent every possible assistance to the achievement of decent American wages for American seamen.

Shipowners are not reluctant to accept operating subsidies for themselves but they resist every attempt to divert a fair amount of these subsidies into the pockets of maritime labor where they rightfully belong. The Merchant Marine Act of 1936 declared the intention of Congress to maintain maritime wage rates at a fair level and the seamen have a right to expect that this will be done. While protesting fear for the financial health of the industry, the employers remain discreetly silent about their huge wartime profits, as well as the enormous Government expenditures, which granted a high level of profits in peacetime. The records of the House Committee on the Merchant Marine and Fisheries is replete with such data.

Congress has shown much concern for the profits of the shipping industry. The present dispute between the maritime workers and their employers has thrown very little light on the problems with which these workers are confronted. I think Congress will make an important contribution in the public interest if we now lend every possible assistance to the peaceful solution of the maritime problem with a fair settlement for the workers. I think they are entitled to have their hours reduced and their wages raised.

Mr. COFFEE. Mr. Speaker, one of the distinguished Members of this House, who has become nationally known for his knowledge of the problems of the maritime industry, is my colleague, the gentleman from Washington [Mr. JACKSON], who recently returned from the Pacific Northwest where he was the

chairman of the International Conference which convened in Seattle for the purpose of working out problems in common with the maritime industries among the nations of the world. I am very proud of the fact that Mr. JACKSON was chosen the chairman of that important Conference and gave the keynote speech.

I will be happy to yield to the gentleman from Washington [Mr. JACKSON] such time as he may desire.

Mr. JACKSON. Mr. Speaker, I thank my distinguished colleague from Washington for his very kind words.

Mr. Speaker, the pending labor dispute in the maritime industry should be thoroughly aired so the public will be familiar with all the issues. Much has appeared in the press of late regarding the inability of the operators to meet the costs of higher wages and shorter hours.

To my knowledge there has never been an accurate study or survey of the profits and earnings of the industry—particularly during the immediate prewar and war period. I know Congress has been advised from time to time on certain excessive profits such as the "Red Sea" charters—losses paid from insurance and large earnings from charter agreements with the Government.

It is most unfortunate, Mr. Speaker, that a thorough and complete study of the earnings has not been made. Certainly the public is entitled to have this information in view of the statements and counterstatements that have appeared in the press on this question. If this information were made available maybe there would be an opportunity to have the dispute decided on its merits.

Mr. COFFEE. Mr. Speaker, it might be well and appropriate at this time to remind the House that the gentleman from Washington [Mr. JACKSON] has made a very intense study of the shipping industry, and as one of the senior members of the House Committee on the Merchant Marine and Fisheries took a leading part in recent debate in connection with the so-called ship purchase bill.

Just in passing, the gentleman referred to the resolution introduced in the Senate by the gentleman from Vermont, Senator AIKEN, and in the House by the gentleman from Massachusetts [Mr. WIGGLESWORTH]. It might be well for the Members of the House to take a profound interest in this whole subject of the maritime industry, because, if that resolution is acted upon favorably, I am convinced there will be brought forth startling facts revealing the enormous profits made by certain ship operators during the war to such an extent that the Comptroller General wrote a special report in which he questioned very much the War Shipping Administration's operations.

Recently the Navy Appropriations Subcommittee of the House, of which I happen to be a member, went very extensively into the operation of the War Shipping Administration and in the report and the hearings brought out directly very severe criticism against the War Shipping Administration for the shoddy and shabby way in which it had operated Government-owned ships.

Mr. COFFEE. Mr. Speaker, I ask unanimous consent that the gentleman from Washington [Mr. DE LACY] be permitted to extend his remarks at this point in the RECORD.

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

There was no objection.

Mr. DE LACY. Mr. Speaker, there is no need for a maritime strike. The United States Government owns 80 percent of American merchant ships afloat. They were built with taxpayers' money. Operated by private shipping companies as agents, making millions in profits without investment in 80 percent of the fleet under their management, the ships belong to the people.

Instead of putting the pressure on the seamen, instead of threatening to use our Navy, whose magnificent performance in the war just past should not now be tarnished in the dirty work of strike-breaking, let our Government direct those whom it has chosen as its agents to operate the people's ships to reduce the inhumanly long workweek, to bring seamen's wages up within sight of shore-side wages, and make the settlement retroactive.

Those three simple steps, all clearly within the legal and the economic and the moral power of the United States Government, would end all talk of strike.

No body of men enjoys striking. No one is talking of tying up ships for fun or, as has been charged in the antilabor press, for political reasons or to gain some mysterious international effect.

The men who earn their bare livings in the American merchantmen, the men who faced the bombs and the torpedoes, the men from whose ranks more are listed as killed or missing during the war than were lost proportionately from any other branch of service, the men, Mr. Speaker, who took a terrific punishment from undersea wolf packs and from all the Luftwaffe could pour on and still went back to keep 'em sailing—these are the men who now say that 56 hours a week, 8 hours a day for 7 days a week without overtime rates is too long to work, and 9 hours a day for 7 days a week without overtime rates in the stewards' department is also much too long for any American to have to work.

These are the men who say that their miserably low wages, which range from 53 cents an hour to 73 cents an hour for the most highly skilled and best qualified, are not enough for them to support their families on.

And who but the profit-hungry ship operators will disagree that these hours are too long and this pay scale is too low?

American seamen want the 40-hour week enjoyed by other workers in American industry.

American seamen want at least the same minimal wage adjustment which has been found necessary and just in other parts of American industry.

American seamen want these necessary gains made retroactive to October 1, 1945, the date when their last contracts expired.

And American seamen want to win these modest concessions without having to tie up the waterfronts of three coasts.

Why should ship operators who got rich managing ships which the people paid for, which the Government built, which were manned by heroic men trained at Government and union expense, now arrogantly refuse to make any good-faith offer looking toward reduction in excessively long hours and excessively low pay in their maritime industry?

These wealthy agents took no financial risks during the war. They did not subject their precious persons to the dangers faced by the seaman and the men of the fighting fronts. They did not even run the risk of being hurt or killed, as so many thousands were in the lumber, shipbuilding, mining, and other industries during the war.

They own only 20 percent of the ships involved. They will get the cream of the Government-owned fleet for 5 cents on the dollar.

Let them in good faith now help build a stable American merchant marine, based, as all lasting industry must be based, upon a skilled, experienced, and stable working force.

It used to be said that seamen are bums. I have seen my share of seagoing bums, and I have lived under the conditions on board ships that make bums out of normal youngsters. I remember the conditions on the Alaska Steamship Company's lines and on the Dollar Lines, 20 years ago, before the seaman's unions cleaned them up. I remember lifting the crust of an apple pie to find a carpet of green mould underneath. I remember having to leave the forecastle when I wanted to clean up, travel half the length of the ship, go down through the engine room, out into the fireroom, and behind No. 3 boiler where one shower for all the black gang was located. In this hot place, between a B and W boiler and the bulkhead, where a roll of the ship could toss a man's bare flesh against the back of the boiler, men were privileged to wash themselves.

And on the old Dollar Line there was not even one shower. Nine firemen slept in one forecastle, with ports about 7 feet above the water line, so that clear across the Pacific the ports could not be opened for fresh air. Those who tried it got washed out of their bunks. With temperatures running as high as 154 degrees in the mountain-ringed port of Hongkong, men slept in stinking quarters, ate in a mess hall directly over the boilers, with sweat running down their arms and forming pools on each side of their bodies on the hard, wooden benches on which they sat.

I well remember coming out of the fire room, wringing wet, my shoes squishing with my own sweat, my dungarees so soaked that I could and did wring my own sweat out of them. I remember working on top of those boilers with a floor plate temperature of 150. I remember cleaning and blowing boiler tubes and crawling inside boilers to tear out firebrick, working in thick clouds of dust with no respirators, with floor plate temperatures running upwards of 140 degrees.

I remember that even the air that came down the forced draft was so hot

that it cracked our ears and burned our lips.

And I remember coming off those watches with not even a shower to go to. The Dollar Line permitted us to buy our own buckets and our own soap and towels, and graciously ran a cold water line into a little compartment about 8 foot square, with two toilets in it and the rest reserved for all the wipers, firemen, and water tenders aboard to clean up in.

Those ships were part of the owners' loot from the last war. The companies had mail subsidies so unreasonable that the great Senator Bone, of our State, and other distinguished Members demanded and got investigations which caused the whole system of subsidies to be changed.

Out of those conditions grew the present seamen's unions. Out of those conditions came legislative authority for the Maritime Commission to fix decent minimum wages for seamen and to inspect and correct living conditions aboard ship.

But the Commission, after one effort in 1937, quit the business of caring for America's orphans, the merchant seamen.

Now these men, whom we have just been praising for their valor in the war, are asking for economic justice. Yet they are being accused of being in some deep plot against the Government, of having mysterious international objectives. Mr. Speaker, the only politics being played with the marine worker is being played in Congress. Congress has not enacted a more adequate minimum wage-and-hour law. Congress has excluded seamen from unemployment and other benefits enjoyed by other workers in other industries. The Maritime Commission has not lived up to its responsibilities or exercised its powers in setting more adequate wages or corrected the inhumanly long hours.

Let any Member of Congress live on board one of our merchant ships, as I did when I was a youngster. Let any fair-minded and decent-hearted American. He will soon discover that the American seamen, like all other American workers, knows that he has some improvements in his working conditions coming, that with modern technical advances the 56- and 63-hour workweek is long obsolete, that ways can be found to pay him a wage upon which he, too, can support a family, can pay rent and food bills on shore, can clothe and educate children.

Or is it the object of the ship operators to drive every family man ashore? To take the running of our fleet away from its present skilled and honorable working force?

Two studies have been made of seamen and their families.

One of the studies was made by the United Seamen's Service, a war-born organization in which the Government, the shipowners, and the maritime unions cooperated to afford vitally needed services to our war seamen. A carefully chosen sample of 100 men, distributed according to the relative numbers of men in the various ratings on dry cargo vessels, was used.

The USS study showed only 28 out of 100 men who had no dependents. As many as 41 were or had been married and were supporting wives or children or both. Altogether, the 100 men had 129 dependents.

TABLE 1.—*Family responsibilities of unlicensed seamen—USS study*[1]

Family responsibility:	
Without dependents	28
With dependents	72
Wife only	13
Wife and children	20
Children only	4
Other relatives only	27
Wife and others	7
Children and others	1
Total	100
Total number of dependent persons	129

[1] John W. Hastie, Unemployment, Annual Income and Family Status of Seamen, 1943.

The second study showing family responsibility of seamen was conducted by the National Maritime Union. Of 70 men interviewed, only 27 were found to be without dependents. The remaining 43 men had from 1 to 6 dependents each.

On the west coast, the United States Shipping Commissioner at San Francisco states that approximately 80 percent of seamen sign over an allotment of a portion of their pay to dependents. This is in marked contrast to the years 1936 and 1937 when only 15 to 20 percent of seamen signed allotment papers, and of these the majority were in the licensed group.

Upon investigation, American seamen are found to be as typical of American workingmen as shipyard workers, textile workers, or steelworkers. The American seamen come from every State in the Union. Their backgrounds and heritages are as varied. Bombs, torpedoes, and mines have taken their toll without regard for color, religion, home, State, or any other distinguishing characteristic.

Instead of threatening to break a strike, why is not action taken to force the ship operators to bargain in good faith with the unions? The Government of the United States is in an extremely favorable situation in this industry. The Government owns 80 percent of the merchant marine. The Government has poured billions into building a merchant marine and has guaranteed huge profits to a small group of shipping operators who are merely acting as agents of the Government. The Government through the Labor Department, the War Shipping Administration, and the Maritime Commission, should stop talking tough to the unions and begin to talk tough to the operators who are their agents. There must be a real attempt to force the operators to make a reasonable offer to the unions. We face now the scandalous situation where the shipping operators have not made a single offer or a counter proposal to the demands of the maritime workers.

There is no need for a strike in the maritime industry. There is no question that the threat of the strike will disappear quickly if the shipping operators are forced to offer something reasonable and in good faith on the following and only issues in the present dispute:

First. Reduction of the present intolerably long workweek aboard ship.

Second. An increase in wages in line with national wage patterns recently established in many other industries.

Third. Retroactivity of wage increases to the date of expiration of old agreements.

Fourth. Agreement to negotiate other less important but real issues involving grievances and working conditions.

If the Government does not make some effort to put some reason instead of threats of force into the negotiations, there will be a strike on June 15. We know what this will mean to the Nation. We hear that unions in many foreign countries will refuse to load, unload, or sail ships while such a maritime strike is going on in our country. There is a possibility that railway workers will refuse to transport freight into docks for loading if it will mean crossing longshoremen's picket lines. We must not let this happen. It need not happen. Let the Government, which owns the ships, put pressure on their own agents, the operators, who have been bargaining fruitlessly with the unions for more than 7 months, make the operators stop stalling and sit down in good faith to work out for the first time a decent standard of living for our merchant seamen. They too sacrificed; they too contributed to victory. Let them share in the fruits of peace.

The SPEAKER. Under previous order of the House, the gentleman from Michigan [Mr. DONDERO] is recognized for 30 minutes.

AMERICANS TAKE NOTICE—SCHOOL OF POLITICAL ACTION TECHNIQUES

Mr. DONDERO. Mr. Speaker, it is my purpose to expose what I believe to be a Communist fraud which is being perpetuated upon the people of the city of Washington through the guise of a so-called School of Political Action Techniques to be conducted by the National Citizens Political Action Committee. I am sure that many Members of Congress on both sides of the aisle are not aware of the nature of this outfit, which has had the effrontery to print a picture of the National Capitol on the cover of its catalog. It is my purpose to show that the faculty of this school is largely composed of individuals who have rendered yeoman service to the Communist Party and its front organizations. A number of these individuals with subversive records are former Federal officeholders. This project, which is actually an attempt to establish in the city of Washington a branch of the chain of Communist schools to be found throughout the country, is a blot upon the fair name of this city and should be repudiated and denounced by loyal Americans of both major political parties.

SCHOOL OF POLITICAL ACTION TECHNIQUES, CONDUCTED BY THE NATIONAL CITIZENS POLITICAL ACTION COMMITTEE, WASHINGTON, D. C., JUNE 26–29, 1946—DEPARTMENT OF POLITICAL ORGANIZATION AND ADMINISTRATION FACULTY AND ADVISERS

John Abt: Husband of Jessica Smith, who is editor of Soviet Russia Today. Mrs. Abt worked in the Union of Soviet Socialist Republics from 1922–27, for the Soviet Information Bureau in Washington from 1929–33, and was editor of the

Soviet Union Review until 1935. She was formerly the wife of Harold Ware, Soviet agricultural expert. Remember that Communist marriages must be based upon political affinity. Marriage with an anti-Communist is sufficient grounds for expulsion from the Communist Party. John Abt was known in well-informed circles as the commissar of top level Communist forces while he was in Washington. He was Sidney Hillman's chief assistant at the Communist-dominated World Federation of Trade Unions Conferences held in London and Paris. Thereafter he vistited the Soviet Union, writing glowingly of his trip in the January 1946 issue of Soviet Russia Today. In Soviet Russia Today of May 1946 he wrote again regarding the "Soviet Lawyer's Role in the Trade Unions." In the New York Times of January 13, 1946, page 33, he charged that the labor crisis was precipitated by "the giant corporations which own the basic industries of our Nation." He is general counsel of Sidney Hillman's Amalgamated Clothing Workers of America, of the CIO Political Action Committee and of the National Citizens Political Action Committee. He is reputed to be the connecting link between Sidney Hillman and the Communist Party. He was formerly with the La Follette committee.

Tilford E. Dudley, assistant to the chairman, CIO Political Action Committee, was a member of the Washington Committee for Democratic Action, which defended Federal employees charged with subversive activities; the Washington Book Shop, the Washington outlet for Communist literature; the Washington Committee for Aid to China, another Communist-front organization condemned for its activities by Mrs. Roosevelt—appendix IX, page 1685, and executive hearings, pages 2361–2390. He was formerly with the National Labor Relations Board, as examiner.

Abraham Zeitz: Secretary of the Committee on Free Elections in 1940, which defended the ballot rights of the Communist Party; speaker at the pro-Communist National Action Conference for Civil Rights held in Washington, April 19–29, 1940.

Elmer Benson has 23 citations in appendix IX, a study of Communist-front organizations published by the Special Committee on Un-American Activities, including: Member, national executive board, National Lawyers Guild in 1937; sponsor, tenth anniversary national conference of the American Committee for Protection of Foreign Born, held October 20, 1943, an organization specializing in the defense of foreign-born Communists; sponsor, National Federation for Constitutional Liberties, which has defended the rights of the Communist Party and individuals charged with Communist activities; sponsor, Citizen Victory Committee for Harry Bridges; member, national advisory board, American Youth Conference, which booed President Roosevelt; publicly endorsed for Governor of Minnesota by Earl Browder—Dies, page 1363; photographed in parade of the American League for Peace and Democracy with leading Communists on August 7, 1937—Dies hearings, page 1369; indorsed by Communist publications—Dies hearings, page 1371; charges that Governor Benson and the Farmer-Labor administration of Minnesota are in league with the Communists—Dies hearings, page 1389; chairman, executive council, National Citizens Political Action Committee.

Dr. Dwight Bradley, speaker and sponsor, fifth national conference, American Committee for Protection of Foreign Born, an organization which specializes in the defense of foreign born Communists, March 29–30, 1941; member, American Friends of Spanish Democracy, which was supported by the Communist Party—appendix IX, page 381; signer of appeal for Russian War Relief—New York Times, October 10, 1941; sponsor of the Joint Anti-Fascist Refugee Committee, which has been cited for contempt by the House of Representatives—appendix IX, page 941; sponsor of the Conference on Constitutional Liberties in America, June 7–9, 1939, at which a featured speaker was Elizabeth Gurley Flynn, national committee member of the Communist Party, and Elmer Benson—appendix IX, page 1228; sponsor, dinner-forum for the pro-Communist magazine, Protestant Digest, February 25, 1941.

Martha Fletcher: Former chairman of United States arrangements committee for World Youth Conference, which was Communist inspired and dominated, held in London, August 29 to September 6, 1945. This was supported by the American Youth for a Free World, of which Mrs. Martha (Harold) Fletcher was chairman. She was a sponsor of the New York State Conference of Negro Youth, held April 15–16, 1944. The meeting was supported by the American Youth for Democracy, formerly the Young Communist League. Under the name of Martha Haven Fletcher she was a member of the editorial board of Spotlight—June 1944—official Communist youth organ. She signed a statement lauding George Dimitroff, former head of the Communist International—New York Times, December 22, 1943, page 40.

Leo Krzycki: President, American Slav Congress, and president, Polish Labor Council, both Communist dominated; vice president of Sidney Hillman's Amalgamated Clothing Workers of America, recently granted a lengthy interview by Marshal Stalin. His speech on his return is quoted in the Daily Worker of May 9, 1946, page 15, as follows: "He had found in the Soviet Union, Poland, Yugoslavia, and other countries in eastern Europe" a warm spirit of working-class brotherhood and he "toured Europe as a representative of the American Slav Congress last year," and found "labor treated as an equal partner in government in Poland." He also "praised Marshal Tito." Krzycki was the leading speaker at a meeting on May 30, 1937, in Chicago, which started a riot at the Republic Steel Co. plant. He was a guest of honor at the dinner of the American Committee for Protection of Foreign Born, held on April 17, 1943. On May 1, 1942, Leo Krzycki sent a message in behalf of the American Slav Congress to the Red army. Again on June 22, 1942, at a meeting in Detroit, he spoke at an American Slav Congress meeting which greeted the Red army. He spoke on July 5, 1944, before the annual convention of the International Workers Order, a Communist fraternal organization. Sponsor, American-Russian Institute dinner, October 19, 1944; signer of a statement eulogizing George Dimitroff, former chairman of the Communist International—New York Times, December 22, 1943, page 40. Sponsor, Soviet Russia Today magazine dinner in honor of the Red army, February 22, 1943.

Tom Neill: Executive secretary of Servicemen's and Veterans' Committee, UERMWA—United Electrical, Radio and Machine Workers Union, which is Communist controlled; delegate to the Communist-inspired and dominated World Youth Conference, in which he was associated with Martha Fletcher. Signer of statement to the President and Congress, defending the Communist Party—Daily Worker, March 5, 1941.

DEPARTMENT OF POLITICAL RESEARCH—FACULTY AND ADVISERS

Dr. Hadley Cantril: Signer of a petition issued by the American Committee for Democracy and Intellectual Freedom, a Communist-front organization, the petition seeking to abolish the Dies committee—appendix IX, page 332; sponsor of a meeting by the same organization held on April 13, 1940, in defense of public-school teachers charged with Communist activities; member, executive committee, Film Audiences for Democracy, a pro-Communist film organization—appendix IX, page 730; signer of a statement in defense of the Communist Party, December 14, 1939, during the Stalin-Hitler pact.

DEPARTMENT OF PUBLIC RELATIONS—FACULTY AND ADVISERS

Abe Ajay: Cartoonist for PM; cartoonist for the New Masses, Communist weekly magazine.

Len De Caux: Editor of the CIO News; formerly with the Federated Press, a Communist news service; recently returned from a visit to the Soviet Union, after which he made a glowing report of his visit in his paper; supporter of the American League Against War and Fascism, cited as subversive by Attorney General Biddle. Cited as a Communist by Homer Martin, former president, Auto Workers—Dies hearings, page 2062.

Jay Deiss: Member, executive committee, Washington Committee for Democratic Action, which defended Federal employees charged with subversive activities—letterhead, May 23, 1941; former senior editor-writer of the Federal Security Agency.

Joseph Gaer: Born in Russia under the name of Fishman—former assistant to J. Raymond Walsh, CIO research director; former member of the advisory board, Direction, a pro-Communist magazine, produced by members of the Federal writers project. Interview by the Daily Worker, published June 9, 1945, page 8, refers to him as "a master of the pamphlet form, and certainly the varied examples issued by the CIO-PAC, of which he is publication director, bear this out." Former employee of the Treasury Department.

Thomas F. Burns: Former assistant to Sidney Hillman in the Office of Production Management. Member of the Communist Party. Former business agent of the Fisk United Rubber Workers Union. In early 1937 made a vice president of the CIO—Massachusetts House Committee on Un-American Activities, 1938, page 149.

Dr. Clark Foreman: President, Southern Conference for Human Welfare. William Weiner, treasurer of the Communist Party, testified that a subsidy of $2,000 had been paid to the Communist Party of Alabama in 1938, when the Southern Conference for Human Welfare was founded, that this Southern Conference had been discussed with Robert F. Hall, when he was in New York, and that it had also been discussed by the central committee of the Communist Party at the time the $2,000 was authorized. Front organizations and unions under the Communist aegis followed the lead of the Communist Party in building the Southern Conference for Human Welfare—appendix IX, pages 1581 and 1583; sponsor Win-the-Peace Conference, April 5–7, 1946.

Dr. Frank Kingdon: protested against imprisonment of William Z. Foster—Daily Worker, May 21, 1930; member, executive committee, American Committee for Democracy and Intellectual Freedom—letterhead, September 22, 1939—which defended public-school teachers charged with Communist activities; supporter of the American Student Union, a Communist youth front organization—appendix IX, page 514; supporter of the American Youth Congress, which booed President Roosevelt during the Stalin-Hitler Pact—appendix IX, page 525; supporter of the Greater New York Emergency Conference for Inalienable Rights, which defended the rights of the Communist Party—appendix IX, page 772; signer of statement against alleged anti-Communist propaganda—New York Times, May 19, 1930; statement issued by John Reed Clubs, formed in honor of John Reed, a founder of the Communist Party, United States of America; sponsor, National Emergency Conference, May 13–14, 1939, a Communist front organization which attacked registration and fingerprinting of aliens; member of United Student Peace Committee, supporting student peace strikes—Daily Worker, April 13, 1936, page 6.

Michael M. Nisselson: President, Sidney Hillman's Amalgamated Bank; member, Social Workers Committee to Aid Spanish Democracy—letterhead, February 8, 1939—which was supported by the Communist press; member, executive board, United American Spanish Aid Committee—letterhead; financial contributor to Social Work Today, January 1941, pages 16–18, pro-Communist magazine in the field of social work.

Irving Richter: Accused of being pro-Communist. They—Reuther's lieutenants—charged Richter was one of those who lobbied in support of the May-Bailey labor draft bill when the CIO was fighting it and the Communist Party was in favor of it—the Wage Earner, Catholic, May 17, 1946, page 12; supporter of the American League for Peace and Democracy, when employed as research assistant by the Works Progress Administration—hearings, Dies Committee, page 6404. This organization has been cited as subversive by Attorney General Biddle. Richter was a member of the Washington Committee for Democratic Action, which defended Federal employees charged with subversive activity; Washington (Communist) Book Shop; chairman of finance committee, ALPD above.

Katherine Schryver, also spelled Shryver: Executive secretary of the National Committee to Abolish the Poll Tax, a Communist-front organization; formerly secretary of the League of American Writers, which has been cited as subversive by Attorney General Biddle; sister of Harold Buckels.

Rose Terlin: Identified as a member of the Communist Party, leader of the American Youth Congress and member of the staff of its publication, Champion—appendix IX, page 528; former executive secretary, White Collar Panel, Regional Labor Board.

Dr. J. Raymond Walsh: Identified as a frank apologist for the Communist line by Dr. John L. Childs—New York Times, July 20, 1945, page 11; signer of letter for closer cooperation with the Soviet Union—Soviet Russia Today, September 1939, page 28; member, League of American Writers—bulletin, 1938, page 4—which was cited as subversive by Attorney General Biddle; signer of attack on Dies committee—Daily Worker, May 13, 1940, page 1, 5; speaker, American Student Union, a Communist youth front, at its fourth annual convention; attacks Congresswoman LUCE, for stirring up nightmare fears toward the Soviet Union—New York Times, May 28, 1945, page 17; lauded by Mike Gold—Daily Worker, January 15, 1938, page 7; speaker, forum, Science and Society, a Communist magazine—Daily Worker, November 23, 1942, page 3; member, executive committee, Council for Pan-American Democracy, which has attacked American imperialism; signer, Open Letter for Harry Bridges—Daily Worker, July 19, 1942, page 4; sponsor, American Committee for Protection of Foreign Born, specializing in defense of foreign-born Communists; 17 citations in appendix IX; former professor at Harvard University, where he was identified with pro-Communist causes.

DEPARTMENT OF PUBLIC RELATIONS—FACULTY AND ADVISERS

Tom Brandon: Former head of Brandon Films, 1600 Broadway, New York City, supplying pro-Communist films; secretary of the Workers Film and Photo League, affiliated with the International Union of Revolutionary Theaters in the Soviet Union—Dies, hearing, page 549. This league conducted the Harry Alan Potamkin Film School which studied "the movie industry of the Soviet Union as the producer of some of the greatest films of the day"—Tom Brandon, writing in New Theater, January 1934, pages 14, 15, a pro-Communist theater magazine. Brandon was a contributing editor of this magazine, which called itself the Organ of the League of Workers, Theaters, Film and Photo League, and Workers Dance League, all pro-Communist organizations.

Alex Leith and Perry Miller are, respectively, executive director and founder of Stage for Action. Art Smith is vice chairman of this organization, which actively supports Communist causes—Daily Worker, February 6, 1946, page 6; June 3, 1945, page 14; January 11, 1946, page 3.

Lee Hays and Peter Seeger are, respectively, executive director and director of People's Songs, Inc. This organization is described in the Worker of March 31, 1946, page 7, and February 24, 1946, page 7. On May 9, 1946, this organization gave a concert at the New York Town Hall, for which tickets were on sale at the Communist Workers Bookshop. The affair was advertised in the Daily Worker. People's Songs has composed, according to the Worker, songs "that sounded like an army wanting to march nowhere but to home," including I Just Want To Go Home, and I Don't Want No More of Army Life, Gee, Ma, I Want To Go Home. These songs were sung to GI's. Lee Hays and Peter Seeger were members of the Almanac Singers, which composed anti-American songs for the American Peace Mobilization, which picketed the White House in 1941.

Allan Lomax: Formerly with the Music Division, Library of Congress; member of the Washington (Communist) Book Shop; member, Washington Committee for Democratic Action, which defended Federal employees charged with subversive activities; member, American League for Peace and Democracy, which has been cited as subversive by Attorney General Biddle. Composer of songs sung at Communist functions.

John T. McManus: Film editor of PM; president of the Communist-dominated New York local of the American Newspaper Guild; sponsor, meeting for Russian War Relief—Daily Worker, July 6, 1943, page 5; sponsor, Artists Front To Win the War, October 16, 1942. At this meeting Charles Chaplin praised Communists and called for a second front. McManus signed an open letter to Governor Dewey in behalf of Morris U. Schappes, Communist and convicted perjurer—New York Times, October 9, 1944, page 12. Signer of a statement approving granting Army commissions to Communists—Appendix to the CONGRESSIONAL RECORD, volume 91, part 10, pages A1194–A1195; lecturer, Jefferson School of Social Science, a Communist school—Daily Worker, September 3, 1944, page 12; sends greetings to the Daily Worker, May 1, 1945, page 4.

Ben Shahn: Member of the Communist-dominated Artists Union—appendix IX, page 579; submitted radical designs to the Museum of Modern Art and Rikers' Island Penitentiary which were publicly condemned as communistic; contributor to Art Front, a pro-Communist art magazine—November 1935, page 8; signer of Call to the American Artists' Congress—Art Front, November 1935, page 6. Formerly with the Office of War Information.

Saul Mills: Endorsed Daily Worker—Worker, January 9, 1944, page 6; endorsed Army commissioning of Communists—Appendix to the CONGRESSIONAL

RECORD, volume 91, part 10, pages A1194–1195; Endorsed candidacy of Benjamin Davis, Communist candidate for councilman in New York City—Daily Worker, April 10, 1945, page 4; lecturer at the Jefferson School of Social Science, a Communist school—catalog, September 1944, page 75; cited in appendix IX 15 times; signer of the following statement endorsing the National Free Browder Congress of March 28–29, 1942:

> You cannot divorce the Browder case from the political party which he heads. There is no question that Browder and those who are associated with him are a part of the united fighting front of freedom-loving peoples against the Axis. * * * The National Free Browder Congress should be fully supported. The principles upon which our Government was founded * * * are at stake. (Daily Worker, March 9, 1942, p. 3.)

Mills was a supporter of the American Peace Mobilization, which picketed the White House, and he condemned a bill to fine persons found guilty of sabotage on defense work $10,000 plus 3 years' imprisonment.

Hannah Dorner and Edith Halpern: Executive secretary and field director of the Independent Citizens Committee of the Arts, Sciences, and Professions, an organization avowedly built by the Communist Party as a political weapon—Appendix to the CONGRESSIONAL RECORD, volume 92, page A1150.

The SPEAKER. Under previous order of the House, the gentleman from Illinois [Mr. REED] is recognized for 15 minutes.

BURLINGTON LINES VERSUS RAILROAD INVESTORS

Mr. REED of Illinois. Mr. Speaker, under date of May 29, Mr. Karl Fischer, assistant to the president of the Burlington Lines, distributed to many Members of Congress a memorandum relating to H. R. 5924 and S. 1253. The general objective of H. R. 5924, introduced by me, as well as that of S. 1253, introduced by Senator WHEELER, is to prevent the unnecessary forfeiture of $2,500,000,000 of investments in American railroads which otherwise will occur under plans of reorganization approved by the Interstate Commerce Commission in proceedings under section 77 of the Bankruptcy Act.

Mr. Fischer's memorandum, in which purportedly he speaks for the Burlington Lines, contains an argument in behalf of an amendment by which he proposes to exclude the Denver & Rio Grande Western Railroad from the provisions of the so-called Reed bill, H. R. 5924.

The argument advanced by Mr. Fischer is to the effect that the Burlington desires ultimately to acquire partial ownership in the Rio Grande, and in any event desires to have that railroad operated as a neutral independent carrier. According to Mr. Fischer the Burlington does not want the Rio Grande returned to its present owners, the Missouri Pacific and the Western Pacific, for even a temporary period—as the Reed bill would provide—during which its owners would have an opportunity to effectuate a speedy, sound, businesslike adjustment of its obligations—all with the required approval of the Interstate Commerce Commission—and emerge from bankruptcy. The Missouri Pacific interchanges traffic with the Rio Grande through the Pueblo gateway. The Burlington—and the Rock Island also—interchanges traffic with the Rio Grande through the Denver gateway. The Western Pacific interchanges traffic with the Rio Grande at the latter's western gateway at Salt Lake City.

The Burlington, according to the memorandum, fears that if legislation typified by H. R. 5924 and S. 1253 is enacted, its relationship with the Rio Grande at Denver may deteriorate. The Burlington apparently fears also that continued ownership of the Rio Grande common stock by the Missouri Pacific and Western Pacific would result in the deliberate restriction of traffic through the Denver gateway in favor of the Pueblo gateway.

In the memorandum submitted by the Burlington Lines it is contended that the Rio Grande should be exempted from this pending legislation in order to keep it out of control of the two railroads which, with the approval of the Commission, purchased and now hold its common stock. In effect, Mr. Fischer requests Congress to declare by legislative fiat that this railroad shall be an independent carrier without control by any other carrier.

Obviously, questions involving the control of a railroad by one or more other railroads and questions involving interchange traffic arrangements are all matters for the Interstate Commerce Commission, established by Congress for just such purposes. For obviously, too, Congress could not possibly legislate intelligently upon such matters without first holding protracted hearings at which all phases of those complicated issues could be considered and all parties concerned could be heard. The voluminous records of such proceedings before the Commission show conclusively the utter impracticability of the request that Congress act directly in such matters. Appropriate procedure is provided in the Interstate Commerce Act for any application which the Burlington or any other carrier may care to make for authority to acquire partial ownership of the Rio Grande. The Burlington should not be permitted to avoid that statute through the special legislation it here seeks to secure.

The whole subject of railroad consolidations and intercarrier ownerships has received most exhaustive and lengthy consideration by the Commission during more than two decades. Elaborate plans for consolidating the railroads of the country into great systems have been evolved by the Commission only after most extensive hearings and deliberations. Conformably to such plans, the Commission long ago authorized the Missouri Pacific to acquire from the Western Pacific a half interest in the common stock of the Rio Grande.

Regardless of who owns and controls the Rio Grande, the operation of that railroad in a manner that would restrict the fullest and most profitable use of all its facilities, including the Denver as well as the Pueblo gateways on the east and the Salt Lake gateway on the west, would constitute a violation of existing law and would result in a fraud upon the creditors and other stockholders of the Rio Grande and the public which it serves. It is not to be assumed that the Missouri Pacific and the Western Pacific would operate this carrier thus illegally and wrongfully. The Interstate Commerce Commission has completely effective powers to prevent such results as the Burlington fears. The Burlington could pursue its presently available and ample remedies in the event that the injustices it fears actually should be threatened in the future.

Moreover, the present plan for the reorganization of the Rio Grande, which the Burlington seeks to preserve, does not allot any part of the stock to the Burlington or any other carrier. The plan provides that the preferred and common stock shall be held in escrow for 10 years, within which time, presumably, the new owners will decide what affiliations with other systems will be most advantageous—submission document, page 172. The plan expressly provides that the sale of such stock, however, is to be made only with the approval of the Interstate Commerce Commission. It is clear, therefore, that the Burlington would have to secure the approval of the Commission to acquire any of such stock. Thus in any event it will have to comply with section 5 of the Interstate Commerce Act.

There is no reason for the Burlington to suppose that its opportunity to become a purchaser of stock in the reorganized Rio Grande will be any different or any less advantageous under Commission-approved reorganization pursuant to the Reed bill or the Wheeler bill than under the present forfeiture plan pending in the courts.

The Burlington did not avail itself of the opportunity to make its proposals to the Judiciary Committee of the House which held extensive hearings upon the Reed bill, nor for that matter did it appear before the Interstate Commerce Committee of the Senate in hearings on the Wheeler bill. But it is now attempting to have Congress decide this involved issue between the Burlington and the Missouri Pacific upon the floor of the respective Houses and to secure action directly contrary to the recommendations of the House and Senate committees which favorably reported these bills, respectively, and completely supported them in the printed reports filed—House Report No. 1828 as to H. R. 5924; Senate Reports No. 925 and No. 1170 as to S. 1253.

This issue which the Burlington now seeks to inject into the consideration of this pending legislation is actually unrelated to either of these bills. The Burlington's proposals as set forth in Mr. Fischer's memorandum properly should be presented to the Interstate Commerce Commission which ultimately must pass upon them in any event.

THE DENVER & RIO GRANDE WESTERN REORGANIZATION

The Commission's plan for the reorganization of the Rio Grande wipes out completely the 300,000 shares of no-par common stock of a 1936 balance sheet value of $62,457,540, also $16,445,000 par value of 5 percent cumulative preferred stock, now aggregating a claim of over

$26,000,000, and present claims of general mortgage bondholders amounting to over $40,000,000. The common stock is all owned in equal proportion by the Missouri Pacific and the Western Pacific Railroads. The preferred stock as well as the general mortgage bonds are held by many thousands of small investors widely scattered throughout the land.

On July 11, 1939, the Commission issued its original plan of reorganization for the Rio Grande, in which it limited the capitalization to $147,717,268. Subsequently, in 1940 and 1942, that figure was raised somewhat, but even the final plan of June 14, 1943, limited the capitalization to $155,173,127. The record of proceedings on the plan before the Commission was formally closed May 20, 1941. All of the outstanding securities in excess of this restricted capitalization were declared to have no value and were wiped out by the Commission's plan. As in the cases of other railroads in section 77 proceedings, the Commission based its restricted capitalization upon its guess of what the Rio Grande would earn in the future and that guess was predicated largely upon the earnings record during the depression years of the 1930's. The Commission's forecasts were proved to be grossly wrong, and its forfeiture of these many millions of dollars of investments was shown to be wholly unnecessary and unjustified. In any event, such forfeitures are unjustified today.

Ever since the Commission's first plan was issued in 1939 the record of actual earnings of this railroad and of the vast improvement in its financial affairs has proved over and over again the needlessness and the tragic unfairness of the forfeitures which that plan and its later revisions decreed.

The gross revenue of the Rio Grande during the depression years 1932 to 1939 averaged approximately $21,500,000 annually. Subsequent to the issuance of the Commission's original plan in 1939 the gross revenues of this railroad mounted approximately as follows: 1940, $26,000,000; 1941, $31,000,000; 1942, $54,000,000; 1943, $70,000,000; 1944, $70,000,000; and 1945, $75,000,000.

It was brought out in the Senate committee hearings on S. 1253, page 330, that after paying all interest on all other bonds of the Rio Grande for the 5½ years from January 1, 1940, to June 30, 1945, the earnings of this railroad were sufficient to pay the interest charges on the entire $29,808,000 principal amount of general mortgage 5-percent bonds 5.61 times each year on the average. Ninety percent of the claims of these bondholders for principal and interest is wiped out by the Commission's final plan.

During the period from January 1, 1941, to June 30, 1945, the earnings on the wiped out stocks—after allowing full interest on all bonds—amounted to $145.15 per share of preferred and $68.01 per share of common, an aggregate of $21,549,296.

On December 31, 1940, the Rio Grande had a deficit in net current assets of $126,644. At the close of 1945 it had net current assets of $26,339,939. Its cash on hand at the beginning of 1941 was $4,328,184; at the end of 1945 it was $33,964,179; and on February 28, 1946, it exceeded $40,000,000.

The earnings for January 1946 amounted to $1.28 per share of preferred stock and $0.43 per share of common. In February 1946 the earnings continued at the same high rate, the totals for those 2 months being $2.56 for the preferred and $0.85 for the common.

For the year 1944 alone the Rio Grande paid Federal excess-profits taxes amounting to $7.90 per share of common stock.

In 1945 this railroad deducted $12,700,658 for a special, accelerated amortization, and deducted for deferred maintenance $2,763,694, a total of $15,464,352 or an average of over $50 per share of common stock. These extraordinarily large items were deductible in computing Federal-income and excess-profits taxes. Even so, these accrued taxes rose to $10,488,390, or more than twice the amount for 1944. They totaled $34.96 per share of common stock. Because of the bookkeeping methods employed, no stock earnings were reported for 1945, although gross revenues as well as accrued income and excess-profits taxes that year far exceeded those for 1944 when reported earnings were $15.25 per share of preferred and $5.06 per share of common.

During the period of bankruptcy the Rio Grande properties were greatly improved by huge expenditures from earnings. These desirable improvements not only vastly enhanced the value of the physical properties of the Rio Grande but very significantly increased its earning power by promoting more economical, more profitable operation.

As of the close of 1944 the trustees of the Rio Grande had charged to capital additions and betterments—less any new securities issued in payment—a total of $37,401,655. In 1945 they charged $4,762,414 to additions and betterments. These figures do not include an additional $10,000,000 which the trustees expended for improvements and charged to operating expense. Since the Commission valued the railroad on July 13, 1942, at $154,521,612 over $30,000,000 has been expended on improvements, but the Commission increased its permissible capitalization by only $615,515 in its final revision of June 14, 1943.

Under that plan the general mortgage bondholders receive common stock of the new company of a par value equal to only 10 percent of their total claim of $43,548,155 as of January 1, 1943. This $4,354,816 par value of stock represents but 10 percent of the proposed issue.

Although the general mortgage bondholders rejected the plan by vote, under section 77 the plan may be made effective without their approval. The plan was not submitted to a vote of the preferred and common stockholders because they had been completely eliminated.

In view of such a record of earnings over the past 6 years and of improvement in the financial status of the Rio Grande, the lamentable forfeitures of tens of millions of dollars invested by many thousands of widely scattered citizens—including, no doubt, many employees of that railroad—is irrefutably proved to have been unjustified. At least such forfeitures are today unjustified in the light of present facts, regardless of whether the Commission's guesses in 1939–40 were then supportable or not.

Apparently Mr. Fischer and the Burlington Lines are not one whit concerned over the forfeiture of these vast investments in either the Rio Grande or other railroads. Indeed, they attempt to justify it, and seek to exclude these hundreds of thousands of investors in railroad securities from the benefits of an opportunity to save their investments, which opportunity the Reed bill and the Wheeler bill propose to grant them.

And for what purported purpose does the Burlington make this proposal? Primarily, to permit the Burlington to acquire a stock interest in the reorganized Rio Grande, and to benefit the present senior creditors of the Rio Grande who, under the plan, will hold all of the securities of the new company after the general mortgage bondholders—to the extent of over 90 percent—and the preferred and common stockholders—to the extent of 100 percent—have been eliminated.

The Burlington's fight is exclusively one to secure partial ownership of the reorganized Rio Grande or at least to keep the Rio Grande in a neutral position. It frankly says as much in its memorandum. Thus, the Burlington seeks to take advantage of an unfortunate position into which the Rio Grande, like many other great railroad systems of the country, was forced by the unparalleled Nation-wide economic collapse of the early 1930's and to deny the owners of that railroad the chance to salvage the tens of millions of dollars invested in it by the two railroads which own its common stock and by thousands of little people from probably every State who invested their savings in its bonds and preferred stock.

While it attacks the motives of the Alleghany Corp.—a common carrier subject to the Interstate Commerce Act—which holds about one-third of the voting stock of the Missouri Pacific, the Burlington's proposal would sacrifice not only the interests of the Alleghany but the thousands of other Missouri Pacific stockholders and creditors as well. If the conditions were reversed and the Missouri Pacific were attempting to deprive the Burlington of any interest in a 50 percent subsidiary, what then would be the Burlington's position as to such requests as it now makes?

I am not opposed to the Burlington acquiring a partial interest in the Rio Grande. I am opposed only to the course which the Burlington now is pursuing—unnecessarily, in my opinion—which would deprive those whose investments in the Rio Grande are unjustifiably sacrificed under the present plan of reorganization, of the opportunity to save their investments, or at least a substantial part of them, from destruction.

PRESENT RAILROAD REORGANIZATION IN GENERAL

The Rio Grande is, of course, but one example of the unnecessary and inequitable sacrifice of railroad investments under the Commission's depression-based plans of reorganization. Unless one of

the bills attacked by Mr. Fischer is enacted, approximately $500,000,000 of creditors' claims and $2,000,000,000 of stock are threatened with imminent extinction.

The truth of the matter is that practically all the present plans of reorganization under section 77 deprive bondholders of enormously valuable rights as well as extinguish vast investments in stock. The half billion dollars of creditor claims, above referred to as being wiped out, tell only a small part of the creditors' story. Very heavy sacrifices are being demanded of creditors in practically all of the Commission's proposals by reduction of their claims from superior to inferior bonds, or to stocks. This is also well illustrated in the case of the Rio Grande.

The Reed bill and the Wheeler bill each provides a simple direct method of saving so much of such investments as present conditions warrant. They do not attempt to legislate value into securities which have no value, but they will prevent the needless, unjust sacrifice of securities which it has been demonstrated have real value.

Although the Burlington levels an attack on all pending legislation designed to prevent such useless sacrifices of investments in our railroads—all of which securities were duly authorized by the Interstate Commerce Commission—it has no present interest in this general subject, as neither it nor any of its subsidiaries or affiliated companies are involved in reorganization proceedings. So far as the Rio Grande is concerned, the Burlington has an understandable interest. But in its general and vicious attack on all features of the Reed bill and the Wheeler bill, for whom does it speak? Whether wittingly or unwittingly, it speaks in fact for the senior creditor interests—largely institutional holders—who will be unjustly enriched at the expense of hundreds of thousands of junior creditors and stockholders.

Even Mr. Wilson McCarthy, one of the trustees of the Rio Grande, expressed his doubt of the justice of the Commission's plan at the present time when he recently said in his testimony before the Interstate Commerce Committee of the Senate on S. 1253:

> My own personal opinion is that complete justice will be done as near as it can be done in this kind of a proceeding if, under some amendment to your present bill, this thing can be returned to the ICC. * * * I have no desire, if this thing goes back, just to take a cursory look. I don't think that would accomplish anything. If an injustice has been done to these general bondholders, I am very sure that the ICC will be glad to correct it, and that seems to be about all that is left on the Rio Grande.

The Commission, however, has taken the position that it has no authority to recall plans of reorganization once it certifies them to the court—regardless of how unjust or outmoded those plans may have become—and the Supreme Court has repeatedly held that the Commission has exclusive and final jurisdiction to determine the limits of capitalization and the consequent result of what securities shall be extinguished. Only new legislation can open this vise in which these investors are being squeezed into extinction. The Wheeler bill and the Reed bill each seeks to accomplish the salvaging of these investments and to give these railroads an opportunity to work out—with the approval of the Interstate Commerce Commission—a businesslike, sound, and fair adjustment of their debts and to emerge from bankruptcy. The request of the Burlington should not swerve Congress from enacting this sound remedial legislation either in the form of the Reed bill, favorably reported by the Judiciary Committee of the House, or in the form of the Wheeler bill, favorably reported by the Interstate Commerce Committee of the Senate.

LEAVE OF ABSENCE

By unanimous consent, leave of absence was granted as follows:

Mr. MCGREGOR (at the request of Mr. JENKINS), for 5 days, on account of illness.

Mr. GROSS, for June 12, on account of death in the family.

ENROLLED BILLS SIGNED

Mr. ROGERS of New York, from the Committee on Enrolled Bills, reported that that committee had examined and found truly enrolled a bill of the House of the following title, which was thereupon signed by the Speaker:

H. R. 5060. An act to amend section 1 of the act entitled "An act to fix the salaries of officers and members of the Metropolitan Police force, the United States Park Police force, and the Fire Department of the District of Columbia, approved May 7, 1924.

ADJOURNMENT

Mr. SPARKMAN. Mr. Speaker, I move that the House do now adjourn.

The motion was agreed to; accordingly (at 6 o'clock and 22 minutes p. m.), the House adjourned until tomorrow, Wednesday, June 12, 1946, at 12 o'clock noon.

COMMITTEE HEARINGS

SELECT COMMITTEE ON CONSERVATION OF WILDLIFE RESOURCES

Beginning at 10:30 a. m. each day, the Select Committee on Conservation of Wildlife Resources will hold hearings on Monday, June 10, Tuesday, June 11, and Wednesday, June 12, in the committee room, 448 House Office Building.

The purpose of the hearings will be to receive reports from the various Federal agencies engaged in wildlife conservation activities and from State game and fish departments, to hear testimony concerning migratory bird shooting regulation for the coming season, and for other purposes.

COMMITTEE ON THE JUDICIARY

On Wednesday, June 12, 1946, Subcommittee No. 1 of the Committee on the Judiciary will hold a hearing on the bill (H. R. 6143) to incorporate the Amvets, American Veterans of World War II. The meeting will be held in the Judiciary Committee room, 346 House Office Building, and will begin at 10 a. m.

COMMITTEE ON INVALID PENSIONS

There will be an executive session of the Committee on Invalid Pensions in room 247, House Office Building, on Tuesday, June 18, 1946, at 10:30 a. m.

The purpose of the executive session will be to review public bills pending before the committee and to determine which bills will be scheduled for hearings.

EXECUTIVE COMMUNICATIONS, ETC.

Under clause 2 of rule XXIV, executive communications were taken from the Speaker's table and referred as follows:

1381. A communication from the President of the United States, transmitting the Budget for the fiscal year 1947, in the amount of $260,000 for the Office of Economic Stabilization (H. Doc. No. 652); to the Committee on Appropriations and ordered to be printed.

1382. A letter from the Secretary of the Interior, transmitting a draft of a proposed bill to create an Evacuation Claims Commission under the general supervision of the Secretary of the Interior, and to provide for the powers, duties, and functions thereof, and for other purposes; to the Committee on the Judiciary.

1383. A letter from the Archivist of the United States, transmitting a report on records proposed for disposal by various Government agencies; to the Committee on the Disposition of Executive Papers.

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. HARE: Committee on Appropriations. H. R. 6739. A bill making appropriations for the Department of Labor, the Federal Security Agency, and related independent agencies, for the fiscal year ending June 30, 1947, and for other purposes; without amendment (Rept. No. 2242). Referred to the Committee of the Whole House on the State of the Union.

Mr. BLOOM: Committee on Foreign Affairs. H. R. 6572. A bill to provide military assistance to the Republic of the Philippines in establishing and maintaining national security and to form a basis for participation by that Government in such defensive military operations as the future may require; with amendment (Rept. No. 2243). Referred to the Committee of the Whole House on the State of the Union.

Mr. CURTIS: Committee on Ways and Means. Senate Joint Resolution 162. Joint resolution extending for 7 months the period of time during which alcohol plants are permitted to produce sugars or sirups simultaneously with the production of alcohol; without amendment (Rept. No. 2244). Referred to the Committee of the Whole House on the State of the Union.

Mr. DOUGHTON of North Carolina: Committee on Ways and Means. H. R. 6699. A bill to decrease the amount of obligations, issued under the Second Liberty Bond Act, which may be outstanding at any one time; without amendment (Rept. No. 2245). Referred to the Committee of the Whole House on the State of the Union.

Mr. HOBBS: Committee on the Judiciary. H. R. 6682. A bill to amend sections 81, 82, and 83, and to repeal section 84 of chapter IX of the act entitled "An act to establish a uniform system of bankruptcy throughout the United States," approved July 1, 1898, and acts amendatory thereof and supplementary thereto; with amendment (Rept. No. 2246). Referred to the Committee of the Whole House on the State of the Union.

Mr. PETERSON of Georgia: Committee on the Territories. H. R. 5112. A bill to authorize the city of Anchorage, Alaska, to issue bonds in a sum not to exceed $7,500,000 for the purpose of constructing, reconstructing, improving, extending, bettering, repairing,

equipping, or acquiring public works of a permanent character, and to provide for the payment thereof, and for other purposes; without amendment (Rept. No. 2247). Referred to the House Calendar.

Mr. PETERSON of Georgia: Committee on the Territories. H. R. 5800. A bill to authorize school districts in Alaska to issue bonds for school construction, and for other purposes; without amendment (Rept. No. 2248). Referred to the House Calendar.

Mr. BLOOM: Committee on Foreign Affairs. H. R. 6646. A bill to establish the Office of Under Secretary of State for Economic Affairs; with amendment (Rept. No. 2249). Referred to the Committee of the Whole House on the State of the Union.

PUBLIC BILLS AND RESOLUTIONS

Under clause 3 of rule XXII, public bills and resolutions were introduced and severally referred as follows:

By Mr. HOFFMAN of Michigan:

H. R. 6738. A bill to prevent discrimination in employment because of race, creed, color, national origin, or ancestry; to the Committee on Labor.

By Mr. RANKIN:

H. R. 6740. A bill relating to veterans' pension, compensation, or retirement pay during hospitalization, institutional or domiciliary care, and for other purposes; to the Committee on World War Veterans' Legislation.

By Mr. BULWINKLE:

H. R. 6741. A bill relating to the operation of section 8 of the Federal Airport Act with respect to the fiscal year 1947; to the Committee on Interstate and Foreign Commerce.

By Mr. FALLON:

H. R. 6742. A bill to make certain imported merchandise subject to the same internal-revenue taxes as similar merchandise of domestic origin; to the Committee on Ways and Means.

By Mr. GATHINGS:

H. R. 6743. A bill relating to the selection under the National Labor Relations Act of representatives of employees for collective bargaining; to the Committee on Labor.

By Mr. GREEN:

H. R. 6744. A bill to provide that every Saturday shall be a holiday for banks and building and loan associations in the District of Columbia; to the Committee on the District of Columbia.

By Mr. IZAC:

H. R. 6745. A bill to further amend the act approved August 27, 1940 (54 Stat. 864); to the Committee on Naval Affairs.

By Mr. KEARNEY:

H. R. 6746. A bill to promote maximum employment, business opportunities, and careers for veterans in a free competitive economy; to the Committee on Banking and Currency.

By Mr. McCORMACK:

H. R. 6747. A bill to amend section 2 of Public Law 88, Seventh-ninth Congress, approved June 23, 1945; to the Committee on Banking and Currency.

By Mr. TALLE:

H. R. 6748. A bill to prohibit the exportation of farm machinery (including tractors) until the domestic farm machinery and farm labor requirements are being currently met; to the Committee on Ways and Means.

By Mr. LYNCH:

H. R. 6749. A bill to amend the Internal Revenue Code, as amended, and the Social Security Act, as amended; to the Committee on Ways and Means.

By Mr. SPARKMAN:

H. R. 6750. A bill to provide more efficient dental care for the personnel of the United States Army; to the Committee on Military Affairs.

By Mrs. LUCE:

H. J. Res. 365. Joint resolution proposing an amendment to the Constitution relating to the election of the representative of the United States to the Security Council of the United Nations; to the Committee on the Judiciary.

PRIVATE BILLS AND RESOLUTIONS

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

By Mr. WEST:

H. R. 6751. A bill authorizing Gus A. Guerra, his heirs, legal representatives, and assigns, to construct, maintain, and operate a toll bridge across the Rio Grande, at or near Rio Grande City, Tex., to the Committee on Interstate and Foreign Commerce.

By Mr. BATES of Massachusetts:

H. R. 6752. A bill for the relief of Anthony Demetrios Paschalis, also known as Antonio Paschalis; to the Committee on Immigration and Naturalization.

By Mr. BARTLETT:

H. R. 6753. A bill for the relief of Robert W. Heavey; to the Committee on Claims.

By Mr. BUCKLEY:

H. R. 6754. A bill for the relief of Giuseppe Barile; to the Committee on Immigration and Naturalization.

By Mr. GOODWIN:

H. R. 6755. A bill for the relief of Mary E. Gaine; to the Committee on Claims.

By Mr. IZAC:

H. R. 6756. A bill for the relief of Leonard Ralph McLauchlan; to the Committee on Claims.

H. R. 6757. A bill for the relief of Colbert H. Cannon, of Oceanside, Calif.; to the Committee on Claims.

H. R. 6758. A bill for the relief of H. F. Elliott; to the Committee on Claims.

H. R. 6759. A bill for the relief of National American Fire Insurance Co. of Omaha; to the Committee on Claims.

By Mr. McCONNELL:

H. R. 6760. A bill for the relief of Paul J. Weimar; to the Committee on Claims.

By Mr. NORRELL:

H. R. 6761. A bill for the relief of Fred E. Gross; to the Committee on Claims.

By Mr. O'NEAL:

H. R. 6762. A bill for the relief of Alice E. Shinnick; to the Committee on Claims.

By Mr. BATES of Massachusetts:

H. R. 6763. A bill for the relief of Haralambos G. Kaminaris, also known as Harry G. Touliatos; to the Committee on Immigration and Naturalization.

PETITIONS, ETC.

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

1960. By Mrs. SMITH of Maine: Petition of Donald A. Piper, of Monmouth, Maine, and 30 other citizens, urging aid in relieving the critical grain shortage existing in Maine and throughout the Northeast, requesting a congressional investigation and asking that grain now used in the manufacture of alcoholic beverages be allocated to feed manufacturers; to the Committee on Agriculture.

1961. By Mr. VOORHIS of California: Petition of Mrs. Josephine Townley, 108 East Falls Street, Ithaca, N. Y., and 37 others, urging Congress to act favorably on House Joint Resolution 325, to prevent the use of grain for nonessential purposes during the period of shortage; to the Committee on Agriculture.

1962. By the SPEAKER: Petition of Fifth District Advisory Council of Townsend Clubs, petitioning consideration of their resolution with reference to endorsement of House bill 2229; to the Committee on Ways and Means.

1963. Also, petition of the commander in chief, Disabled Philippine Constabulary Veterans, petitioning consideration of their resolution with reference to request for legislation for pensions for the Philippine Contabulary veterans; to the Committee on Pensions.

1964. Also, petition of the Oberlin Townsend Club, Oberlin, Ohio, petitioning consideration of their resolution with reference to endorsement of House bills 2229 and 2230; to the Committee on Ways and Means.

1965. Also, petition of the Bible Presbyterian Church, petitioning consideration of their resolution with reference to request for withdrawal of Russian military forces from Korea; to the Committee on Foreign Affairs.

1966. Also, petition of Antioch Grange, No. 452, petitioning consideration of their resolution with reference to the strike situation; to the Committee on Labor.

1967. Also, petition of commission on action for peace and democracy, Congress of American Women, petitioning consideration of their resolution with reference to request for a rationing program; to the Committee on Banking and Currency.

1968. Also, petition of the chairman, the Italian-American Labor Council, petitioning consideration of their resolution with reference to a just and honorable peace for the Italian Republic; to the Committee on Foreign Affairs.

1969. Also, petition of Men of Special Services, Three Hundred and Seventeenth T. C. Group, APO 704, care of Postmaster, San Francisco, Calif., petitioning consideration of their resolution with reference to extension of the draft bill; to the Committee on Military Affairs.

SENATE

WEDNESDAY, JUNE 12, 1946

(Legislative day of Tuesday, March 5, 1946)

The Senate met at 11 o'clock a. m., on the expiration of the recess.

The Chaplain, Rev. Frederick Brown Harris, D. D., offered the following prayer:

Our Father God, with soiled face and hands unclean with the dust of earthy toil, we come to the crystal waters of Thy restoring grace. As those set aside to prescribe for the ills of an ailing social order, first cleanse our own souls from moral pollution and mental darkness. In a world where the worst wars constantly against the best, open our eyes to invisible allies which fight by the side of those who keep step with Thy will—invincible forces which at last will bend and break the spears of evil. When plagued with perplexity we have sought truth till our minds are wearied, when faint with the struggle our strength has departed, when the sadness of the world creeps into our own eyes, stand Thou in splendor before us like the light, like love all lovely, like the morning and the noontide which slays the shadows. Amen.

THE JOURNAL

On request of Mr. BARKLEY, and by unanimous consent, the reading of the Journal of the proceedings of the calendar day Tuesday, June 11, 1946, was dispensed with, and the Journal was approved.

MESSAGES FROM THE PRESIDENT—APPROVAL OF BILLS

Messages in writing from the President of the United States were communicated to the Senate by Mr. Miller, one of his