H. R. 7210. A bill to amend the Surplus Property Act of 1944 with reference to condemnation powers of the Administrator; to the Committee on Expenditures in the Executive Departments.

By Mr. SPENCE:

H. R. 7211. A bill to authorize the redemption and retirement of the capital stock of the Federal Deposit Insurance Corporation, and for other purposes; to the Committee on Banking and Currency.

By Mr. TAYLOR:

H. R. 7212. A bill authorizing the Secretary of the Navy in his discretion to deliver to the custody of the city of Saratoga Springs, N. Y., the silver centerpiece or epergne presented to the United States for the U. S. S. *Saratoga;* to the Committee on Naval Affairs.

By Mrs. WOODHOUSE:

H. R. 7213. A bill to provide for immigration into the United States by displaced persons; to the Committee on Immigration and Naturalization.

By Mr. MURDOCK:

H. R. 7214. A bill reauthorizing the Gila Federal reclamation project, and for other purposes; to the Committee on Irrigation and Reclamation.

By Mr. MANSFIELD of Texas (by request):

H. J. Res. 391. Joint resolution to provide for the settlement of claims of the Government of the United States on behalf of American nationals against the Government of Mexico comprehended within the terms of agreements concluded by the United States and Mexico; to the Committee on Foreign Affairs.

By Mrs. SMITH of Maine:

H. Res. 746. Resolution to provide for a study and investigation of the service, operations, and administration of American Airlines and Northeast Airlines and other commercial air transport companies in the United States, and of their regulation by the Civil Aeronautics Board; to the Committee on Rules.

PRIVATE BILLS AND RESOLUTIONS

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

By Mr. BARRY:

H. R. 7215. A bill for the relief of Sam Hurowitz; to the Committee on Immigration and Naturalization.

By Mr. O'TOOLE:

H. R. 7216. A bill for the relief of Manuel Amorin; 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:

2138. By Mrs. SMITH of Maine: Resolution of the Cristoforo Columbo Lodge, No. 880, Order Sons of Italy in America, Auburn, Maine, protesting the decision of the Big Four Foreign Ministers in Paris relative to the internationalization of Trieste; to the Committee on Foreign Affairs.

2139. By the SPEAKER: Petition of Vincent Mottola, and others, petitioning consideration of their resolution with reference to a just peace for Italy; to the Committee on Foreign Affairs.

SENATE

WEDNESDAY, JULY 31, 1946

(Legislative day of Monday, July 29, 1946)

The Senate met at 12 o'clock meridian, on the expiration of the recess.

Rev. Byron W. John, of the Montgomery Methodist Church, Montgomery, W. Va., offered the following prayer:

Almighty God, Thou art eternal; the same yesterday, today, and forever. Thou art the merciful Father of all mankind. We pray that Thou wilt draw near unto Thy children here to enter richly into their hearts. In response to Thy presence, enable us to open our souls to Thy spirit.

Bless, we pray Thee, this Nation, for which we have pride and the remembrance of which brings joy to our lives; but deliver us from a forgetfulness of the needs of others. Make us, and keep us, a good neighbor to all the people of the earth.

Give character to our citizenry, to the end that the sanctity of our democratic way may not be violated, and make us true to our responsibilities, ever eager to render a service that will be pleasing in Thy sight.

Supply our hearts and minds, our Father, with the motives which will keep us moving toward Christian ideals. Keep Thy people constant until the goal has been reached—even the kingdom of love and righteousness. Through Jesus Christ our Lord. 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, July 30, 1946, was dispensed with, and the Journal was approved.

MESSAGES FROM THE PRESIDENT—APPROVAL OF BILLS

Messages in writing from the President of the United States were communicated to the Senate by Mr. Miller, one of his secretaries, and he announced that on today, July 31, 1946, the President had approved and signed the following acts:

S. 920. An act to fix the salaries of certain judges of the United States;

S. 2352. An act to authorize the increases in the salary of teachers, school officers, and other employees of the Board of Education of the District of Columbia whose pay is fixed and regulated by the District of Columbia Teachers' Salary Act of 1945, as amended;

S. 2372. An act to authorize the Secretary of the Interior to construct the Lewiston Orchards project, Idaho, in accordance with the Federal reclamation laws; and

S. 2405. An act to define the area of the United States Capitol Grounds, to regulate the use thereof, and for other purposes.

MESSAGE FROM THE HOUSE

A message from the House of Representatives, by Mr. Maurer, one of its reading clerks, announced that the House had passed without amendment the following bills of the Senate:

S. 2318. An act to amend the act of May 11, 1938, for the conservation of the fishery resources of the Columbia River, and for other purposes; and

S. 2419. An act to amend further the act of April 6, 1938, as amended by the act of July 9, 1941, entitled "An act authorizing the Secretary of the Treasury to exchange sites at Miami Beach, Dade County, Fla., for Coast Guard purposes."

The message also announced that the House had severally agreed to the amendments of the Senate to the following bills of the House:

H. R. 1402. An act for the relief of certain Basque aliens;

H. R. 1497. An act to amend subsection 9 (a) of the act entitled "An act to prevent pernicious political activities," approved August 2, 1939, as amended;

H. R. 2485. An act for the relief of Moses Tennenbaum;

H. R. 2716. An act to provide for health programs for Government employees; and

H. R. 6817. An act to provide for the appointment of additional commissioned officers in the Regular Army, and for other purposes.

The message further announced that the House had severally agreed to the amendments of the Senate to the following bills of the House:

H. R. 434. An act to provide that nationals of the United States shall not lose their nationality by reason of voting under legal compulsion in a foreign state;

H. R. 2033. An act authorizing Federal participation in the cost of protecting the shores of publicly owned property;

H. R. 4386. An act to facilitate and simplify the administration of Indian 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. 4428. An act to adjust the rate of dividends paid by the Federal Savings and Loan Insurance Corporation on its capital stock and to decrease the premium charge for its insurance;

H. R. 6097. An act to amend the act of March 10, 1934, entitled "An act to promote the conservation of wildlife, fish, and game, and for other purposes";

H. R. 6811. An act relating to veterans' pension, compensation, or retirement pay during hospitalization, institutional or domiciliary care, and for other purposes;

H. R. 6890. An act to amend the First War Powers Act, 1941; and

H. R. 6932. An act to provide for further research into basic laws and principles relating to agriculture and to improve and facilitate the marketing and distribution of agricultural products.

The message also announced that the House had disagreed to the amendments of the Senate to the bill (H. R. 5560) to fix the rate of postage on domestic air mail, and for other purposes; asked a conference with the Senate on the disagreeing votes of the two Houses thereon, and that Mr. O'BRIEN of Michigan, Mr. TRAYNOR, Mr. LYLE, Mr. BUTLER, and Mr. COLE of Missouri were appointed managers on the part of the House at the conference.

The message further announced that the House had agreed to the concurrent resolution (S. Con. Res. 75) making a change in the enrollment of Senate bill 1236, to amend the Mineral Leasing Act of February 25, 1920, as amended, in order to promote the development of oil and gas on the public domain, and for other purposes.

ENROLLED BILLS AND JOINT RESOLUTION SIGNED

The message also announced that the Speaker had affixed his signature to the following enrolled bills and joint resolution, and they were signed by the President pro tempore:

S. 1236. An act to amend the Mineral Leasing Act of February 25, 1920, as amended, in order to promote the development of oil and gas on the public domain, and for other purposes;

AUTHENTICATED U.S. GOVERNMENT INFORMATION GPO

H. R. 6646. An act to establish the Office of Under Secretary of State for Economic Affairs; and

S. J. Res. 156. Joint resolution to extend the succession, lending powers, and the functions of the Reconstruction Finance Corporation.

LEAVE OF ABSENCE

Mr. WHITE. Mr. President, I ask unanimous consent that the junior Senator from Vermont [Mr. AIKEN] be excused from attendance upon the sessions of the Senate for the remainder of this week.

The PRESIDENT pro tempore. Without objection, leave is granted.

PLIGHT OF THE DOMESTIC WOOL INDUSTRY

Mr. O'MAHONEY. Mr. President, I desire this morning to call the attention of the Senate to the fact that the domestic wool industry in the United States faces the gravest danger of serious impairment unless Congress acts now on bills pending here and in the House.

I wish there were a larger attendance upon the Senate this morning for I was never more serious than now.

Mr. MAYBANK. Mr. President, will the Senator yield that I may suggest the absence of a quorum?

Mr. O'MAHONEY. I should be very happy to yield for a quorum call.

Mr. MAYBANK. 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	Hill	O'Mahoney
Austin	Hoey	Overton
Ball	Huffman	Pepper
Barkley	Johnson, Colo.	Radcliffe
Bilbo	Johnston, S. C.	Reed
Bridges	Kilgore	Revercomb
Burch	Knowland	Russell
Byrd	La Follette	Smith
Capper	Langer	Stewart
Chavez	McCarran	Swift
Connally	McClellan	Taft
Cordon	McFarland	Taylor
Donnell	McKellar	Thomas, Okla.
Downey	McMahon	Thomas, Utah
Eastland	Magnuson	Tunnell
Ferguson	Maybank	Vandenberg
Fulbright	Mead	Wagner
George	Millikin	Walsh
Gerry	Mitchell	Wheeler
Gossett	Moore	Wherry
Green	Morse	White
Guffey	Murdock	Wiley
Gurney	Murray	Willis
Hart	Myers	Young
Hayden	O'Daniel	

Mr. HILL. I announce that the Senator from North Carolina [Mr. BAILEY] is absent because of illness.

The Senator from Nevada [Mr. CARVILLE] is absent by leave of the Senate.

The Senator from Missouri [Mr. BRIGGS] and the Senator from Illinois [Mr. LUCAS] are detained on public business.

The Senator from New Mexico [Mr. HATCH] is absent on official business, having been appointed a member of the President's Evaluation Commission in connection with the test of atomic bombs on naval vessels at Bikini.

The Senator from Louisiana [Mr. ELLENDER] and the Senator from Maryland [Mr. TYDINGS] are absent on official business, having been appointed to the commission on the part of the Senate to participate in the Philippine independence ceremonies.

Mr. WHERRY. The Senator from Maine [Mr. BREWSTER], the Senator from Delaware [Mr. BUCK], the Senator from New Jersey [Mr. HAWKES], and the Senator from Kentucky [Mr. STANFILL] are necessarily absent.

The Senator from Vermont [Mr. AIKEN], the Senator from Illinois [Mr. BROOKS], the Senator from South Dakota [Mr. BUSHFIELD], the Senator from Indiana [Mr. CAPEHART], the Senator from Wyoming [Mr. ROBERTSON], and the Senator from New Hampshire [Mr. TOBEY] are absent by leave of the Senate.

The Senator from Nebraska [Mr. BUTLER] is absent on official business, being a member of the commission appointed to attend the Philippine independence ceremonies.

The Senator from Iowa [Mr. HICKENLOOPER] is absent by leave of the Senate on official business as a member of the Special Committee on Atomic Energy.

The Senator from Massachusetts [Mr. SALTONSTALL] is absent on official business, having been appointed a member of the President's Evaluation Commission in connection with the test of atomic bombs on naval vessels at Bikini.

The Senator from Iowa [Mr. WILSON] is absent on official business.

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

Mr. O'MAHONEY. Mr. President, I took the floor at the opening of the session in order to address the Senate upon what I regard to be one of the most important problems confronting the Congress at this time. The Senator from South Carolina was good enough to suggest the absence of a quorum in order that the largest possible number of Senators might be here to listen to what I have to say. I do not wish to dissipate the quorum by yielding, as is the custom, to a large number of Senators who desire only to put something in the RECORD or file some formal paper. I shall be most grateful if Senators will refrain from making such requests until I have at least laid down the premises of the discussion.

Mr. President, the Senator from Florida [Mr. PEPPER] indicated that he would like to have a conference report adopted. I know that is a matter of the utmost importance, and that it would be adopted in a jiffy, but I might lose the attendance of the Senator from Florida if I yielded to him at this moment, and I hope to keep him here.

DOMESTIC FLOCKS BEING LIQUIDATED

Mr. President, the domestic wool industry is in a desperate situation. There can be no doubt about it. During the past year and a half domestic flocks of sheep have been liquidated at such a rate that there has been a reduction of probably 25 percent of the numbers of sheep in the United States, and the annual production of wool has been reduced from 450,000,000 pounds, on the average, to scarcely more than 300,000,000 pounds during 1946, according to the estimates of the Department of Agriculture.

We are confronted with a situation which results directly from the war. The Committee on Agriculture and Forestry of the Senate and the Committee on Agriculture of the House of Representatives have both reported bills to their respective Chambers, the purpose of which is to stop the liquidation of the wool industry in the United States. But there is grave danger at this moment that these bills will not pass, and that Congress will adjourn without having acted in defense of this industry, in which there is a national interest.

IMPORTANCE OF INDUSTRY

In every State of the United States wool is produced. Farms in every State, East and West, North and South, produce sheep and market wool. But in 13 Western States, from the Mexican border to the Canadian border, the raising of sheep, lambs and wool constitutes one of the most important industries of the entire area. In these 13 different States, according to an economic review made by the Special Committee on Wool, sustained by the figures of the Department of Agriculture, the production of wool stands eighth in economic importance, among all the industries of that region. That is the average for all 13 States.

In Texas, in Idaho, and in California it ranks seventh in importance. When one considers the tremendous breadth of the economy of California and of Texas, one realizes how important raising wool is, when the cold statistics show that it stands seventh among all the industries of those two States. Mining in Idaho is of great importance; agricultural industries are important; yet in Idaho the raising of wool stands seventh in importance. In South Dakota and in New Mexico it stands fifth in importance. In Wyoming, Utah, Nevada, Montana, and Colorado, it stands third. This means that in all these States there is not a county which does not have on its tax rolls real property devoted to the raising of sheep, which does not depend upon tax returns from those ranches and from the wool industry as a most important element in maintaining community life. From the wool industry are derived taxes to support the schools, taxes to support the roads, taxes to support all public activities in these States. A most important portion of the revenue which is necessary to keep the public machine running is the product of the wool industry. Yet I say, Mr. President, that the wool industry now stands in mortal peril because of conditions that developed during the war.

DOMESTIC INDUSTRY IN WORLD PERIL

To show specifically how dangerous this condition is, I desire to call attention to some figures which were released a few days ago by the National Association of Wool Manufacturers. Mills in the United States during the first 4 months of 1946 consumed 213,800,000 pounds of apparel wool. This represents an increase of 14 percent over the amount of such wool used in the mills of the United States during the previous year. In other words, it is clear that the utilization of wool for the purpose of manufacturing clothing is increasing.

Contrasted with that increase in the use of wool for manufacturing cloth to

go into garments for men and women, there has been a tremendous decline in the utilization of domestic wool. During these first 4 months of 1946, January through April, only 26,200,000 pounds of domestic wool were used in the mills of the United States—26,200,000 pounds of wool out of 213,800,000 pounds. How significant that is will be realized when I point out the average annual consumption of domestic wool in the mills of the United States during the same 4 months, January through April, for the years 1935 to 1939, inclusive, was in excess of 67,000,000 pounds.

Mr. President, I am making an appeal to the sensibilities of the Members of the Senate, and also to their intellect, because I am dealing with a subject upon which the economy of a large segment of the United States is firmly founded. I say, Mr. President, that unless, before final adjournment, Congress acts on this question, the domestic wool industry will be in danger of complete liquidation, and at the same time the dependence of the United States upon imported wool from the British dominions will be made complete.

USE OF DOMESTIC WOOL DECREASING

Mr. President, I was calling attention to a matter of great importance to every wool-growing State that the consumption of wool in the United States has increased by about 14 percent, but the use of domestic wool is decreasing. I invite the attention of western Senators, particularly that of the Senator from Texas, whose State is vitally concerned and who on more than one occasion has exhibited his keen interest.

Mr. CONNALLY. I will say to the Senator that I am supporting his bill.

Mr. O'MAHONEY. I know the Senator is, and I want to strengthen him in that support.

During the first 4 months of each year from 1935 to 1939 inclusive, on the average there was consumed in the mills of the United States more than 67,000,000 pounds of domestic wool, whereas during the first 4 months of this year the consumption was only 26,200,000 pounds. This is a startling fact. No one can escape it; the Congress of the United States cannot escape it; the States which are dependent upon the wool industry cannot escape it; those who are engaged in raising sheep and in raising wool cannot escape it, and, unless the liquidation of our flocks is to be stopped, I do not know what will happen to the economy, particularly of these 13 great Western States.

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

Mr. O'MAHONEY. I yield.

Mr. MORSE. The Senator from Wyoming mentions the point concerning the liquidation of flocks. I am sure he would like to have in the RECORD at this point the fact that since 1943 the flocks of the West have been reduced by from 25 to 50 percent. I am informed by the sheep growers of my State that in the State of Oregon they have been reduced 40 percent. A great many factors have entered into that reduction. I shall not regale the Senate at this time with my observations on the sheep industry, as I have done in the past.

One of our problems has been the pricing policy on the part of the Government. It has worked great disadvantage to the sheep industry. It has resulted in tremendous loss on the part of the sheep industry, which ought at least to have the right to enjoy a fair profit on its investment. The wool policy of the administration has been very detrimental to the industry in the West.

I wish to commend the Senator from Wyoming for bringing to the attention of the Senate at this time this very important issue, because it is of vital importance to the economy of the entire country. We cannot do irreparable damage to a large segment of the agricultural industry without affecting labor, business, and consumers throughout the entire country. We should recognize the importance of this industry to our Nation-wide economy.

Mr. O'MAHONEY. I am very happy that the Senator from Oregon has made that comment, because I wish to enlist the support of every Member of this body in the effort I am about to make to force some action on the legislation affecting this subject before the Seventy-ninth Congress draws to a close.

IS WOOL GROWING AN UNECONOMIC INDUSTRY?

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

Mr. O'MAHONEY. I yield.

Mr. TAFT. It seems to me that the Senator is proposing an absolute change in the economic policy of the country and that his proposal is of the greatest importance. Such a change should not be undertaken without every possible consideration, and ample debate. I certainly am not prepared to debate the question. As I understand what the Senator proposes, in substance, is that since the tariff is not sufficiently high to protect the American wool industry, we must subsidize that industry at a cost to the Government of between $60,000,000 and $100,000,000 a year. Am I correct in that analysis of the proposal?

Mr. O'MAHONEY. I do not think it would involve that much. Of course, I did not really expect to find any support from the Senator from Ohio, because I have read the record of the hearings before the Committee on Banking and Currency, and I know that on the 7th of March, in a colloquy with Mr. Clayton, of the State Department, the Senator from Ohio referred to the wool-growing industry in the United States as an uneconomic industry. I remember the time when Members of the Senate condemned the Secretary of Agriculture, Mr. Wallace, because he was alleged to have referred to the sugar-beet industry as an uneconomic industry. I never dreamed that I should see the time when a man who is being mentioned in the public press as a possible nominee of the Republican Party for the Presidency would send a message to the woolgrowers of the West that their industry is uneconomic, and it ought to be wiped out. That is the conclusion to be drawn from the statement of the Senator before the Banking and Currency Committee.

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

Mr. O'MAHONEY. I yield.

Mr. TAFT. I neither made such a statement, nor can any such conclusion be drawn from whatever statement I made.

Mr. O'MAHONEY. I shall read from the record of the hearings.

Mr. TAFT. All I said was——

Mr. O'MAHONEY. The Senator will pardon me. I have the floor. I have the record of the hearings before the Banking and Currency Committee for March 7, 1946. The Senator from Utah [Mr. MURDOCK] addressed the following question to Mr. Clayton:

> I know that one of the big issues in the campaign that I am confronting this fall is my support of the reciprocal trade agreements. Now I hope it is not improper to ask you at this time, Can I expect the same zeal and vigor on the part of the State Department in protecting an industry such as the sheep and wool industry of the West as you people exert in behalf of other industries here in this country?

Whereupon the Senator from Ohio interposed:

> Well, Mr. Clayton, I just wonder if you are unwilling, because of political reasons, to eliminate as uneconomic an industry as the wool industry of the United States as compared to most other countries, how you are ever going to increase imports into the United States.

"Eliminate as uneconomic an industry as the wool industry." Those are the words of the Senator from Ohio.

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

Mr. O'MAHONEY. I yield.

Mr. TAFT. Mr. Clayton was advocating reciprocal trade agreements reducing the tariff. That was the policy, and I was criticizing that policy. I was saying to him, in effect, "Are you so inconsistent that, when you say that we must reduce all tariffs, you are going to turn around and give some special protection to the wool industry of the West?" So far as the uneconomic feature is concerned, what it means is that it costs a great deal more to produce wool in the United States than it does in Australia. So far as I am concerned, I am and always have been in favor of a tariff for wool sufficient to protect the American wool industry. I was only pointing out——

Mr. O'MAHONEY. Is the Senator willing now to take the only action that can be taken to defend the wool industry, or does he want me to carry the message to the wool growers of the West that he will not support this measure, as he just stated?

Mr. TAFT. I shall not support this measure.

Mr. O'MAHONEY. The Senator's record is complete.

Mr. TAFT. I shall not undertake, as a policy in substitution for a legitimate tariff policy to protect American industries which ought to be protected, the payment of millions of dollars out of the Treasury.

Mr. O'MAHONEY. I suggest——

Mr. TAFT. That is utterly inconsistent——

Mr. O'MAHONEY. Mr. President, I have the floor.

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

Mr O'MAHONEY. Yes; but not for the moment. I have the floor, and I desire to respond to what the Senator has just said. I say to the Senator that if that is his point of view, he had better go to work upon those Republican Senators who, when the Reciprocal Trade Agreements Act was before the Senate, supported it. There were 16 Republican votes in favor of the extension of the Reciprocal Trade Agreements Act. There were only 17 Republican votes against it.

So, Mr. President, when we talk about the tariff as the salvation of the wool industry, we want the wool growers of the West, who have been traditionally Republican, to know that 16 Republican United States Senators voted for reciprocal trade agreements, with all the danger of reducing tariffs, and that the great Senator from Ohio now stands upon the floor of the United States Senate and sends a message to the wool growers of the country that he is not in their camp.

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

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

Mr. O'MAHONEY. I yield to the Senator from Utah.

Mr. MURDOCK. It seems to me that inasmuch as the distinguished Senator from Wyoming has referred to the colloquy which took place in the Committee on Banking and Currency, in support of the position which he takes today, the remainder of the colloquy should be inserted in the RECORD.

Mr. O'MAHONEY. If the Senator has the colloquy, I shall be very glad to have it inserted in the RECORD at this point.

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

SENATOR TAFT AND THE WOOL GROWERS

(Excerpt taken from testimony given in the hearing before the Committee on Banking and Currency, United States Senate, on the subject of Anglo-American financial agreements, March 7, 1946)

Hon. Will Clayton, Assistant Secretary of State, testifying:

Senator MURDOCK (to Mr. Clayton). I know that one of the big issues in the campaign that I am confronting this fall is my support of the reciprocal trade agreements.

Now I hope it is not improper to ask you at this time, "Can I expect the same zeal and vigor on the part of the State Department in protecting an industry such as the sheep and wool industry of the West as you people exert in behalf of other industries here in this country?"

Senator TAFT. Well, Mr. Clayton, I just wonder, if you are unwilling because of political reasons to eliminate as uneconomic an industry as the wool industry of the United States as compared to most other countries, how you are ever going to increase imports into the United States.

Mr. CLAYTON. Well, Senator, I think I can——

Senator MURDOCK. Can I have an answer to my question, Mr. Secretary?

Mr. CLAYTON. Well, Senator——

Senator MURDOCK. Senator TAFT has a habit of making his questions so much more important than any others, but I would like to have an answer to mine.

Mr. CLAYTON. Senator MURDOCK, you stated an expectation that you had. Did you intend to ask me whether that expectation was justified?

Senator MURDOCK. I think you will have a whole lot to do with it, and I just want to give my people out West the assurance, so far as the wool industry is concerned, which is such a big thing out there in our western economy, that we are not going to be shut out of the picture. I just do not want to get into any kind of a situation here that would push the wool industry of the West out of the picture.

Mr. CLAYTON. Well, Senator, I am glad to state to you in that matter just what we have said to others that have brought up the same question with respect to other industries, and that is this: that we have not at any time taken, under the Trade Agreements Act, any action or done anything which would seriously endanger any essential American industry, and we do not intend to do so in the future; and not only is that a State Department and interdepartmental policy, but the President of the United States has assured Congress, in a letter which he wrote to Speaker RAYBURN at the time the Trade Agreements Act was up, that that would be the policy throughout his administration, that no action would be taken—I think the words were, "which would endanger any essential American industry."

Mr. MURDOCK. I should like to say to the Senator from Wyoming that I enlisted under his banner long ago in the campaign which he has made for the wool industry of this country. I believe that today every Senator from the States which the Senator has mentioned is willing to continue under that banner and stay here as long as is necessary to assure the passage of the Senator's bill.

Mr. O'MAHONEY. I thank the Senator.

PROGRAM CRITICALLY NECESSARY

Mr. MURDOCK. So far as I am concerned, I am willing to forego returning to my State at this time; I am willing to stay here just as long as the Senator from Wyoming thinks it is necessary for us to stay in order to have this measure passed.

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

Mr. O'MAHONEY. In a moment.

Mr. President, I wish to say to the Senator from Utah that I welcome very much the statement he has made. I know that throughout this fight for wool he has been a stalwart defender of this great industry of the West.

BRITISH COMPETITION

But there now lies upon the table, Mr. President, a resolution for final adjournment. When that resolution is presented, it will not be debatable. If it shall be adopted, and no action has been taken, opportunity for justice to the wool growers will have vanished. A wool bill is on the calendar of the Senate. It was objected to when the calendar was called on unanimous consent. A wool bill is on the calendar of the House of Representatives. It is very different from the bill which was recommended by the Senate Committee on Agriculture and Forestry. The House Committee on Agriculture realized the opposition which has developed. It has arisen principally from the Boston wool trade, which desires to continue what it calls the free purchase of wool, in spite of the fact that we are confronted with a British Government state monopoly which is devoting all its time and attention to the marketing of British wool in the United States, to the disadvantage of American wool. The reason why there has been a 14 percent increase in the use of foreign wool in the United States and a decrease from 67,000,000 to 26,200,000 pounds in the use of domestic wool is that during the war we permitted Great Britain to accumulate huge stock piles of wool here, and because we in the United States have not adopted a Government policy, as the British Government has, in defense of the wool growers.

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

Mr. O'MAHONEY. I yield.

Mr. TAFT. The Senator has referred to the Reciprocal Trade Agreements Act. There is nothing in that act, is there, which requires the Government to reduce the tariff on wool?

Mr. O'MAHONEY. Not at all. But under that act there never has been any action upon any tariff except by way of reduction. That is why, from the very moment the reciprocal trade agreements law was first promoted in this body, I have always insisted that such agreements should not become effective until they were acted upon by the Senate and the House of Representatives.

Mr. TAFT. Is it not also true that under the general tariff act the tariff on wool may be increased by the President, as well as decreased?

Mr. O'MAHONEY. Yes, of course. There is no doubt about that. But no trade agreement is now being negotiated with Great Britain and no tariff bill has been introduced in this Congress.

Oh, Mr. President, I am appealing to the intelligence of the Members of the Senate. We are not dealing with the conditions which existed in the United States before the war. We are dealing with the conditions which have arisen because of the fact that the whole world has been racked with turbulence. This is a period in which states and institutions have been falling. The great senior Senator from Texas [Mr. CONNALLY] and the great senior Senator from Michigan [Mr. VANDENBERG] have been patriotically spending their time abroad in the effort to restore order in this world. They know, as we all know, that the economic aspect of this disorder is one of its most important aspects. Are we, then, to adjourn this Congress, in the face of the action which has been taken by the British Government, and are we thus to do nothing for this segment of the agricultural industry of the United States, merely because the Boston wool trade, if you please, desires to return to the free sale and purchase of wool in the United States, although domestic wool constitutes scarcely 10 percent of all the wool that is being used in the United States? It would scarcely be a detriment of serious proportion to the Boston wool dealers, if they were to forego the whole business of dealing in domestic wool. But the bill which we brought before the Senate did not require them to

do so. The Commodity Credit Corporation has always worked through the dealers and under my bill would continue to do so. The Boston wool trade will lose nothing by the passage of this bill; but, Mr. President, their customers, the ranchers and the farmers from whom they have been buying wool, will suffer, because they cannot compete with the State monopoly of Great Britain which is pouring wool into the United States.

Mr. MEAD. Mr. President, will the Senator yield to me?

Mr. O'MAHONEY. I yield.

Mr. MEAD. I should like to say to my able colleague that within 15 minutes or less we shall be called upon to vote on a very important question, namely, the anti-poll-tax bill. I know that the able Senator said that he would not yield until he laid the ground work of his argument. I am wondering whether he has done that, and whether it will be possible for us to reserve approximately 10 minutes either before 1 o'clock or, by unanimous consent, after 1 o'clock, if we can obtain such unanimous consent now, so that we may say a word on the question of adoption of cloture, which, as the Senator from Wyoming knows, and all other Senators know, is a very important question, and the vote on it is a very important vote.

Mr. O'MAHONEY. Mr. President, I recognize the great importance of that issue, and I am disposed to accede to the request of the Senator from New York. I did not realize that it is almost 10 minutes of 1. I have been interrupted by numerous inquiries, and therefore, I have talked longer than I intended to talk.

But there are one or two further words which I desire to say before I take my seat, following which I shall resume the discussion later.

Mr. CONNALLY. Mr. President, will the Senator yield to me?

Mr. O'MAHONEY. I yield.

Mr. CONNALLY. In view of the fact that we had a long and eloquent discourse by the Senator from New York [Mr. MEAD] last night, I do not see why the Senator from Wyoming should yield again to permit another presentation of oratory by the Senator from New York.

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

Mr. O'MAHONEY. I yield.

Mr. MEAD. The Senator from Texas [Mr. CONNALLY], although generally not tempted to exaggerate, nevertheless has informed the Senate that the 5-minute talk which I made last night, when the Senate Chamber was practically empty——

Mr. O'MAHONEY. Mr. President, let me say to the Senator from New York that the more time he takes now, the less time there will be available to him after I take my seat.

Mr. MEAD. Very well; then I shall stop now. I know there are some Senators here who would like to prevent us from speaking; but the Senator from Wyoming is not one of them.

MINIMUM PROVISIONS PENDING

Mr. O'MAHONEY. I am sure the Senator recognizes that.

Mr. President, I should like to say that this bill has been reported by the House Committee on Agriculture in a form which is very different from that in which it was reported by the Senate Committee on Agriculture and Forestry. It has been reduced to a minimum. It will authorize the Commodity Credit Corporation to purchase the domestic supply of wool, as it has a right to do, under the Steagall Act, with respect to other agricultural commodities at 90 percent of parity, and then it will have the right to sell that wool in competition with the wool sent into the United States by the British state monopoly. With an improving economy, it is my belief that this will not result in a loss to the Commodity Credit Corporation. However, it will result in saving the domestic wool industry. I sincerely hope that the Senate and the House will not adjourn without doing that.

Let me say to the Senator that these are 4,000,000,000 pounds of British wool now overhanging the market; I am speaking of billions. Wool is grown in Australia, New Zealand, and South Africa. Those three great Commonwealths of the British Empire grow far more wool than they can consume. They can consume scarcely one-seventh of all the wool which they produce. The wool growers of the United States produce scarcely one-third of what the people of the United States consume. The British Government has now entered into an agreement with the three Commonwealths to which I have referred by which it has undertaken to market their wool. The United States of America is the greatest market in the world for wool as for all other commodities. So we are confronted with a British state monopoly endeavoring to dispose of its surplus wool in the United States, and the bills on the calendar would enable the Government of the United States to stand behind the domestic wool grower.

For weeks and months, as chairman of the Special Senate Committee To Investigate Production, Transportation, and Marketing of Wool, I conducted a study of the problem. Copies of the printed hearings have been sent into 30 States by request. Banks and universities are still asking for copies of those hearings because of the factual information which they contain.

Mr. President, I have before me the report of the committee and I shall insert it in the RECORD later.

The Commodity Credit Corporation, throughout the war, bought domestic wool because it was necessary to have wool, and necessary to maintain the flocks in order to sustain meat production. It was a high Government policy that the liquidation of the flocks should not be permitted to take place. Therefore, the Commodity Credit Corporation purchased wool and sold it. Now, with the British Government undertaking to defend the wool growers of the Dominions, I assert that we shall be treating the wool growers of the United States, and particularly those of the 13 Western States, with scant consideration and little concern if we allow the Seventy-ninth Congress to adjourn without taking proper action.

LEGISLATIVE SITUATION DESCRIBED

In the House there are Members who are lying in wait to interpose an objection to any unanimous-consent request to take up a bill. The great Representative from Utah [Mr. GRANGER], who is in charge of the bill on the floor of the House, has been standing by day after day since the bill was reported to the House, seeking to gain recognition so as to have the bill passed. If he obtains recognition the House will pass the bill. The majority of the Members of the House and the majority of the Members of the Senate want the bill to be passed. But, without unanimous consent, the Speaker, who supports the bill, may not recognize the Representative from Utah to move its passage.

Mr. President, the time will come when, if this bill is not passed, the responsibility will be placed where it belongs, and I intend to make every effort I can to point out what has been done and what has been omitted.

I ask unanimous consent that there be printed at this point in the RECORD as a part of my remarks the full text of Senate Document No. 140, which consists of a letter from the President of the United States addressed to me, the chairman of the Special Committee To Investigate Production, Transportation, and Marketing of Wool, together with a memorandum of the proposed wool program which was worked out by the executive branch of the Government, and which is the basis of the bill approved by the Senate Committee on Agriculture and Forestry. The document includes also a statement which I submitted to the President of the United States upon the basis of which he directed the executive departments to cooperate with me in the preparation of legislation.

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

AN EFFECTIVE WOOL PROGRAM

MARCH 12, 1946.

(The President has sent the following letter to the Honorable JOSEPH C. O'MAHONEY, United States Senator from Wyoming:)

MARCH 11, 1946.

DEAR SENATOR O'MAHONEY: On January 5, 1946, you sent me a memorandum on wool in accordance with a suggestion I had made to you at a conference on the subject. In your memorandum you suggested that I request the interested agencies of the Government to confer and to prepare a wool program. Such a program has now been prepared and is attached. It represents the considered views of the administration on the best methods for solving a serious and difficult problem.

Your committee will, of course, be able to call on the interested agencies for any desired assistance in your further studies of the wool situation or in drafting appropriate legislation.

I trust that the Congress will find that this proposed wool program constitutes a sound and adequate basis for constructive legislation.

In closing I wish to express my agreement with you that cooperation between the Executive and the Congress is essential to the establishment of an effective wool program.

Sincerely yours,

HARRY S. TRUMAN.

PROPOSED WOOL PROGRAM

At the present time there is a serious worldwide wool situation. The United States Government must develop and carry out a wool program that will adequately safeguard the interests of growers, merchants, and consumers. Such a program must also be consistent with our general foreign economic policy.

Abroad, the war stopped trade between the principal wool-producing countries of the Southern Hemisphere and the principal wool-consuming countries on the Continent of Europe and in Asia. This has resulted in the accumulation of large stocks of raw wool in foreign countries. The distribution of these accumulated stocks and of future clips will be retarded until transportation, coal mining, manufacturing, and international trade can be rehabilitated, despite the great consumer need for wool textiles and clothing. In view of these facts, the governments of Great Britain, Australia, New Zealand, and South Africa have formed an agency called the Inter-Governmental Joint Wool Organization for the twofold purpose of protecting prices to producers in empire countries and of disposing of the accumulated surplus of empire wool. It is said that this agency will be prepared to operate for a period of 10 years, or longer if necessary, to complete the liquidation of these stocks. While the Joint Wool Organization is in operation it is understood that wool produced in these countries will be sold to the established trade in the normal manner as long as prices equal or exceed the stabilization levels established by the organization. When the wool cannot be sold to the trade at such prices it will be purchased by the organization at the stabilization prices. It is to the advantage of wool growers in the United States to have wool prices stabilized in the major producing countries abroad. Our growers are somewhat apprehensive, however, lest the desire of the Joint Wool Organization to speed liquidation might result in undue pressure to sell in the United States.

Domestically, sheep numbers have been reduced 25 percent in the past 4 years. This reduction has resulted from higher production costs, difficulties in obtaining labor, and the fact that many sheep raisers have found prices of some other farm products to be at more renumerative levels. To alleviate the situation confronting growers, the Commodity Credit Corporation has been purchasing domestic wool at ceiling prices since April 1943. However, foreign wool is being sold duty paid in the United States at prices materially below those at which the Corporation is buying from domestic producers. Accordingly, our mills have turned largely to imported wool, and although our consumption in recent years has been the largest in history, the CCC has accumulated stocks in excess of 1 year's domestic production. Since November the Corporation has been selling wool at a loss as a means of moving it into consumption in competition with imported wool.

There is general agreement that this Government must protect the incomes of wool growers on a level comparable with that afforded producers of other agricultural products. The Senate Special Committee to Investigate Production, Transportation, and Marketing of Wool during its comprehensive hearings received several alternative proposals for dealing with the wool problem. Basically, the major proposals fall into two groups—those under which the prices of foreign wool in the United States may be raised, either through higher tariffs, import fees, or import quotas, and those under which the selling prices of domestic wool would be lowered sufficiently to make domestic wool competitive with duty-paid imported wool. Some plans were also suggested which would have the effect of spreading the premium paid for domestic wool over the cost of all wool used in the United States so as to make the cost of all wool to domestic mills approximate an average between the support price paid growers for domestic wool and the duty-paid price of imported wool.

From a careful review of the entire problem it appears that it will be more desirable from a national point of view and more dependable for growers to have the Government absorb losses on sales of domestic wool rather than to raise additional trade barriers against imports. This would involve a program essentially similar to that now being carried out by the Commodity Credit Corporation but on a more permanent basis and with adequate guides to determine the amount of protection to be given growers. When the postwar wool situation becomes better clarified, it may become desirable to change the method of operation from a purchase program so as to remove the Government, insofar as possible, from participation in the wool business. In developing such program it should be kept in mind that the domestic sheep-raising industry has been experiencing a major decline in sheep numbers and therefore care should be exercised not to take action which would place additional handicaps on the industry so long as this decline continues. It would also be advisable to provide for more adequate research and development work on wool marketing and utilization and to make it possible for the industry to utilize marketing agreements and orders if that should become necessary in dealing with the wool situation in the future.

Specifically, in view of the large-scale decline of sheep numbers in the United States during recent years, the large wool surpluses now hanging over foreign and domestic markets, and the present and prospective marketing problems confronting wool growers, it would seem desirable for Congress to enact special wool legislation. Such legislation should provide that—

1. The parity price of wool be revised or established at the so-called "comparable" level so that wool parity prices will be on a level equivalent to perity prices for other farm products.

2. The Commodity Credit Corporation support incomes to wool producers through purchases, loans, or payments, at the same minimum percentage of the revised parity prices as it is directed to support prices to producers of basic agricultural commodities. This level will be not less than 90 percent of the revised parity prices until the expiration of the 2-year period beginning with the 1st day of January immediately following the date upon which the President by proclamation, or the Congress by concurrent resolutions, declares that hostilities in the pesent war have terminated.

Because of the continuing decline in sheep numbers, it should be provided (a) that no reduction shall be made in the general level of support prices from the level at which the Commodity Credit Corporation has agreed to purchase 1946 wool until the year in which the number of sheep kept for breeding purposes on January 1 first stops the decline which has been in effect continuously since 1942, except (1) that specific reductions can be made to equalize the support given on various types and qualities of wool and (2) that additional discounts could be established to reflect market values of off-quality, inferior, and poorly prepared wool and to discourage unsound marketing practices; and (b) that the reduction for any one year shall not exceed 8 percent of the average support price for the previous year.

The legislation should authorize the Commodity Credit Corporation to elect to make payments to producers in lieu of making purchases or loans. In the event of such election, such payments should equal the amount, if any, by which the United States average farm price falls below the estimated average price per pound at which the Corporation would have supported prices under a purchase or loan program.

3. The Commodity Credit Corporation be authorized to continue to sell wool at prices competitive with imported foreign wool, irrespective of other provisions of law, since existing legislation would prohibit any sales at prices below parity.

4. Funds from the gross receipts from duties collected under the customs laws during the period January 1 to December 31, both inclusive, of each calendar year be appropriated and made available to the Commodity Credit Corporation as of each following June 30, in sufficient amount to equal the losses incurred by the Corporation under purchase or loan operations, or the amount of payments made to wool producers in lieu of such purchase or loan operations, for the fiscal year ending on the respective June 30.

5. Marketing agreement and order programs under the Marketing Agreement Act of 1937, as amended, be made applicable to wool on the basis of the comparable, or revised parity, price.

6. A research and developmental program be provided for the purpose of improving the quality of domestic wool and wool-marketing practices and the processing and utilization of wool.

In addition to such legislative program, it would seem desirable to have the executive agencies undertake the development of an international wool agreement in collaboration with the various interested foreign governments to provide for coordinated action and more unified supervision of world wool-marketing and price policies from the standpoints of producers, consumers, and international trade. I am asking the executive agencies to determine the willingness of foreign governments to participate in such undertaking. In the meantime, it is hoped that consultations can be held with foreign wool agencies which will provide for a mutual understanding of objectives and activities in selling policies.

The above program will, in my opinion, afford domestic wool growers the protection and assistance to which they are properly entitled under this country's general trade and agricultural policies. The program will tend to encourage wool consumption in the United States and will be consistent with our general foreign economic policy. In accordance with the views you have so frequently expressed, this country also should cooperate with foreign producing and consuming countries in efforts to encourage wool consumption abroad.

STATEMENT OF SENATOR O'MAHONEY TO PRESIDENT TRUMAN ON WOOL PROBLEM

(The following statement was filed with President Truman on January 5, 1946, by Senator JOSEPH C. O'MAHONEY, chairman, Special Committee to Investigate Production, Transportation, and Marketing of Wool, urging Executive cooperation with the Senate Special Wool Committee to frame long-term Government policy on domestic wool:)

The four Governments of the United Kingdom and of the three Dominions, Australia, New Zealand, and South Africa, have formed a joint organization to hold and market the huge British stocks of surplus wool which overhang the world market. As much as 85 percent of the total world supply of wool, now estimated at more than 4,000,000,000 pounds, for more than a decade to come will be controlled and handled by this state-managed monopoly.

The United States is the world's greatest market for wool and woolen products, but it

produces less wool than it consumes, whereas the British Dominions produce far more wool than they can consume.

The British Government not only undertakes to protect its Dominion wool producers from loss by marketing their wool for them in the United States, but it also encourages the production of wool in the British Isles by a system of bounty payments to the English wool grower.

The British also pursue a policy the objective of which is to increase the exports of woolen fabrics into the United States. In order to bring this about the British Government is seeking to restrain the consumption of woolen goods in the United Kingdom. Contrasted with this clear-cut policy intended to make the growing of wool and the manufacture of woolen fabrics a profitable enterprise for the inhabitants of England and of the British Dominions, the Government of the United States has no consistent policy with respect to its own wool growers.

The Commodity Credit Corporation has purchased the domestic clip during the war, but only on a year-to-year basis and without any assurance to the growers that the program would be continued even during the reconversion period. These purchases were made because it was recognized by the Commodity Credit Corporation that unless the Government purchased the domestic clip the liquidation of domestic flocks, which now number 20 percent less than they did in 1942, would be accelerated with a consequent serious decrease in the supply of lamb and mutton. Meanwhile, the United States Forest Service in the Department of Agriculture and the Grazing Service in the Department of the Interior have been deterred only by congressional pressure from increasing grazing fees on Government-owned lands. The Office of Price Administration has held down ceiling prices on wool in the face of increasing costs of production, while the handling of lamb prices and lamb subsidies has been both uncertain and unrealistic.

The American wool grower, therefore, faces the postwar period with a much higher level of production costs than in the British Dominions and with a price structure both on wool and on meat that does not reflect these costs, with a tremendous world surplus of wool under British state management competing with him for the domestic market, and without any reason to believe that his own Government has any real understanding of or concern for his predicament. On the contrary, he has good reason to believe that his Government will not only make a large loan to Great Britain but may even follow that loan by granting additional tariff concessions on British wool and woolen imports.

In these circumstances, the domestic wool industry is declining. Indeed, so many growers have abandoned the business that in 1946 the United States will, it is estimated, produce scarcely more than 300,000,000 pounds of wool, as compared with a normal prewar production of 450,000,000 pounds. Yet wool is an essential commodity, and both the Army and the Navy call it a strategic necessity. It was so important to have wool in the United States that at the outbreak of World War II the British Government sought and obtained from this Government the right to establish a British stock pile here. Of this stock pile there now remains 286,000,000 pounds.

It is clear that unless the Government of the United States adopts a constructive long-term policy the very existence of the wool-growing industry in this country will be threatened. Further liquidation of domestic flocks will be injurious to the economy of many parts of the United States, particulary to the area in the West stretching from Mexico to Canada.

At the November hearings of the Senate Committee on Wool, several remedies were suggested, but it was clear that there was no agreement among the executive departments of the Government.

The State Department suggested the payment of subsidies to domestic producers. The Department of Agriculture declared its opposition to subsidies upon the ground that it is the policy of the administration to abandon all subsidy programs.

Upward revision of the tariff was suggested by some growers and some manufacturers, but this remedy was opposed by the State Department on the ground that it is not in harmony with the over-all policy of reducing trade barriers.

The imposition of import quotas was also opposed as contrary to basic policy and difficult of administration. Moreover, there is no agreement among American growers and American manufacturers with respect to this suggestion.

Another suggestion, which originated with Dean J. A. Hill of the University of Wyoming, and which was presented in different forms, would make the United States Government the sole purchaser of wool to be used in the United States, both foreign and domestic, and would give it the power to market the wools. This plan was criticized on the ground that it would institute a form of state-managed economy. It was defended on the ground that domestic wool can be marketed only in competition with a state-managed economy.

Another remedy was suggested by the National Wool Marketing Corporation. Under this plan the Commodity Credit Corporation would continue to purchase the domestic clip for a period as long as the United Kingdom continues to manage the handling and sale of British wool. Domestic wool would be purchased by the Commodity Credit Corporation at prices which reflect the domestic cost of production plus a reasonable profit. It would, however, sell to American manufacturers through normal trade channels at competitive prices. This would entail a loss to the Commodity Credit Corporation, which, it was proposed, could be reimbursed from tariff duties.

Failure upon the part of the Government of the United States to meet the world situation created by the world surplus and the British monopoly plan means disaster to so large a segment of our domestic economy that it is imperative for the United States to adopt a long-term policy. Representatives of all of the Government agencies having anything to do with wool or lamb responded promptly to the request of the committee to discuss the problem at its public hearings. Discussion, however, is not enough. It is essential that we should have a program. An effective program can be obtained only by cooperation between the Executive and the Congress. I, therefore, respectfully suggest that you request the Department of State, the Department of Agriculture, the Department of Commerce, the Department of the Interior, the Office of War Mobilization and Reorganization, the Office of Price Administration, the Reconstruction Finance Corporation, the United States Tariff Commission, and the Federal Trade Commission to confer during the recess of Congress and be prepared to submit to the Wool Committee a joint plan to meet what every Government agency acknowledges to be a desperate situation.

PRESIDENT TRUMAN SUPPORTS LEGISLATION

Mr. O'MAHONEY. Mr. President, the President of the United States supports the bill. A majority of the Members of the House supports it, and a majority of the Members of the Senate supports it. Because we have undertaken to cut away the power of the Commodity Credit Corporation to come to the assistance of the industries which are suffering from the postwar dislocation, and because we have been eliminating subsidies and payments of this kind, we are crippling the power of the Executive to act, so if Congress fails now we shall be condemning the wool industry.

Mr. President, at a later time I shall speak again upon this subject.

(At this point Mr. O'MAHONEY yielded to Mr. MEAD to discuss House bill 7, the anti-poll-tax bill, following which, the hour of 1 o'clock having arrived, the vote was taken on the motion to close debate on House bill 7.)

Mr. O'MAHONEY. Mr. President, I desire to ask unanimous consent to insert in the RECORD, in connection with the remarks I made earlier in the day with respect to the wool problem, a copy of the bill which was reported by the Committee on Agriculture of the House of Representatives, without printing the material that was stricken out, because I think that is not necessary. My request, therefore, is that there shall be printed in the RECORD the enacting clause, line 3 of H. R. 6043, and then the material which begins with section 2 on page 9.

The PRESIDING OFFICER. Is there objection?

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

Be it enacted, etc., That this act may be cited as the "Wool Act of 1946."

SEC. 2. (a) Beginning with wool produced in 1947, Commodity Credit Corporation is directed, through loans, purchases, or other operations, to so use the funds available to it as to support, during the period beginning January 1, 1947, and expiring 2 years after the 1st day of January immediately following the date upon which the President by proclamation or the Congress by concurrent resolution declares that hostilities in the present war have terminated, a price to producers of wool in the continental United States and Territories of not less than 90 percent of the comparable price for wool as of January of the year in which the wool is produced.

(b) Notwithstanding any other provisions hereof, the Commodity Credit Corporation may adjust support prices for individual grades and qualities of wool for the purpose of bringing about a fair and equitable relationship in the support prices for the various grades and qualities of wool; may make discounts from support prices for off-quality, inferior-grade, or poorly prepared wool; and may make discounts from support prices for the purpose of discouraging unsound marketing practices.

SEC. 3. The Secretary of Agriculture shall establish a comparable price for wool and a comparable price for lambs, respectively, and the comparable price so established shall be used for the purposes of all laws in which a parity or comparable price is established or used. The comparable price for wool and the comparable price for lambs, respectively, shall be that price which bears the same relation to the average parity prices of the basic agricultural commodities, cotton, corn, wheat, rice, tobacco, and peanuts as the actual price for wool or lambs, as the case may be, bore to the actual average prices of such basic commodities during the period August 1934 to July 1939. Such comparable price for wool

or lambs may be adjusted for grade, quality, season, and location.

SEC. 4. The provisions of sections 385, 386, and 388 of the Agricultural Adjustment Act of 1938, as amended, shall be applicable to operations carried out pursuant to section 2 hereof.

SEC. 5. The Commodity Credit Corporation may, without regard to restrictions imposed upon it by any law, dispose of wool at prices which will permit such wool to be sold in competition with imported wool.

Mr. WALSH. Mr. President, I ask unanimous consent that the minority views filed by me in connection with the special wool investigating committee be inserted in the RECORD following the matter inserted by the Senator from Wyoming.

The PRESIDING OFFICER. The Chair could not hear the request of the Senator from Massachusetts.

Mr. O'MAHONEY. Mr. President, the Senator from Massachusetts merely requested that at the conclusion of my remarks, and of the material which I am putting into the RECORD, there shall be inserted the minority views filed by the Senator from Massachusetts in connection with the report of special wool committee. Of course, I have no objection.

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

(See exhibit 1.)

ASPECTS OF BRITISH PROGRAM

Mr. O'MAHONEY. Mr. President, during the course of my remarks I pointed out that the British Government had adopted a specific program for the protection of the Dominion's wool industry. I should like to insert in the RECORD at this point, merely by reading, one or two of the essential portions of the report which was filed by the British Government.

I read from page 1485 of the hearings of the Special Committee on Wool:

The stock of dominion-grown wool in the ownership of the United Kingdom Government at July 31, 1945, will be transferred to the joint ownership of the United Kingdom Government and the Dominion Government concerned, and all wool subsequently acquired under this scheme will be held in joint ownership. This wool will be held and disposed of by the joint organization referred to below.

2. A joint disposals organization will be set up forthwith for the purpose of—

And I ask Senators to listen to this very significant statement of the policy of the British Government—

A joint disposals organization will be set up forthwith for the purpose of buying, holding, and selling wool on behalf of the United Kingdom and the Dominion Governments concerned. As part of the plan, it will be required—

(a) To determine total quantities of wool to be offered from time to time concurrently in the Dominions and elsewhere—

"Elsewhere" includes the United States, of course —

To be made up of all new clip wool and an appropriate proportion of wool from the organization's stock.

(b) To prepare schedules of reserve prices at which the organization itself will be willing to acquire wool.

(c) To lift from the market such quantities of new wool as cannot be sold at these reserve prices.

(d) To hold and dispose of stocks as the agent of the Governments concerned and where necessary to acquire and own stores, plant, and equipment for this purpose.

(e) To facilitate the sale of wool in every way possible with a view to stimulating demand.

It is clear, Mr. President, from this paragraph that the Government of Great Britain has entered upon a broad program of conserving the wool of the British dominions and of marketing it wherever it may throughout the world, including the United States. Their eyes are turned upon the United States. This is demonstrated by the fact—and now I quote also from this British plan, page 1478 of the Senate hearings:

The estimate made by the U. S. A. Tariff Commission of postwar consumption is 25 percent more than prewar, viz: 750,000,000 pounds (greasy) of wool from all sources including domestic production, which would necessitate annual importation of some 300,000,000 pounds of Dominions and other wool.

Here we have the evidence from the British Government itself of the fact that it is depending upon the market of the United States in which to dispose of a large proportion of the wool. When this statement was prepared by the British Government, the estimate was for the importation of 300,000,000 pounds in a year. The figures which I have already read to the Senate at the opening of my remarks today show that the mills of the United States from January through April of this year have already used 213,000,000 pounds of wool, of which only 26,200,000 pounds are domestic wool.

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

Mr. O'MAHONEY. I yield.

Mr. GEORGE. May I ask the Senator from Wyoming when this agreement in respect to British wool was made?

Mr. O'MAHONEY. The date of the plan contained in hearings is May 29, 1945. It was some time after that that the actual action was taken.

Mr. GEORGE. But surely they have abandoned that plan, have they not, now that we have made the British loan for the purpose of encouraging and developing trade?

Mr. O'MAHONEY. The Senator might naturally assume that, but it is not so. The British Government is serving the interest of the British wool producer.

THIRTEEN YEARS' SUPPLY OF BRITISH WOOL

The importance of this matter to the domestic wool industry is emphasized by this estimate which I read from the British report of the time that will be required to dispose of the huge British surplus. After reviewing the program, the report says on page 1479 of the Senate hearings:

If this aim is achieved the period required to dispose of existing stocks alongside new clips, at the estimated rate of future production, would be on the average 13 years from June 30, 1945.

Here is the record: There are overhanging the market 4,000,000,000 pounds of British wool which the British Government estimated it would take 13 years to dispose of. The British Government is fostering a plan to sell a large proportion of that wool annually in the United States, and the Senate and the House of Representatives are allowing themselves to be bogged down in the closing days of the Congress, refusing to take action to defend the wool growers of America. These are the facts, Mr. President.

I say that unless the Senate and the House act before this Congress is adjourned, wool growing in the United States will suffer irreparable damage. We cannot expect the wool growers of the United States unaided and alone to fight the British state monopoly. Oh, Mr. President, it is a matter of common sense. Let us come to the aid of this industry, which is such an important segment of the economy of the whole United States, and particularly of the 13 Western States from Texas to the Canadian border. If Congress fails, the wool growers will be dependent on the Executive alone.

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

Mr. O'MAHONEY. I yield.

Mr. SMITH. The Senator not long ago raised the point that 16 Republicans voted for the Reciprocal Trade Agreements Act, and seemed to imply from that that we are under some criticism, perhaps, for our attitude.

Mr. O'MAHONEY. Mr. President, I do not criticize any Senator for his vote, and never have; but I mention the Republican support of the Reciprocal Trade Act because I say that fact is a complete answer to the argument which is being made to the wool growers that the solution of their problem is not to be found in the program which the committee offers, but is to be found in the raising of the tariff. Now I say two things: First, there is no tariff bill pending; and second, it has been the decision of the Congress over and over again to delegate away from the Congress the power to write tariffs; and 16 Republican United States Senators voted that way. I pointed out to the Committee on Agriculture and Forestry that the last Republican candidate for the Presidency, Governor Dewey, of New York, speaking in my State in his campaign in 1944, said there that it was a Republican policy to initiate reciprocal trade agreements. He took credit for it.

Mr. SMITH. Mr. President, will the Senator yield so I may make my position clear?

Mr. O'MAHONEY. I gladly yield to the Senator from New Jersey.

Mr. SMITH. I was one of those who voted for the Reciprocal Trade Agreements Act, and I did so because I thought it was a better way to determine our trade policy. I have been in touch with Mr. Clayton, and I understand from him that there is to be held a conference with the British this fall on this very subject. I challenge the State Department to protect our wool industry for that very reason. That is why we have reciprocal

trade agreements. We are not abandoning our policy of protection for our industries by voting for reciprocal trade agreements. We are simply adopting a method which we think is more effective than the old method of fixing tariffs in Congress. I do not yield to anyone who says that we are not protecting our industries, and cannot do so.

RECIPROCAL TRADE AGREEMENT POLICY

Mr. O'MAHONEY. When the Senator cast that vote he cast it with the knowledge that in all the reciprocal trade agreements which had been negotiated there was not one increase in a tariff rate. He cast that vote in the knowledge that the policy of reciprocal trade agreements has been carried out for the purpose of reducing and not increasing tariffs.

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

Mr. O'MAHONEY. Let me add another word.

Mr. SMITH. I should like to make my position entirely clear.

Mr. O'MAHONEY. The Senator will have his time.

It is of the utmost importance to bear in mind the fact that not only have there been no increases in tariffs but in addition there never has been any indication that an increased tariff could be secured, nor has one been proposed.

Mr. SMITH. I should like very much to make my position entirely clear.

Mr. O'MAHONEY. Of course, the Senator should.

Mr. SMITH. I voted for the Reciprocal Trade Agreements Act because I felt that it was moving toward international collaboration in postwar world trade. I still believe that it is the right way to deal with the whole tariff question. There was no assurance that there would never be another increase. The law itself permits increases when increases are desirable.

Mr. O'MAHONEY. There is no doubt about it.

Mr. SMITH. The State Department has the responsibility of protecting our industries.

Mr. O'MAHONEY. I appreciate the deep sincerity of the Senator from New Jersey. I respect the opinion which he holds. I myself believe that it would facilitate world trade to have the executive department negotiate these agreements. I have no objection to that. But what I have seriously objected to is the delegation away from Congress of the right to approve such agreements. Every time the Reciprocal Trade Agreements Act was presented on this floor, from the time it was first presented, and every time an extension has been asked, I have urged that before the agreements become effective they should be filed with the Congress of the United States, so that the Senator from New Jersey, the Senator from Wyoming, the Senator from Oregon, and Senators from every other State in the Union may know, on behalf of their people, what is being done. But when the Senate of the United States voted down the amendment which I offered to make these agreements effective only upon approval by the Congress, the Senate voted to delegate away the constitutional power which the Congress has to levy tariffs. So as I see it, as a matter of plain ordinary common sense, it is idle to try to encourage any distressed industry in the United States by saying that reciprocal-trade agreements, negotiated by the executive department, constitute a very scientific method of handling international trade. What the wool industry needs is aid now. Congress has surrendered its power to fix tariffs, and in these circumstances there is no practical method of aiding the wool growers except through the method that I have suggested.

Mr. SMITH. That is a debatable question. I grant that.

My understanding with the State Department has been distinctly that no question will be taken up affecting any industry in my State—and we have a textile industry which involves the very question the Senator is discussing—without our having a full hearing and an opportunity to present our case. I propose to protect those industries on the floor of this Senate if necessary.

Mr. O'MAHONEY. I am very happy to have the Senator say so. That prompts me to add that from 1934 up to this hour I have taken the position with the State Department that the tariff on wool should not be reduced; and I am glad to be able to say that to this moment it has not been reduced. But I am not a prophet. I do not know what will happen next year or the year after.

Mr. SMITH. I understand the Senator's position to be that because he feels that it may be reduced, he thinks the Government ought to subsidize the industry to keep it alive. Is that the position which he takes? I wish to understand the Senator's position clearly.

Mr. O'MAHONEY. If the Senator regards it as a subsidy, I shall accept that designation. I say that the Government of the United States should be authorized to continue the program which it carried on during the war, of buying the domestic clip at or near the parity price, so that the industry may be protected from the huge accumulation of foreign wool which we are teaching the mills of the United States to use, to our detriment. We allowed great accumulations of British wools to be piled up in the United States because German submarines and the Japanese Navy were threatening the Australian, South African, and New Zealand sources of wool for Great Britain. We made that concession in the interest of preserving the principle of free government in this world against Hitler and Mussolini, and those great accumulations were piled up. American mills are now using more and more foreign wool, to the detriment of the American wool producer.

I should like to be able to enlist the support of the Senator from New Jersey for the program which I have sponsored. There is no danger that it will injure free enterprise; it will not. It will preserve the free enterprise of the sheep growers of the West and of other areas of the United States. It will give them an opportunity to meet the great dangers of the postwar world. It will make it possible for them to rely to a certain limited extent upon their government, while the producers of Australia, New Zealand, and South Africa are relying upon the government of Great Britain to market their product.

Let me add that I am given to understand—I cannot say this upon final authority because I have not had the opportunity to investigate—that the British Government is trying to stimulate the production of wool in England itself, in spite of the fact that there is an accumulation of 4,000,000,000 pounds of wool.

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

Mr. O'MAHONEY. I yield.

Mr. SMITH. Will the distinguished Senator agree with me that it is distinctly the responsibility of the Executive through the State Department in negotiating trade agreements to protect our American industrial position?

Mr. O'MAHONEY. Of course. I have said so over and over again. I have appeared before the Committee on Finance to make that statement. There has never been a time when I denied it. I believe that the executive branch of the Federal Government should not barter away any industry. However, in the case before us the President of the United States has formally sponsored the measure which was submitted to the Committee on Agriculture and Forestry. That measure has been whittled down until now, upon the calendar of the House, it is but a shell of its former self, and merely means a continuation of the program which was carried on by Executive action during the war. There is certainly serious danger that it may not be continued without legislation because in our passion to cut down subsidies we are depriving Government agencies of the power to come to the financial aid of American industries which are in distress.

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

Mr. O'MAHONEY. I yield to the Senator from West Virginia.

Mr. REVERCOMB. As a preface to a question which I wish to ask the able Senator from Wyoming, let me say that I am one of those Senators who voted against the Reciprocal Trade Agreements Act, and its extension. I spoke at length on the floor against it. I did so because I saw the very question which is being discussed here arising not only as to wool, but as to many other articles produced or manufactured in this country.

Mr. O'MAHONEY. The Senator and I were in accord on that point.

Mr. REVERCOMB. The question will arise time after time when the industry and the workers of this country are brought into competition with the production of other countries. Time after time the able Senator has made reference to the fact that 16 Republican Senators supported the Reciprocal Trade Agreements Act, and 17 voted against it. I was one of the 17 who voted against it.

Mr. O'MAHONEY. That is correct.

Mr. REVERCOMB. How many Democratic Senators voted for the Reciprocal Trade Agreements Act?

Mr. O'MAHONEY. O Mr. President——

Mr. REVERCOMB. Will the Senator answer the question?

Mr. O'MAHONEY. Of course, the Democratic administration is responsible for the Reciprocal Trade Agreements Act. I do not deny that.

Mr. REVERCOMB. How many Democratic Senators voted for it?

Mr. O'MAHONEY. I do not know. I presume a majority.

Mr. REVERCOMB. More than 16 Democratic Senators voted for it.

Mr. O'MAHONEY. Of course; and probably a larger proportion of Democratic Senators voted for it than was the case among the Republicans. That is not the point. I mentioned those facts not to criticize any Senator, not to criticize the Republican Party, but merely to point out that the wool growers of the United States cannot depend upon tariffs for relief. Here they are liquidating. What are we going to do about it? That is the question.

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

Mr. O'MAHONEY. Certainly.

Mr. REVERCOMB. The Senator made the point, time after time, about the partisan vote on that question. So I think the RECORD should be entirely clear in regard to that matter. I believe that the Senator from Wyoming now admits that more Democratic Senators than Republican Senators voted for the extension of the Reciprocal Trade Agreements Act, and voted for the proposition to prevent the Senate from voting on those agreements.

Mr. O'MAHONEY. Yes. And Governor Dewey, in his campaign for the Presidency on the Republican ticket stated that it was a virtue that the Reciprocal Trade Agreements Act was passed, and he said it was a Republican policy.

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

Mr. O'MAHONEY. I yield.

Mr. REVERCOMB. And the Senator also knows that the President of the United States not only said that the plan was his plan, but he came to the Senate with that plan, and it was supported by his party, Is not that correct?

Mr. O'MAHONEY. Certainly that is correct. I have never denied it. The only thing that is worth noting about this matter, I say to the Senator from West Virginia, is that he and I were outvoted, and Republicans and Democrats alike declared it to be the policy of the Congress to delegate away the congressional power to fix tariff rates. This Congress declared for reciprocal agreements. That is the law.

We may like it or not. The Senator from West Virginia and I do not like it. But here it is. It is the fact that is staring us in the face. We must accommodate ourselves to the facts.

So when anyone says to me, "The proper way to save this industry which is now perishing is to increase the tariff," I say that is merely talking in illusory terms because Democrats and Republicans have voted to give up the tariff-making power of Congress.

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

Mr. O'MAHONEY. I yield.

Mr. REVERCOMB. But when we come down to the question of votes and the question of who voted for what, inasmuch as the point has been brought up by the able Senator, we must conclude that more members of his party voted for the situation in which we find ourselves now, than did Senators on this side of the aisle. Is not that correct?

Mr. O'MAHONEY. Yes, of course it is correct. But that is not the point. The point is that having given away our power over the tariff, we must use the means at hand to defend the industries of our States. I have offered the bill to defend the domestic wool industry and it has been endorsed by woolgrowers everywhere.

Mr. President, I ask to have printed at this point in the RECORD, as a part of my remarks, the report which I filed to accompany Senate bill 2033, on behalf of the majority of the Special Committee for the Investigation of the Production, Transportation, and Marketing of Wool.

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

PROVIDING SUPPORT FOR WOOL, AMENDING THE AGRICULTURAL MARKETING AGREEMENT ACT OF 1937, AND PROVIDING FOR WOOL STANDARDS, AND FOR OTHER PURPOSES

The Special Committee for Investigation of the Production, Transportation, and Marketing of Wool, to whom was referred for preliminary report the bill (S. 2033) to provide support for wool, to amend the Agricultural Marketing Agreement Act of 1937 by including wool as a commodity to which orders under such act are applicable, to authorize the Secretary of Agriculture to fix wool standards, and for other purposes, have considered the same and report favorably thereon with amendments and recommend that the bill do pass.

This measure is an outgrowth of an intensive study of the problems of producing, transporting, and marketing wool conducted by this committee under the instruction of the Senate as contained in Senate Resolution 160, Seventy-fourth Congress; Senate Resolution 12 of the Seventy-eighth Congress; and Senate Resolution 58 of the Seventy-ninth Congress. The proceedings of this committee have developed the following facts with respect to the domestic wool industry:

1. Wool is a highly essential commodity of which the United States produces considerably less than it consumes.

2. The world supply of wool exceeding 4,000,000,000 pounds cannot be consumed, according to the best estimates, in less than 10 or 12 years.

3. Most of this world surplus of wool being the product of the British Dominions, Australia, New Zealand, and South Africa, is being handled by the British Government in cooperation with the three Dominions.

4. The United States is the world's greatest market for wool and, since the British Dominions consume only a fraction of the amount they produce, the natural objective of British Government policy is to sell British wool in the United States in the largest possible amounts.

5. Production costs in the United States are much higher than the production costs in other wool-producing areas.

6. The domestic wool industry has been declining to such an extent that sheep numbers in the United States during the past 4 years have been reduced by approximately 25 percent.

7. During the war in order to prevent the complete liquidation of the domestic industry and thereby cut off domestic supplies of wool and of lamb, the Commodity Credit Corporation, under congressional authorization, has been purchasing the entire domestic production, but only on a year-to-year basis.

In these circumstances a long-term Government program designed to support the wool industry has been regarded as essential. Wool growers normally have depended upon the tariff to equalize the costs of production at home and abroad. The present tariff, however, is not sufficient to cover that gap. No tariff legislation is under consideration by Congress and there is no present prospect of any remedy by this route. This special committee has explored every avenue of relief. Its chairman, following the thoroughgoing hearings held during November and December at which every branch of the industry was given opportunity to testify, as well as representatives of all Government departments having any function with respect to wool, requested the President of the United States to direct the Government agencies to cooperate with the committee in devising an effective and constructive wool program. The bill, S. 2033, was the result of the conferences directed by the President in response to this request.

This bill was drawn upon the basis of a memorandum transmitted to the chairman of the Wool Committee by President Truman on March 11, 1946, and set forth in Senate Document 140 (79th Cong., 2d sess.). Not only were the Government agencies consulted in the drafting of the bill, but so also were the representatives of the industry, particularly representatives of the National Wool Growers Association and of the Wyoming Wool Growers Association.

The measure has been analyzed by the committee at open public hearings and, in the form in which it is here recommended, it is laid before the Senate for consideration by the Committee on Agriculture with the official endorsement of the wool growers of the United States as represented by 37 associations representing the producing industry. Not only has the National Wool Growers Association recommended it, but so also have the following associations: Arizona Wool Growers Association, Phoenix, Ariz.; Ashley Wool Growers Association, Vernal, Utah; Baker County Wool Growers Association, Baker, Oreg.; California Wool Growers Association, San Francisco, Calif.; Carten County Wool Growers Association, Albian, Mont.; Central Wool Marketing Association, Chinook, Mont.; Chicago-Midwest Wool Trade Association, Chicago, Ill.; Colorado-Nebraska Lamb Feeders Association, Greeley, Colo.; Colorado Wool Growers Association, Denver, Colo.; Colorado Wool Marketing Association, Denver, Colo.; Cooperative Wool Growers of South Dakota and Minnesota, Minneapolis, Minn.; Garfield County Sheepmen's Association, Miles City, Mont.; Gill County Stock Growers Association, Havre, Mont.; Idaho Wool Growers Association, Boise, Idaho; Indiana Wool Growers Association, Indianapolis, Ind.; Michigan Cooperative Wool Marketing Association, Jackson, Mich.; Moffat Wool Growers Association, Craig, Colo.; Montana Wool Growers Association, Helena, Mont.; National Wool Growers Association, Salt Lake City, Utah; National Wool and Mohair Association, Oklahoma City, Okla.; National Wool Marketing Association, Boston, Mass.; North Park Wool Growers Association, Walden,

Colo.; Oregon Wool Growers Association, Portland, Oreg.; Pacific Wool Growers, Portland, Oreg.; Robinette Wool Pool, Richmond, Oreg.; San Joaquin Valley District Wool Growers, Fresno, Calif.; Santa Ana Wool Association, Santa Ana, Calif.; San Juan Wool Growers Association, Aztec, N. Mex.; Texas Sheep and Goat Raisers Association, San Angelo, Tex.; United Wool Growers Association, Harrisonburg, Va.; Upper Mussel Sheep Wool Growers Association, Harlowton, Mont.; Utah Wool Growers Association, Salt Lake City, Utah; Washington Wool Growers Association, Yakima, Wash.; Western South Dakota Sheep Growers Association, Rapid City, S. Dak; Wyoming Cooperative Wool Marketing Association, Casper, Wyo.; Wyoming Production Credit Association, Casper, Wyo.; Wyoming Wool Growers Association, McKinley, Wyo.

The bill as amended is regarded by the majority of the committee as the most practicable remedy for an admittedly desperate problem.

DESCRIPTION OF THE BILL

There follows description of the bill:

Section 1 provides that the act may be cited as the "Wool Act of 1946."

Section 2 directs that beginning with the wool produced in 1947 Commodity Credit Corporation shall provide for wool through loans, purchases, support payments, or other operations. The support level until 2 years after the war will, consistent with the general support level under section 8 of the Stabilization Act of 1942 (50 U. S. C. App., sec. 968 (Supp. IV)), for the basic agricultural commodities—cotton, corn, wheat, rice, tobacco, and peanuts—be 90 percent of the comparable price of wool. Thereafter the support level will, consistent with the general support level during such period under sections 302 and 359 of the Agricultural Adjustment Act of 1938, as amended (7 U. S. C., secs. 1302, 1359 (1940)), for cotton, corn, wheat, and peanuts be not less than 50 percent and not more than 75 percent of the comparable price as determined by the Sectary of Agriculture. Until December 31, 1950, however, the level at which wool prices are supported shall not be reduced below that at which the Commodity Credit Corporation is supporting wool during 1946 under its current wool purchase program. In adjusting the support price or reducing it to the support level above stated after December 31, 1950, the support price will not be reduced more than 6 percent in any 1 year. The bill, as originally introduced, provided for support for only shorn wool. Your committee felt, however, that support should be provided for both shorn and pulled wool and has amended the bill accordingly. Furthermore, the bill, as originally introduced, provided that the present minimum support level would be continued only until sheep numbers in the United States had ceased to decline. It is felt that the present minimum support level should be continued until December 31, 1950. An amendment to this effect has been made in the bill. The original bill further provided that after the period for the present minimum support expired the rate in reduction of the support level should not be more than 8 percent in any 1 year. Your committee felt that this reduction should not exceed 6 percent and has amended the bill accordingly.

Subsection (b) of section 2 will permit the Commodity Credit Corporation to adjust support prices for individual grades and qualities of wool in order to bring about a fair and equitable relationship in the support prices for the various grades and qualities of wool. Subsection (b) will also permit the Commodity Credit Corporation to make discounts from the support prices for off-quality, inferior grade, or poorly prepared wool, or for the purpose of discouraging unsound marketing practices.

Section 3 directs that the Secretary of Agriculture shall establish a comparable price for wool and a comparable price for lambs, respectively, and that the comparable price so established shall be used for the purposes of all laws in which a parity or comparable price is established or used. The comparable price directed to be established is that price which bears the same relation to the average parity prices of the basic agricultural commodities—cotton, corn, wheat, rice, tobacco, and peanuts—as the actual price for wool or lambs, as the case may be, bore to the actual average prices of such basic commodities during the period August 1934 to July 1939. This is the same manner in which comparable prices have been established for certain nonbasic agricultural commodities, such as soybeans, under section 4 (a) of the act entitled "An act to extend the life and increase the credit resources of the Commodity Credit Corporation and for other purposes," approved July 1, 1941, commonly referred to as the "Steagall amendment." The comparable price of wool as of January 1946 was 40.4 cents per pound of grease wool and the comparable price of lambs of January 1946 was $13.10 a hundredweight. The bill, as originally introduced, did not provide for the establishment of a comparable price for lambs. However, since the agricultural problems in connection with lambs are closely connected with the wool problem, it was felt that since the bill established a comparable price for wool that a comparable price should also be established for lambs. The bill, accordingly, provides for establishment of such a comparable price for lambs. In addition, the committee has provided by amendment that the comparable price for wool and lambs is to be used for the purposes of all laws in which a parity or comparable price is established are used.

Section 4 provides that if the Commodity Credit Corporation uses support payments, the rate of the support payment shall be an amount which, together with the average farm price for wool for the 7 months—January through July—of the year, will provide producers an average return equal to the required support level. Section 4 provides further that support payments may be limited to wool sold by the producers during the year it is produced.

Section 5 makes applicable to the operations under the bill sections 385, 386, and 388 of the Agricultural Adjustment Act of 1938. Section 385 of the Agricultural Adjustment Act of 1938 provides that the facts constituting the basis for any payment or loan, or the amount thereof, when officially determined in conformity with the applicable regulations prescribed by the Secretary of Agriculture or by the Commodity Credit Corporation, shall be final and conclusive and shall not be reviewable by any other officer or agency of the Government. Section 385 provides further that in case any person who is entitled to any such payment dies, becomes incompetent, or disappears before receiving such payment, or is succeeded by another who renders or completes the required performance, the payment shall, without regard to any other provisions of law, be made as the Secretary of Agriculture may determine to be fair and reasonable in all the circumstances. Section 386 provides that if the statutes prohibiting Members of Congress from benefiting from public contracts—section 3741 of the Revised Statutes and sections 114 and 115 of the Criminal Code of the United States—shall not be applicable to loans or payments made under the act. Section 386 authorizes the use of local, county, and State committees in carrying out the act and authorizes the deduction of amounts to cover administrative expenses incurred by such committees from the payments or loans made to producers.

Section 6 provides that the Commodity Credit Corporation may, without regard to restrictions imposed upon it by any law, dispose of wool at prices which will permit such wool to be sold in competition with imported wool. Under existing restrictions, Commodity Credit Corporation is not, in general, permitted to sell agricultural commodities at less than the parity or comparable price for the commodity. Authority to sell wool below such price will be necessary in order to enable Commodity Credit Corporation to dispose of its stocks of wool.

Section 7 appropriates and makes available to the Secretary of Agriculture, to reimburse the Commodity Credit Corporation for losses sustained under the act, a portion of the proceeds derived from duties collected under the customs laws.

Section 8 amends the Agricultural Marketing Agreement Act of 1937 to include wool as a commodity to which marketing orders under such act may be made applicable.

Section 9 authorizes the Secretary to expand and intensify research and to engage in demonstration work as to all aspects of the wool and mohair problem. Some of the authority here provided is contained in the Organic Act of 1862, or other authorizing laws, but is subject to various limitations and authorization restrictions. In addition to emphasizing the research in this particular field, this section would also authorize necessary demonstration work, the establishment of new facilities, and for authority to utilize the services of existing research institutions. Section 9 also authorizes the Secretary to appoint a Wool Advisory Committee representing public and private agencies interested in any phase of the wool industry, to hold conferences with said committee or subcommittees thereof, and to receive and consider the recommendations of said committee for wool research programs and other operations under this section. The original bill did not provide for the Wool Advisory Committee. However, your committee amended the bill to include such a committee since it is felt that such a committee would be helpful in developing research with respect to wool.

Section 10 authorizes the Secretary of Agriculture, after investigation and due notice and opportunity for hearing, to fix official standards for wool and mohair. Section 10 also authorizes the Secretary of Agriculture to determine the true grade, shrinkage, or clean content of samples of wool submitted for that purpose and make reasonable charges therefor. Such determinations become binding on all officers of the United States except for the purposes of the assessment and collection of customs duties and become prima facie evidence in the courts of the United States. The bill, as originally introduced which provided that the determinations of the Secretary become binding on all officers of the United States was amended to make an exception in the case of the assessment and collection of customs duties. Section 10 authorizes the Secretary, further, to effectuate agreements with domestic, foreign, or international wool and mohair organizations for the adoption of universal standards of wool and mohair grades.

Section 11 authorizes appropriations for carrying out sections 9 and 10.

The committee also made certain amendments for the purpose of clarifying the language of the bill, which have been incorporated in the amendment in the nature of a substitute for the bill.

The report of the Secretary of Agriculture follows:

DEPARTMENT OF AGRICULTURE,
Washington, May 10, 1946.

HON. JOSEPH C. O'MAHONEY,
United States Senate.

DEAR SENATOR: This is in response to your request for a report on S. 2033 a bill to provide

support for wool, to amend the Agricultural Marketing Act of 1937 by including wool as a commodity to which orders under such act are applicable to authorize the Secretary of Agriculture to fix wool standards, and for other purposes.

Following the extensive hearings by your committee on the production, transportation, and marketing of wool, the President, at your request, had the interested executive agencies review the facts and proposals for dealing with the situation. The 25-percent decline in domestic sheep numbers in the past 4 years and the many other problems facing the industry show clearly that a wool program is needed. Major attention, therefore, was directed to the method of dealing with the situation. Several methods were proposed to your committee.

The study resulted in the plan submitted to you by the President in his letter of March 11. It is believed that S. 2033, which you have introduced, is consistent with the President's proposal and will afford producers effective price and income protection and other constructive assistance which is needed to bring stability into the wool growing industry. Moreover, it is believed that these benefits can be derived under the program with a minimum of Government participation in wool buying and selling operations or interference with international trade.

The general objectives of the bill may be divided into four parts; the protection of incomes of wool growers; the authorization for the issuance of orders under the Marketing Agreement Act of 1937 with respect to wool; the undertaking of research and developmental work; and the furtherance of standardization work on wool and mohair.

The incomes of wool producers would be protected through loans, purchases, or support payments at the same level as that generally afforded producers of the basic agricultural commodities. The first requirement for the accomplishment of this objective is the establishment of a comparable, or revised parity, price as provided for in section 3 of the bill. This revision is necessary to afford an appropriate basis for determining when prices to wool growers are in fair balance with prices of other agricultural commodities. The desired level of price support could be obtained through purchase programs, such as those in effect since April 1943, or loan programs, such as those in effect in 1938 and 1939. Provision is also made for insuring incomes by making support payments equal to the amounts by which the average farm price falls below the level required to be supported. This procedure may become desirable when the wool surplus is sold and conditions become sufficiently stabilized to insure uniform market support to growers without direct governmental participation in the handling of wool.

The bill aims to give wool growers the same general degree of price protection as that afforded producers of basic agricultural commodities, but two exceptions are made for the special benefit of wool growers. The first exception provides that substantially the same level of support prices provided for the 1946 clip shall be continued until sheep numbers become stabilized. The 1946 prices are approximately 100 percent of the proposed comparable price. In view of the major reduction in sheep numbers during the past 4 years, the bill proposes that the Government refrain from reducing support prices and thereby adding to the producer's difficulty until the decline has stopped. Naturally, it is not known at what level sheep numbers will become stabilized, but stability and profitable operations may occur at any level.

The reduction in sheep numbers has given assurance of future strength in the lamb part of the industry and when stock sheep numbers start to expand it may be concluded that the industry as a whole will be in as sound a position as the rest of agriculture. Naturally, after that condition is reached wool growers should be treated the same as the rest of agriculture.

The second exception provides that the price supported or return assured to producers of the wool clip shorn in any year shall not be reduced by more than 8 percent below the price supported or return assured to producers of the wool clip shorn in the immediately preceding year. This limitation on the amount of reduction that can be made in any one year recognizes the peculiar conditions confronting sheep growers and the fact that livestock industries can be expanded or contracted only slowly.

The 1946 level of wool support prices is roughly equal to the comparable price the bill would establish. Prior to the war, the level of support prices for basic agricultural commodities was generally 50 to 75 percent of parity. This has been increased to 90 percent of parity (92½ percent for cotton) for the period "* * * after December 31, 1941, and before the expiration of the 2-year period beginning with the 1st day of January immediately following the date upon which the President by proclamation or the Congress by concurrent resolution declares that hostilities in the present war have terminated, * * *" (See Stabilization Act of 1942 (56 Stat. 767 (1942), 50 U. S. C. App. sec. 968 (a) Supp IV), as amended by the Stabilization Extension Act of 1944, Public Law 383, 78th Cong., 2d sess. (June 30, 1944) sec. 204.)

An essential part of the price supporting provision is the authorization contained in section 6 for the Corporation to sell without regard to restrictions imposed upon it by law at prices which will permit such wool to be sold in competition with imported wool. Ordinarily, the Corporation is not permitted to sell its products domestically at less than parity or comparable prices. Wool is on an import basis, and through operations of the tariff prices in this country are maintained at levels well above world prices. Nevertheless, since a domestic wool program cannot fix the level of world prices and since such prices cannot be expected to maintain a constant relationship with United States parity prices, it is essential that the Corporation have the right to dispose of its wool at competitive prices within this country.

Section 7 provides that a sufficient part of the proceeds derived from duties collected under the customs laws is authorized to be appropriated and made available to the Secretary of Agriculture for payment to the Corporation to reimburse the Corporation for losses realized by it, including the amount of any support payments, in connection with operations carried out pursuant to the price and income support provisions of the bill. With this provision sheep raisers could plan their future operations with greater confidence than would be possible if they were dependent upon annual appropriations.

Section 8 of the bill would permit wool growers and handlers to utilize the marketing agreements and orders provided for in the Agricultural Marketing Agreement Act of 1937. Programs under that act may provide for volume, grade, or size regulation, and, also, prohibit unfair trade practices in order to carry out the intended purposes of the bill to reflect proper returns to growers. The act, as incorporated in the bill, would also permit the establishment of a surplus pool for wool. It is believed that growers should be authorized clearly to utilize the provisions of the Agricultural Marketing Agreement Act, including orders thereunder, if they so desire in formulating programs for the solutions of their problems during the postwar period.

In recent years the production of shorn wool has ranged from around 320 to 390 million pounds and the production of pulled wool from 65 to 70 million pounds annually. The average value of the wool clip has been around $150,000,000 per year, and the production of pulled wool accounts for a significant portion of the returns of approximately $300,000,000 annually received by growers from the sale of sheep and lambs. In view of the importance of the industry it is believed that provision should be made for adequate research and demonstration work with respect to the production, marketing, and utilization of wool and its products. Closely related products which also require such work are mohair, sheep pelts, and goat pelts. In recent years many new and improved processes and products have been introduced. These require development and exploitation in the interests of growers, manufacturers, and consumers. Work in these fields should be pressed forward continuously. It is believed that the authority granted under section 9 of the bill, when implemented, would enable the Department to carry out the research and developmental work needed by the wool and mohair industries.

The Department of Agriculture has carried out certain standardization work under existing legislation. However, the authority contained in section 10 of the bill would give a more adequate basis for such work and would place specific responsibility upon the Department of Agriculture to carry out this work. The continuing and thorough standardization work provided for under section 10 in conjunction with the work provided for under section 9 on production, marketing, and utilization, should make the standardization work more adequate in meeting the requirements of producers, handlers, and manufacturers. It should be observed that full consideration of the position of various groups is insured by the requirement that the Secretary of Agriculture give due notice and opportunity for hearing prior to the fixing or establishment of types and standards. Provision is also made for the examination and issuance of certificates of the true type, grade, or comparison of samples of wool, mohair, or tops, and for the furnishing of practical forms of official wool and mohair standards by the Department on a reimbursable basis. The Secretary of Agriculture would also be authorized to effectuate agreements with domestic, foreign, or international wool or mohair organizations for the development, adoption, and use of universal standards.

Funds for carrying out the research, developmental, and standardization work provided for in sections 9 and 10 of the bill are authorized to be appropriated annually.

There is attached a revised draft of the bill which contains certain clarifying changes in wording, suggested by the Office of the Solicitor, together with a detailed explanation of such suggested changes. With the suggested changes, the Department recommends that the bill be passed.

The Director of the Bureau of the Budget has advised this Department as follows:

"The proposed report and the bill are generally in accord with the President's program, as shown by his letter to Senator O'MAHONEY of March 11, 1946 (S. Doc. 140, 79th Cong., 2d sess.).

"There is however, one provision in the bill which was not included in the statement approved by the President with respect to the legislation necessary to carry out the proposed wool program, and which could not be considered by this office as an appropriate provision for incorporation in the measure. The last sentence of section 10 (d) (lines 16, 17, 18, and 19, p. 8) which reads as follows:

" 'The amounts collected therefrom and the amounts collected pursuant to subsection

(c) of this section shall be used by the Secretary in paying expenses of the Department of Agriculture in connection with this section.'

provides what is known as a permanent indefinite appropriation of receipts. Such a permanent appropriation would preclude any subsequent annual or other review of the use of these collections, by this office, by the President, by the Appropriations Committees of Congress, or by the Congress itself. Such legislation would run counter to the spirit of the Permanent Appropriation Repeal Act, and would not be in accord with the program of the President. Moreover, this provision in section 10 of the bill is inconsistent with section 11 of the bill since section 11 specifically provides that the funds for carrying out the provisions of section 10 of the bill are to be appropriated from the general fund of the Treasury."

Sincerely yours,

CLINTON P. ANDERSON,
Secretary.

The text of the bill as recommended by the committee follows:

"A bill to provide support for wool, to amend the Agricultural Marketing Agreement Act of 1937 by including wool as a commodity to which orders under such act are applicable, to authorize the Secretary of Agriculture to fix wool standards, and for other purposes

"Be it enacted, etc., That this act may be cited as the 'Wool Act of 1946.'

"SEC. 2. (a) Beginning with wool produced in 1947, Commodity Credit Corporation is directed, through loans, purchases, support payments, or other operations to support a price or assure returns to producers of wool in the continental United States and Territories at levels as follows: The support level for wool produced each year during the period beginning January 1, 1947, and expiring 2 years after the first day of January immediately following the date upon which the President by proclamation or the Congress by concurrent resolution declares that hostilities in the present war have terminated shall be 90 percent of the comparable price for wool as of January of the year in which the wool is produced; and the support level for wool produced after the expiration of such period shall be not less than 50 per cent and not more than 75 percent of such comparable price, as determined by the Secretary of Agriculture: *Provided, however,* That prior to December 31, 1950, the price supported or returns assured producers of wool shall be not less than the price at which the Commodity Credit Corporation has undertaken to support wool in 1946. *And provided further,* That after December 31, 1950, the price supported or returns assured to producers of wool in any year shall not be reduced by more than 6 percent below the price supported or returns assured to producers of wool in the immediately preceding year.

"(b) Notwithstanding any other provisions hereof, the Commodity Credit Corporation may adjust support prices for individual grades and qualities of wool for the purpose of bringing about a fair and equitable relationship in the support prices for the various grades and qualities of wool; may make discounts from support prices for offquality, inferior-grade, or poorly prepared, wool; and may make discounts from support prices for the purpose of discouraging unsound marketing practices.

"SEC. 3. The Secretary of Agriculture shall establish a comparable price for wool and a comparable price for lambs, respectively, and the comparable price so established shall be used for the purposes of all laws in which a parity or comparable price is established or used. The comparable price for wool and the comparable price for lambs, respectively, shall be that price which bears the same relation to the average parity prices of the basic agricultural commodities, cotton, corn, wheat, rice, tobacco, and peanuts, as the actual price for wool or lambs, as the case may be, bore to the actual average prices of such basic commodities during the period August 1934 to July 1939. Such comparable price for wool or lambs may be adjusted for grade, quality, season, and location.

"SEC. 4. If, pursuant to section 2 hereof, the Commodity Credit Corporation supports returns to producers of wool in any year through support payments, the rate of the support payment shall be an amount which, together with the average farm price for wool for the 7 months, January through July, of such year will, as determined by the Secretary of Agriculture, provide producers an average return equal to the support level. Support payments for wool produced during any year may be limited to wool sold by producers during such year.

"SEC. 5. The provisions of sections 385, 386, and 388 of the Agricultural Adjustment Act of 1938, as amended, shall be applicable to operations carried out pursuant to section 2 hereof.

"SEC. 6. The Commodity Credit Corporation may, without regard to restrictions imposed upon it by any law, dispose of wool at prices which will permit such wool to be sold in competition with imported wool.

"SEC. 7. Such part of the proceeds derived from duties collected under the customs laws on and after the enactment of this act as is necessary from time to time, as determined by the Secretary of Agriculture, to reimburse the Commodity Credit Corporation for losses realized by it, including the amount of any support payments, in connection with operations carried out pursuant to the provisions of sections 2 to 6, inclusive, of this act are hereby authorized to be appropriated and conferred upon the Secretary of Agriculture for payment to the Commodity Credit Corporation.

"SEC. 8. The Agricultural Adjustment Act, as amended and as reenacted and amended by the Agricultural Marketing Agreement Act of 1937, is further amended as follows:

"(a) By adding at the end of section 2 (7 U. S. C., 1940 edition, 602) the following:

"'(3) Through the exercise of the powers conferred upon the Secretary of Agriculture under this chapter to establish and maintain such orderly marketing conditions for wool in interstate commerce as will establish prices to producers of wool at the comparable price level for wool as set forth in section 3 of the Wool Act of 1946, but the interest of the consumers shall be protected by (a) approaching the level of prices which it is declared to be the policy of Congress to establish with respect to wool by gradual correction of the current level at as rapid a rate as the Secretary of Agriculture deems to be in the public interest and feasible in view of the current consumptive demand in domestic and foreign markets, and (b) authorizing no action hereunder which has for its purpose the maintenance of prices to producers of wool above the level which it is declared to be the policy of Congress to establish with respect to wool.'

"(b) By inserting in section 8 (c) (7 U. S. C., 1940 edition, 608c (2)) the word 'wool' immediately after the word 'hops.'

"(c) By inserting in section 8c (6) (7 U. S. C., 1940 ed., 608c (6)) the word 'wool' immediately after the word 'hops.'

"SEC. 9. The Secretary of Agriculture is authorized to expand and intensify research and studies, and to engage in demonstration work, as to problems relating to the production, processing, preparation, manufacturing, standardization, grading, marketing, and utilization of wool, mohair, sheep pelts, goat pelts, and products thereof, including studies of competing materials and manufactures and including the establishment and maintenance of laboratories and pilot plants. In carrying out such studies, research, and other operations, the Secretary of Agriculture is authorized to cooperate with and enter into contracts with public and private organizations. The Secretary of Agriculture is further authorized to appoint a wool advisory committee representing public and private agencies interested in any phase of the wool industry, to hold conferences with said committee or subcommittees thereof, and to receive and consider the recommendations of said committee for wool-research programs and other operations under this section. The authority provided for herein shall be in addition to, and not exclusive of, any authority under existing law.

"SEC. 10. (a) The Secretary of Agriculture is hereby authorized, after investigation and due notice and opportunity for a hearing, to fix and establish types and standards of quality and condition for the grading of wool, mohair, wool tops, and mohair tops and to conduct tests for the shrinkage, clean content, length and fineness of fiber, and any other characteristics of wool, mohair, wool tops, and mohair tops. The standards fixed and established by the Secretary as provided herein shall be published in the Federal Register and 60 days after such publication shall become and be the Official Wool and Mohair Standards of the United States, and such official standards shall be substituted for and be used in lieu of any official wool or mohair standards heretofore established by the Secretary of Agriculture under the provisions of any existing law. The Secretary of Agriculture shall have the power to alter or modify, after investigation and due notice and opportunity for a hearing, such official standards whenever the necessities of the trade may require and such alterations or modifications shall likewise become effective 60 days after publication thereof in the Federal Register.

"(b) Any person who has custody of or a financial interest in any wool, mohair, or tops therefrom may submit the same or samples thereof, drawn in accordance with the rules and regulations of the Secretary of Agriculture, to such officer or officers of the Department of Agriculture, as may be designated for the purpose pursuant to the rules and regulations of the Secretary of Agriculture, for a determination of the true grade, shrinkage, or clean content, including the comparison thereof, if requested, with types or with other samples submitted for the purpose. Except for the purposes of the assessment and collection of customs duties the final certificate of the Department of Agriculture showing such determination shall be binding on officers of the United States and shall be accepted in the courts of the United States as prima facie evidence of the true type grade, shrinkage, clean content, or comparison thereof when involved in any transaction or shipment in commerce. The Secretary of Agriculture shall make rules and regulations for drawing and submitting samples of wool, mohair, or tops therefrom for a determination of type, grade, shrinkage, clean content, or comparison.

"(c) The Secretary of Agriculture may cause to be collected such charges as he may find to be reasonable for determinations made under subsection (b) of this section.

"(d) Whenever the Official Wool and Mohair Standards of the United States established under this section shall be represented by practical forms, the Department of Agriculture shall furnish copies thereof, upon request, to any person, and the cost thereof, as determined by the Secretary of Agriculture, shall be paid by the person making the request. The amounts collected therefrom and the amounts collected pursuant to subsection (c) of this section shall be used by

the Secretary in paying expenses of the Department of Agriculture in connection with this section.

"(e) The Secretary of Agriculture is authorized to effectuate agreements with wool associations, wool exchanges, and other wool or mohair organizations, either domestic, foreign, or international, for (1) the adoption, use, and observation of universal standards of wool and mohair grades, (2) the arbitration or settlement of disputes with respect thereto, and (3) the preparation, distribution, inspection, and protection of the practical forms or copies thereof under such agreements.

"SEC. 11. There is hereby authorized to be appropriated annually commencing with the fiscal year 1948, out of any money in the Treasury not otherwise appropriated, such amount as may be necessary to enable the Secretary of Agriculture to carry out the provisions of sections 9 and 10 hereof."

EXHIBIT 1

INDIVIDUAL VIEWS BY MR. WALSH

I regret to state that I am unable to concur in the majority report on S. 2033. This bill would continue the Government in the business of buying and selling the domestic wool clip. The Department of Agriculture would continues to purchase the domestic wool clip at a high artificial price and sell it at a loss, which, on their present holdings and the 1946 clip which they are committed to buy, represents approximately 8 to 9 cents per pound with an estimated loss of $75,000,000 plus administrative costs and carrying charges, which at present amounts to over $500,000 per month.

I agree with the majority that the wool grower is engaged in a business which is essential to our civilian economy and national defense, and because of increased costs of operation, the grower should have assistance from the Government in order to stimuliate production. However, I believe that Government control of the domestic wool business should cease.

I am satisfied from the testimony offered by witnesses at the hearings which were held on this bill that the business of buying and selling wool is so complex that the Government cannot make its buying and selling operations sufficiently flexible to enable it to dispose of wool in the best interests of all concerned. In my opinion, the results of the Government's program of buying and selling the domestic wool clip during the past several years is ample evidence that the Government cannot market this wool clip in a satisfactory manner, and as a result of its operations the American manufacturer has been forced to use imported wool in place of domestic-grown wool, resulting in a loss to the wool grower of his only natural market.

For generations, the wool merchant has filled an important place in this industry through his purchase of the domestic wool clip from the producer, financing of same, and proper preparation of it for market, making the many special grades and qualities required by individual manufacturers.

Yet this long-established business would be destroyed by this bill.

While in my opinion the proper method of affording protection to the American producer is through an increase in the tariff on wool and wool products, I recognize the improbability of any tariff legislation at this time which would permit an increase. Therefore, much as I dislike subsidies, I suggest payment to the grower on a per-head basis of a sum which will represent the difference between comparable price now considered to be 40.4 cents per pound and the cost of competitive foreign wool, leaving the grading and merchandising of the clip in the hands of established commercial organizations. I also favor establishment of a floor price to become effective in the event of drastic price in decline. I believe that this suggestion would cost materially less in administrative costs.

I quote from the testimony of a top-maker manufacturer, Kenneth W. Marriner, containing the manufacturer's point of view:

"I can express an opinion from a manufacturer's point of view and would say that seldom in its history has the United States wool textile industry faced a more uncertain future than today when the passage of the British loan seems to carry with it the probability of a reduction in the tariff on wool and wool goods, which means that this country, which now holds the position as being the largest producer of wool goods in the world, employing over 200,000 people, principally in New England, will be subjected to the severest kind of competition from foreign manufacturers, and with the prospect in view, every effort should be made to give manufacturers as much freedom in their selection and purchase of raw wool as possible rather than attempt to surround them with Government rules and regulations which would be inevitable under any Government wool purchase plan."

I recommend the elimination of those sections of S. 2033 which contemplate having the Department of Agriculture inject itself further into private industry.

In the near future, Great Britain and her colonies will return to a free and competitive business in the selling of wool. This country should do likewise.

For the reasons stated, I am unable to recommend favorable consideration of S. 2033.

DAVID I. WALSH.

Mr. DOWNEY subsequently said: Mr. President, this morning the distinguished Senator from Wyoming [Mr. O'MAHONEY] discussed at some length his pending wool standard bill. I wish to say that I agree with him as to the great importance of passing the bill, and I wish to associate myself with the statements which have been expressed by him concerning the matter.

As coming from one of the great wool-producing States, it has seemed to me that the entire sheep and wool industry of the United States is now in a serious condition. I believe that only the passage of legislation such as the bill which was referred to by the Senator from Wyoming, will save that great industry.

Moreover, Mr. President, I agree with the Senator from Wyoming that, from the standpoint of the American economy as a whole, it is most vital that our wool industry be preserved.

I concur also with the Senator in expressing the hope and wish that before Congress concludes its present session, it will take action looking to the passage of the bill now pending which has been unanimously reported by a Senate committee.

Mr. MILLIKIN. Mr. President, I wish the RECORD to show that I associated myself with the remarks of the Senator from California.

Mr. JOHNSON of Colorado. Mr. President, I wish to ask the Senator from California one brief question.

I listened to the address of the Senator from Wyoming on the subject of wool, and I listened to the remarks of the Senator from California. I wish to say that Colorado is tremendously interested in the sheep and wool industry. It is an extremely important industry. I also associate myself with the Senator from Wyoming and with the Senator from California, as well as other western Senators, in the hope that Congress will soon pass legislation on the subject which will make it possible for the sheep and wool industry to continue in existence.

Mr. DOWNEY. Mr. President, I express to the junior Senator and senior Senator from Colorado my appreciation for their statements.

Mr. MURRAY. Mr. President, I wish to place myself in accord with what has been said during the day by the distinguished Senator from Wyoming [Mr. O'MAHONEY], the distinguished Senator from California [Mr. DOWNEY], and other Senators who have spoken on the subject, who are trying to make it possible that the sheep and wool industry be preserved.

The industry is of great importance to Montana. Like every other State in the Union, Montana is being affected by the conditions which have been portrayed so eloquently by the Senator from Wyoming, as well as other Senators.

I believe it would be a great disaster to the country, I know it would be a very serious injury to the State of Montana, if the bill referred to were not enacted into law. I wish to express myself as being in accord with the statements of the Senators from the other wool-growing States. I think the wool industry is one of the important segments of our economy, and I do not see how the Congress can fail to recognize its importance, and to act accordingly.

Mr. REVERCOMB subsequently said: Mr. President, earlier today the Senator from Wyoming [Mr. O'MAHONEY] spoke upon a wool bill in which he expressed deep interest. I told him that I would have some comments to make at a later time with respect to the discussion which took place.

In the course of the remarks of the Senator from Wyoming he pointed out that the Congress, in fixing a policy by the passage of the Reciprocal Trade Agreements Act, and permitting extensions of that act, which Members of the Senate will recall empowered the President to lower existing tariffs by 50 percent, made possible a situation which is a threat to the wool growers and to the protection of the products of this country.

I wish to say that not only is it a threat to the wool growers, but to the producers of all goods manufactured in America, and to the workers who create them.

At the time of the debate upon the extension of the Trade Agreements Act I said—and I repeat at this time—that it was a threat to every product made in America, and in my own State particularly to glass and pottery; and even a threat to those who work in the production of coal, because the trade agreements permit the importation into this country of the products of other countries, manufactured abroad by foreign workers.

In the course of the remarks of the Senator from Wyoming he stated more

than once that 16 Republicans had voted for the passage of the Reciprocal Trade Agreements Act. I do not know the real purpose of his statement, but the implication was that the policy which we find ourselves facing since the passage of the Reciprocal Trade Agreements Act is to be laid at the door of the Republican Party.

In order that the record may be clear, and in order that there may be no misunderstanding upon the subject, I have before me an excerpt from the CONGRESSIONAL RECORD of June 20, 1945, showing the vote upon the final passage of the Reciprocal Trade Agreements Act. I find that, of the Senators voting at that time, 15 members of the Republican Party voted in favor of the passage of the bill; 38 members of the Democratic Party voted in favor of it; and 1 member of the Progressive Party voted in favor of it.

Voting against the passage of the Reciprocal Trade Agreements Act, which now is called a threat and a danger, there were 16 Republican Senators. Sixteen Republican Senators and five Democratic Senators voted against the passage of that act. I wish to take time now to place in the RECORD the names of the Republican Members of the Senate who voted against the Reciprocal Trade Agreements Act, inasmuch as this subject has been brought up; and I venture to say that in the future it will be brought up time and time again, because of the threat the act involves to the future well-being of this country and particularly the well-being of the people who manufacture American products. The Senators on the Republican side who voted against the passage of the Reciprocal Trade Agreements Act were the following: The Senator from Maine [Mr. BREWSTER], the Senator from Nebraska [Mr. BUTLER], the Senator from Kansas [Mr. CAPPER], the Senator from South Dakota [Mr. GURNEY], the Senator from New Jersey [Mr. HAWKES], the Senator from North Dakota [Mr. LANGER], the Senator from Colorado [Mr. MILLIKIN], the Senator from Oklahoma [Mr. MOORE], the Senator from West Virginia [Mr. REVERCOMB], the Senator from Wyoming [Mr. ROBERTSON], the Senator from Minnesota [Mr. SHIPSTEAD], the Senator from Ohio [Mr. TAFT], the Senator from Nebraska [Mr. WHERRY], the Senator from Maine [Mr. WHITE], the Senator from Wisconsin [Mr. WILEY], and the Senator from North Dakota [Mr. YOUNG].

In the course of that debate, the Senator from Wyoming [Mr. O'MAHONEY] offered an amendment, the purport and effect of which was that any agreement which was made should be submitted, like any treaty, to the Senate, for ratification by it. The Senator from Wyoming espoused that amendment. I agreed with him and I supported him in respect to the amendment. But when question is raised here as to the party division on the votes on those matters, I think we should go to the RECORD, so that there may be no misunderstanding about what the situation was. So let us see who supported that amendment, as between the two parties and their memberships. The amendment was offered by the Senator from Wyoming [Mr. O'MAHONEY], and it was supported by 20 Republican Senators and 7 Democratic Senators. As I have said, that amendment, if adopted, would have caused the submission of such agreements to the Senate, for ratification by the Senate. Voting against that amendment were 11 Republican Senators, 37 Democratic Senators, and 1 Progressive Senator.

Mr. President, I take the position that when a question of this kind is raised, when the record is clear, and when the matter was passed on by the Senate during the past year, we should bring the RECORD up to date, so that the whole subject will be absolutely clear and so that when any Senator on either side of the aisle raises a point about the party division on the matter, or when partisan points are made, there can be no question as to how the various Members of the Senate voted.

PROHIBITION OF POLL TAX IN FEDERAL ELECTIONS

The Senate resumed consideration of the bill (H. R. 7) making unlawful the requirement for the payment of a poll tax as a prerequisite to voting in a primary or other election for national officers.

Mr. MEAD. Mr. President, last evening, only a few minutes before the Senate recessed, I discussed very briefly the anti-poll-tax bill. The effort to secure the passage of the anti-poll-tax bill has been an uphill struggle for over 7 years. More than a year ago the bill was passed by the House of Representatives. Nine months ago the Senate Judiciary Committee reported it favorably. Since then there has been a silent filibuster on the bill. But, despite the vigorous efforts of the Senators from poll-tax States to keep this bill from coming to a vote, the overwhelming desire of the people to see democracy really work here in America finally forced this bill to reach the floor of the Senate.

Mr. President, we know all the facts and figures regarding this bill. We have heard them many times, so I feel it unnecessary to go over them. I am confident that the majority of my colleagues are anxious to see the poll tax abolished as a precondition of voting in all of our States. What the Senator from New York is not confident of is that two-thirds of his colleagues will vote for cloture this afternoon. I submit, Mr. President, that cloture is not the issue involved, nor is it an issue in itself. Cloture is merely a rule of parliamentary procedure, an instrumentality of legislative conduct. It is just a remedy for democratic illness, when the democratic body is unable to move by its usual processes because it is suffering from a stoppage.

Mr. President, the Senate is about to vote for cloture. This body is about to decide whether sufficient debate has been held on this subject. I submit, Mr. President, that sufficient debate has been held on the merits of this subject. We have been debating it for 2 years. The issues and facts on this question are crystal clear. I recognize that there are Senators who, by clinging to the tradition of free speech, have been loath to put a limit on debate. But I believe that it has become more and more obvious that the power to act is greater and more necessary to a legislature than the right to debate endlessly.

I believe the Senate has come here today to act. The Senate shall act. The junior Senator from New York asks that all Senators who want to see this bill pass, vote for cloture. The issue is clear and decisive. A vote for cloture is a vote for this bill. A vote against cloture is a vote against this bill. I want this to be made most conclusive to my esteemed colleagues. We want cloture invoked, and we can get it if the Senators who want this bill passed will vote for cloture. We have the votes to pass this bill; our first hurdle is the cloture vote.

By voting for cloture and then passing this bill, Mr. President, we will be doing the individual States, despite the argument of some of our states-righters, a great service. By passing H. R. 7, Mr. President, we will be putting the vote into the hand of the people in the seven poll-tax States. With the vote in the people's hands, they will be able to take upon themselves the task of improving the conditions of poor health, housing, and education which exist in their respective States as a result of the poll-tax system. There are 10,000,000 voteless citizens in seven poll-tax States. If we pass this bill we will be improving by a millionfold the conditions of health, education, and housing in those States. This is our problem, Mr. President. The poll-tax question is a national issue effecting all the people. Poor health, education, and housing in any of our States affect all the people of the country. We cannot avoid this issue, Mr. President. The whole world will be looking at us today. We must show the peoples of the world that America is truly the seedbed of democracy, not only in principle but in fact.

The PRESIDENT pro tempore. The hour of 1 o'clock, being 1 hour after the Senate met today, having arrived, the Chair, in accordance with the provisions of rule XXII of the Standing Rules of the Senate, lays before the Senate the motion to bring to a close the debate upon the bill (H. R. 7) making unlawful the requirement for the payment of a poll tax as a prerequisite to voting in a primary or other election for national officers, and directs the Secretary to call the roll to ascertain whether a quorum is present. The Secretary will call the roll.

The legislative clerk called the roll, and the following Senators answered to their names:

Andrews	Downey	Hoey
Austin	Eastland	Huffman
Ball	Ferguson	Johnson, Colo.
Barkley	Fulbright	Johnston, S. C.
Bilbo	George	Kilgore
Bridges	Gerry	Knowland
Burch	Gossett	La Follette
Byrd	Green	Langer
Capper	Guffey	McCarran
Chavez	Gurney	McClellan
Connally	Hart	McFarland
Cordon	Hayden	McKellar
Donnell	Hill	McMahon

Magnuson	Overton	Thomas, Utah
Maybank	Pepper	Tunnell
Mead	Radcliffe	Vandenberg
Millikin	Reed	Wagner
Mitchell	Revercomb	Walsh
Moore	Russell	Wheeler
Morse	Smith	Wherry
Murdock	Stewart	White
Murray	Swift	Wiley
Myers	Taft	Willis
O'Daniel	Taylor	Young
O'Mahoney	Thomas, Okla.	

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

The Chair, in further pursuance of rule XXII, submits to the Senate the question, Is it the sense of the Senate that the debate shall be brought to a close upon this question?

The yeas and nays are required, and the Secretary will call the roll.

The legislative clerk proceeded to call the roll.

Mr. REVERCOMB (when his name was called). On this vote the Senator from Illinois [Mr. BROOKS] and I have a pair with the Senator from Wyoming [Mr. ROBERTSON]. If the Senator from Wyoming were present and voting, he would vote "nay." If the Senator from Illinois were permitted to vote he would vote "yea"; and if I were permitted to vote, I would vote "yea."

Mr. WILLIS (when his name was called). On this vote, the Senator from Iowa [Mr. WILSON] and I have a joint pair with the junior Senator from South Dakota [Mr. BUSHFIELD]. If the junior Senator from South Dakota were present he would vote "nay." If I were permitted to vote I would vote "yea," and if the senior Senator from Iowa [Mr. WILSON] were present he would vote "yea." I therefore withhold my vote.

The roll call was concluded.

Mr. HILL. I announce that the Senator from North Carolina [Mr. BAILEY] is absent because of illness.

The Senator from Nevada [Mr. CARVILLE] is absent by leave of the Senate.

The Senator from Missouri [Mr. BRIGGS] and the Senator from Illinois [Mr. LUCAS] are detained on public business.

The Senator from New Mexico [Mr. HATCH] is absent on official business, having been appointed a member of the President's Evaluation Commission in connection with the test of atomic bombs on naval vessels at Bikini.

The Senator from Louisiana [Mr. ELLENDER] and the Senator from Maryland [Mr. TYDINGS] are absent on official business, having been appointed to the commission on the part of the Senate to participate in the Philippine independence ceremonies.

On this question the Senator from Vermont [Mr. AIKEN] and the Senator from Illinois [Mr. LUCAS], who, if present and voting, would vote "yea," are paired with the Senator from Nevada [Mr. CARVILLE], who, if present and voting, would vote "nay."

The Senator from Missouri [Mr. BRIGGS] and the Senator from New Hampshire [Mr. TOBEY], both of whom would vote "yea" if present, are paired on this question with the Senator from North Carolina [Mr. BAILEY], who would vote "nay" if present.

The Senator from Louisiana [Mr. ELLENDER] would vote "nay" if present,

Mr. WHERRY. The Senator from Maine [Mr. BREWSTER], the Senator from Delaware [Mr. BUCK], the Senator from New Jersey [Mr. HAWKES], and the Senator from Kentucky [Mr. STANFILL] are necessarily absent.

The Senator from Vermont [Mr. AIKEN], the Senator from Illinois [Mr. BROOKS], the Senator from South Dakota [Mr. BUSHFIELD], the Senator from Indiana [Mr. CAPEHART], the Senator from Wyoming [Mr. ROBERTSON], and the Senator from New Hampshire [Mr. TOBEY] are absent by leave of the Senate.

The Senator from Nebraska [Mr. BUTLER] is absent on official business, being a member of the commission appointed to attend the Philippine independence ceremonies.

The Senator from Iowa [Mr. HICKENLOOPER] is absent by leave of the Senate on official business as a member of the Special Committee on Atomic Energy. If present he would vote "yea."

The Senator from Massachusetts [Mr. SALTONSTALL] is absent on official business, having been appointed a member of the President's Evaluation Commission in connection with the test of atomic bombs on naval vessels at Bikini.

The Senator from Iowa [Mr. WILSON] is absent on official business.

The Senator from Vermont [Mr. AIKEN] and the Senator from Illinois [Mr. LUCAS]; both of whom would vote "yea," are paired on this question with the Senator from Nevada [Mr. CARVILLE], who would vote "nay."

The Senator from New Hampshire [Mr. TOBEY] and the Senator from Missouri [Mr. BRIGGS], both of whom would vote "yea," are paired on this question with the Senator from North Carolina [Mr. BAILEY], who would vote "nay."

The yeas and nays resulted—yeas 39, nays 33, as follows:

YEAS—39

Austin	Kilgore	Pepper
Ball	Knowland	Reed
Barkley	La Follette	Smith
Capper	Langer	Taft
Chavez	McMahon	Taylor
Cordon	Magnuson	Thomas, Okla.
Donnell	Mead	Thomas, Utah
Downey	Mitchell	Tunnell
Ferguson	Morse	Vandenberg
Green	Murdock	Wagner
Guffey	Murray	Walsh
Huffman	Myers	Wherry
Johnson, Colo.	O'Mahoney	Wiley

NAYS—33

Andrews	Gurney	Millikin
Bilbo	Hart	Moore
Bridges	Hayden	O'Daniel
Burch	Hill	Overton
Byrd	Hoey	Radcliffe
Connally	Johnston, S. C.	Russell
Eastland	McCarran	Stewart
Fulbright	McClellan	Swift
George	McFarland	Wheeler
Gerry	McKellar	White
Gossett	Maybank	Young

NOT VOTING—24

Aiken	Capehart	Robertson
Bailey	Carville	Saltonstall
Brewster	Ellender	Shipstead
Briggs	Hatch	Stanfill
Brooks	Hawkes	Tobey
Buck	Hickenlooper	Tydings
Bushfield	Lucas	Willis
Butler	Revercomb	Wilson

The PRESIDENT pro tempore. On this question two-thirds of the Senators present and voting not having voted in the affirmative, the motion is not agreed to.

EXECUTIVE COMMUNICATIONS, ETC.

The PRESIDENT pro tempore laid before the Senate the following communications and letters, which were referred as indicated:

SUPPLEMENTAL ESTIMATE, DEPARTMENT OF THE INTERIOR (S. Doc. No. 256)

A communication from the President of the United States, transmitting a supplemental estimate of appropriation for the Office of the Secretary of the Department of the Interior, amounting to $5,000,000, fiscal year 1947 (with an accompanying paper); to the Committee on Appropriations and ordered to be printed.

SUPPLEMENTAL ESTIMATES, FEDERAL WORKS AGENCY (S. Doc. No. 257)

A communication from the President of the United States, transmitting supplemental estimates of appropriation for the Federal Works Agency, amounting to $9,300,000, fiscal year 1947 (with an accompanying paper); to the Committee on Appropriations and ordered to be printed.

INVESTMENT OF FUNDS OF INSURANCE COMPANIES OF THE DISTRICT OF COLUMBIA

A letter from the Secretary of the Treasury, Chairman of the National Advisory Council on International Monetary and Financial Problems, transmitting a draft of proposed legislation to permit investment of funds of insurance companies organized within the District of Columbia in obligations of the International Bank for Reconstruction and Development (with an accompanying paper); to the Committee on the District of Columbia.

LEGISLATION PASSED BY MUNICIPAL COUNCIL OF ST. CROIX AND LEGISLATIVE ASSEMBLY, VIRGIN ISLANDS

A letter from the Acting Secretary of the Interior, transmitting, pursuant to law, copies of legislation passed by the Municipal Council of St. Croix and the Legislative Assembly of the Virgin Islands (with accompanying papers); to the Committee on Territories and Insular Affairs.

REPORT ON ACTIVITIES OF SMALLER WAR PLANTS CORPORATION

A letter from the Secretary of Commerce, transmitting, pursuant to law, a report from Laurence F. Arnold, Acting Director of the Office of Small Business, and Accountability and Liquidation Officer of the Smaller War Plants Corporation, covering the months of April and May 1946 (with an accompanying report); to the Committee on Banking and Currency.

REPORT OF INTERAGENCY POLICY COMMITTEE ON RUBBER

A letter from the Director of the Office of War Mobilization and Reconversion, transmitting the second report of the Interagency Policy Committee on Rubber (with an accompanying report); to the Committee on Military Affairs.

REPORT OF ACTIVITIES OF GENERAL ACCOUNTING OFFICE UNDER CONTRACT SETTLEMENT ACT OF 1944

A letter from the Comptroller General of the United States, transmitting a report of the activities of the General Accounting Office under section 16 of the Contract Settlement Act of 1944 (with an accompanying report); to the Committee on Military Affairs.

AMENDMENT OF CIVIL SERVICE RETIREMENT ACT

A letter from the President of the United States Civil Service Commission, transmitting

a draft of proposed legislation to amend the Civil Service Retirement Act to provide for the elimination of the deduction of $1 a month from employee contributions, as well as the elimination of interest on refunds covering service of less than 5 years and for other purposes (with accompanying papers); to the Committee on Civil Service.

PETITIONS AND MEMORIAL

The PRESIDENT pro tempore laid before the Senate the following petitions and a memorial, which were referred, as indicated:

A resolution of the Assembly of the State of California; ordered to lie on the table:

"House Resolution 18

"Resolution relative to memorializing and petitioning the Congress of the United States to pass H. R. 6932 of the Seventy-ninth Congress, second session, providing for promotion of agricultural marketing services and agricultural research

"Whereas the Congress of the United States has now before it for consideration H. R. 6932 of the Seventy-ninth Congress, second session, which has for its objective the providing for further research into basic laws and principles relating to agriculture and to improve and facilitate the marketing and distribution of agricultural products; and

"Whereas a scientific approach to the problems of marketing, transportation, and distribution of agricultural products through research, study, experimentation, and cooperation among Federal and State agencies, farm organizations, and private industry is of inestimable value to the achieving of a prosperous agriculture, and this scientific approach will be promoted by said bill; and

"Whereas efficient farm production and the current problems of improved packaging, refrigeration, transportation, marketing, and distribution require coordination and correlation between official agencies of the Federal and State Governments for the benefit of producers, handlers, and consumers, as envisaged by said bill: Now, therefore, be it

"Resolved by the Assembly of the State of California, That it urgently represents to the Congress of the United States that the passage of H. R. 6932 is a matter of prime importance, and it hereby memorializes the Congress to enact said bill or a measure comparable in purpose and objective and containing due and adequate consideration for the right of each State to recommend and engage in research on marketing and distribution problems of local and State-wide significance: and be it further

"Resolved, That the chief clerk of the assembly is hereby directed to send a copy of this resolution to the President of the United States, the Speaker of the House of Representatives, the President pro tempore of the Senate, and to each of the Senators and Representatives from California in the Congress of the United States."

A letter in the nature of a petition, from the Pan-Pacific Women's Association, New York City, N. Y., signed by Mrs. Edgerton Parsons, chairman, praying that the remaining appropriation of $465,000,000 to UNRRA be made immediately available; to the Committee on Appropriations.

A resolution adopted by the Federation of Employees of the Insular Government of Puerto Rico, San Juan, P. R., favoring the appointment of JESÚS T. PIÑERO as Governor of Puerto Rico; to the Committee on Territories and Insular Affairs.

A telegram in the nature of a petition from Sooner Post, No. 4578, Veterans of Foreign Wars, Guthrie, Okla., praying for the enactment of legislation providing a cash payment for terminal leave of members of the armed forces; ordered to lie on the table.

A resolution adopted by the Board of Aldermen of the City of Chelsea, Mass., favoring continuation of the Office of Price Administration; ordered to lie on the table.

A telegram in the nature of a memorial from Frank Berge, of San Francisco, Calif., remonstrating against disclosure of information regarding secret war weapons; to the Committee on Military Affairs.

REPORTS OF COMMITTEES

The following reports of committees were submitted:

By Mr. CONNALLY, from the Committee on Foreign Relations:

S. 2493. A bill to authorize the President to appoint Lt. Comdr. Paul A. Smith as United States representative to the Interim Council of the Provisional International Civil Aviation Organization, or as alternate to the United States representative, without affecting his status and perquisites as an officer of the Coast and Geodetic Survey; without amendment.

By Mr. McKELLAR, from the Committee on Appropriations:

H. J. Res. 390. Joint resolution making additional appropriations for the fiscal year 1947, and for other purposes; with amendments (Rept. No. 1908).

By Mr. BARKLEY, from the Committee on the Library:

H. R. 3243. A bill to amend the act entitled "An act to establish a National Archives of the United States Government, and for other purposes"; without amendment.

By Mr. JOHNSTON of South Carolina, from the Committee on Claims:

S. 1327. A bill for the relief of Petrol Corp.; with amendments (Rept. No. 1911).

By Mr. THOMAS of Oklahoma, from the Committee on Agriculture and Forestry:

H. R. 2347. A bill to provide and insure a dependable supply of domestic natural rubber, and for other purposes; without amendment (Rept. No. 1912);

H. R. 4769. A bill to amend section 5 of the act entitled "An act authorizing the Secretary of Agriculture to collect and publish statistics of the grade and staple length of cotton"; without amendment (Rept. No. 1913);

H. R. 6303. A bill to amend the provisions of the Agricultural Adjustment Act relating to marketing agreements and orders; with amendments (Rept. No. 1915);

H. R. 6828. A bill to provide for continuance of the farm labor supply program up to and including June 30, 1947; without amendment (Rept. No. 1914); and

H. R. 7101. A bill to protect American agriculture, horticulture, livestock, and the public health by prohibiting the unauthorized importation into, or the depositing in the territorial waters of, the United States of garbage derived from products originating outside of the continental United States, and for other purposes; with amendments (Rept. No. 1916).

By Mr. MITCHELL, from the Committee on Interstate Commerce:

S. 1639. A bill to amend the Transportation Act of 1940 so as to establish a National Air Policy Board, and for other purposes; with amendments (Rept. No. 1918).

INVESTIGATION OF THE TEXTILE INDUSTRY—REPORT OF A COMMITTEE

Mr. McMAHON. Mr. President, from the Committee on Interstate Commerce, I ask unanimous consent to report an original joint resolution (S. J. Res. 187) to investigate the integration, under common control, of textile and clothing manufacturing plants and the effect on independent manufacturers, and I submit a report (No. 1917) thereon.

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

INTERIM REPORT ON INVESTIGATION OF INTERNATIONAL COMMUNICATIONS BY WIRE AND RADIO

Mr. WHEELER. Mr. President, from the Committee on Interstate Commerce, I ask unanimous consent to submit, pursuant to Senate Resolution 24, Seventy-ninth Congress, providing for an investigation of international communications by wire and radio, an interim report, and I submit a report (No. 1907) thereon.

The PRESIDENT pro tempore. Without objection, the report will be received and printed.

INTERIM REPORT ON INVESTIGATION OF PRESENT STATUS OF COTTON INDUSTRY (REPT. NO. 1918)

Mr. THOMAS of Oklahoma. Mr. President, from the Committee on Agriculture and Forestry, I ask unanimous consent to submit, pursuant to Senate Resolution 92, providing for the investigation of matters relative to food production and consumption, an interim report on the production, consumption, and distribution of cotton, and I request that it may be printed and printed in the RECORD.

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

The committee had before it representatives of the several Federal agencies interested in and handling cotton, as follows:

Paul A. Porter, representing the Office of Price Administration; O. C. Stine and Maurice R. Cooper, representing the Bureau of Agricultural Economics; E. D. White and L. D. Esates, representing the Department of Agriculture; Brig. Gen. W. H. Middleschwartz, representing the Quartermaster General's Office of the War Department, and Col. R. F. Hartman, representing the Civil Affairs Division, War Department; C. W. Nichols, Jerome Stenger and James Evans, representing the State Department; Julian Breen and William B. Mathews, representing the United Nations Relief Administration; Carl N. Gibboney and Ray Hurley, representing the Office of International Trade and Commerce; and Dewitt C. Scheck, representing the United States Commercial Company, which is subsidiary of the Reconstruction Finance Corporation.

The findings made herein are based upon the testimony of the witnesses and the published reports of the Department of Agriculture.

DOMESTIC COTTON SITUATION

The estimated number of acres planted to cotton this year, 1946, is 18,300,000, or some 1,000,000 acres less than was anticipated by the cotton trade.

The foregoing compares with 17,700,000 acres in 1945 and the 1935–44 average of 25,600,000. The 1936–45 average abandonment from natural causes was 1.9 percent.

The 10-year average number of acres planted was 25,500,000. The number of acres planted this year, 1946, is 18,333,333, which is some 7,000,000 acres less than the 10-year average.

The following statements are reprinted from the June–July 1946 report of the Bureau of Agricultural Economics with respect to cotton:

"The July 8 cotton crop report places the 1946 acres of cotton in cultivation July 1, at 18,300,000 acres. If this acreage should produce at average yields (1941–45), the 1946 crop would amount to about 9,500,000 running bales and supplies of American cotton in the United States for the 1946 crop year would be at the lowest level in 17 years, or about the same as in 1928."

The 10-year average production was 12,553,000 bales of cotton of 500 pounds each. The cotton produced last year, 1945, was 9,015,000 bales, or 3,538,000 bales less than the 10-year average production. If the July 8 estimate is approximately correct then this year's crop will be some 3,053,000 bales less than said 10-year average.

"Mill consumption for the year ending July 31 is now estimated at 9,200,000 million bales and exports are estimated at 3,500,000 bales, which would leave a domestic carry-over of all kinds of cotton on August 1 of 7,600,000 bales."

"If, as estimated, mills consume 9,200,000 bales of cotton this season and exports total 3,500,000, the carry-over of all kinds of cotton in the United States on August 1, 1946, will amount to 7,600,000 bales, about 200,000 of which will be foreign."

"June reports indicated that this year's cotton crop is threatened by boll-weevil damage, especially in central Texas, southern Mississippi, Georgia, and South Carolina. The boll-weevil damage may be more serious because of a shortage of calcium arsenate and because of a heavier than normal infestation. Areas north of those mentioned above have not been very adversely affected by the weevil."

Testimony of the representatives of Agriculture shows that cotton stocks are now only 7,600,000 bales compared to 11,200,000 a year ago. The drop was caused by 3,500,000 bales being exported. The 1946 crop will hardly equal the domestic demand.

It was further revealed that the mills are carrying working stocks of 2,000,000 bales; 742,957 bales have already been allocated for export to UNRRA, Britain, France, Japan, and Germany; and the State Department has already approved loans to China, Finland, Czechoslovakia, Italy, and the Netherlands for 756,000 bales with additional loans to be approved in the near future. This leaves only 1,807,000 bales of tenderable cotton and 2,294,000 bales of undesirable cotton, totaling 4,101,000 bales for export sales, Government and warehouse stocks, to serve all purposes during the coming 12 months.

The Department of Agriculture estimates that the United States will have orders and requisitions for three and one-half to four million bales of cotton for export during the next 12 months; and the Department's spokesman stated before the committee that all cotton stocks of all kinds would probably be cleaned up within a year. If this should happen all cotton now on hand and all cotton that is produced during the present crop year will find a market during the next 12 months. This conclusion is supported by the report "June–July Cotton Situation," as follows:

"World consumption of cotton and rayon may be the equivalent of well over 30,000,000 bales next year. During the 1946 crop year the combined production of cotton and rayon in the world will probably not total over 27,000,000 bales. Present carry-overs of cotton, large as they seem, will fall sharply during the next few years unless the production of cotton and/or rayon is expanded beyond present levels." (From June–July report of Bureau of Agricultural Economics.)

In view of the statistics and possible requisitions for export as presented by the various agencies, this will leave our country with little, if any, cotton on hand a year from now.

Representatives of the Department of Agriculture said a normal mill and working stock should be 4,000,000 bales for safety, therefore, it appears that either the mills will have to suffer or the exports curtailed from present estimates, and no future commitments made.

OPA AND COTTON

Mr. Paul A. Porter, Administrator for OPA, admitted that his department does not have authority to maintain ceiling prices on the services of warehousing cotton as such service is prohibited under the act extending the OPA; also the law prohibits imposing ceiling on raw cotton or maintaining margin requirements on cotton futures trading.

The Bureau of Agricultural Economics estimates that the following number of bales of cotton were consumed in the United States:

Year:	*Number of bales*
1942–43	11,000,000
1943–44	9,943,000
1944–45	9,568,000
1945–46	9,000,000 to 9,250,000

The Bureau stated that the estimated 9,500,000 bales to be produced in 1946 would be "probably short" of the consumption from August 1, 1946, to August 1, 1947. The Bureau estimates the carry-over August 1, 1947, will drop 2½ million bales from the carry-over of August 1, 1946, of 7,600,000, leaving 5,100,000 bales of both tenderable and untenderable cotton in all grades and positions. After deducting an estimated 2,000,000 bale mill stocks there would be approximately 3,000,000 bales of cotton on hand for export and for all other purposes between August 1, 1946, and August 1, 1947.

The Production and Marketing Administration estimates that the Commodity Credit Corporation shipped the following bales of cotton for export from August 1, 1945, to August 1, 1946:

	Bales
Germany	42,916
France	720,469
UNRRA	767,676
Great Britain	216,028
Italy	169,712
Army	45,921
Japan	478,895
Total	2,441,617

On June 30, 1946, the Commodity Credit Corporation owned 433,297 bales; had pooled for producers' accounts 89,078 bales; and had outstanding loans on 397,897 bales.

Since June 30, 1946, Commodity Credit Corporation stocks had been reduced from 433,297 bales to approximately 135,000 bales of owned cotton as producers had withdrawn from 50,000 to 75,000 bales. The 1944 loans were called due July 1, 1946. The 1945 loans will be called due October 1, 1946.

The Commodity Credit Corporation has requisitions from the following claimants as of July 29, 1946:

	Bales
UNRRA	175,000
Great Britain	4,131
France (lend lease)	19,637
Japan	433,105
Germany	111,084
Total	742,957

The total 742,957 bales still appear in the estimated 7,600,000-bale carry-over. The Commodity Credit Corporation has yet to acquire 123,231 bales from stocks on hand or from loan cotton to complete its stock to fulfill these requisitions.

There will be additional requests for cotton for shipment to Japan and Germany. Such quantities are unknown at this time. The cotton-textile industry of Japan should consume 125,000 bales per month by January 1, 1947. The mill capacity for Germany should equal 280,000 bales per annum which the United States will supply the bulk.

The Army estimated it shipped 11,000 long tons of cotton to the European theater from December 1944 to March 1945; to Italy, 2,129 long tons through August 1, 1945; to France, 13,331 long tons; to Germany, 102 long tons. Since VJ-day the Army shipped to Italy 2,057 long tons; Germany, 9,319 long tons; British-occupied zone of Germany, 166 long tons, making a total of 50,000 bales since VJ-day.

No additional shipments are contemplated. The Department of State revealed that loans have been made to the following countries for the purpose of buying cotton:

Country	Amount	Bales of cotton
China	$33,000,000	300,000
Finland	5,000,000	46,000
Czechoslovakia	20,000,000	130,000
Italy	25,000,000	200,000
Netherlands	10,000,000	80,000
Total		756,000

In addition to the 756,000 bales listed above there are 344,000 bales of cotton to be earmarked for shipment to foreign countries under credit extended by the State Department, with more credits to follow.

United Nations Relief and Rehabilitation Administration has purchased in the United States and shipped the following cotton:

	Bales
Until August 1945	125,000
Until August 1946	675,000
Yet to be shipped	200,000 to 225,000

COTTON LOAN PROGRAM FOR 1946

The Secretary of Agriculture's announcement on May 28 established premiums and discounts under the 1946 loan program. Loans will be made at 92½ percent of the July 15 parity. On June 15, the price received by farmers for cotton was 112 percent of the parity price for cotton. Announced discounts for the poorer qualities are as much as 250 points wider than those for the 1945 crop.

According to the July 29 report of the Bureau of Agricultural Economics, the parity price on cotton on July 15 was 24.68 cents per pound. This establishes the basic loan rate at 22.82 cents per pound for ⅞" Middling.

COTTON PRICES AFTER WORLD WAR I

In October 1918 cotton sold for 37.25 cents per pound: In December 1919 the price was 36.23 cents and in July 1920 the price was 43.75 cents per pound. Cotton is a world commodity and is based on the value of gold. World War I prices were based on the old gold dollar which was 40 percent heavier, hence, 40 percent more valuable than the gold dollar of today. In 1920 there was less than $6,200,000,000 of money in circulation while now (July 17), we have $28,241,000,000 in circulation.

COTTON GROWER RECEIVES FOR 1 HOUR'S WORK PRICE HE RECEIVES FOR 1 POUND OF COTTON

Eminent economists have demonstrated before the Senate Agricultural Committee that cotton growers receive per hour for their labor the amount they receive per pound for the cotton they produced. Cotton is now (July 31, 1946) quoted at some 32 cents per pound, hence, this means that cotton growers may receive only about 32 cents per hour for their work in producing this year's crop. If this price prevails, it is obvious that much of the 1946 crop will not be picked and the existing shortage will be increased.

STATISTICS OF COTTON

Cotton: Acreage, production, value, and foreign trade, United States, 1929–43

Year	Cotton						Cottonseed		Cotton			
	Acreage in cultivation July 1	Acreage harvested	Yield per harvested acre	Production [1]	Season average price per pound received by farmers	Farm value	Production	Farm value	Market price per pound, year beginning August		Foreign trade, year beginning August	
									New York	New Orleans	Domestic exports	Imports
	1,000 acres	*1,000 acres*	*Lb.*	*1,000 bales*	*Cents*	*1,000 dollars*	*1,000 tons*	*1,000 dollars*	*Cents*	*Cents*	*1,000 bales*	*1,000 bales*
1929		*43,227*		*14,574*								
1929	44,448	43,232	164.2	14,825	16.78	1,243,840	6,406	198,164	16.60	16.16	7,035	396
1930	43,329	42,444	157.1	13,932	9.46	658,981	6,028	133,054	10.38	10.08	7,133	112
1931	39,110	38,704	211.5	17,097	5.66	483,575	7,310	65,678	6.34	6.20	9,193	138
1932	36,494	35,891	173.5	13,003	6.52	423,975	5,815	60,202	7.37	7.26	8,895	136
1933	40,248	29,383	212.7	13,047	10.17	663,383	5,511	71,166	11.09	10.92	7,964	156
1934		*26,754*		*9,472*								
1934	27,860	26,866	171.6	9,636	12.36	595,572	4,256	140,574	12.44	12.44	5,037	112
1935	28,063	27,509	185.1	10,638	11.09	590,021	4,634	141,527	11.75	11.65	6,267	162
1936	30,627	29,755	199.4	12,399	12.36	766,222	5,472	182,230	12.93	12.79	5,689	265
1937	34,090	33,623	269.9	18,946	8.41	796,469	7,844	152,974	8.75	8.79	5,976	166
1938	25,018	24,248	235.8	11,943	8.60	513,704	4,950	107,874	8.99	8.73	3,512	157
1939		*22,811*		*11,481*								
1939	24,683	23,805	237.9	11,817	9.09	536,996	4,869	102,933	10.34	10.03	6,501	176
1940	24,871	23,861	252.5	12,566	9.89	621,284	5,286	114,817	11.55	11.06	1,174	202
1941	23,130	22,236	231.9	10,744	17.03	914,313	4,553	216,961	19.16	18.17	1,162	279
1942	23,302	22,602	272.4	12,817	19.04	1,219,716	5,202	237,221	20.99	19.96	1,498	178
1943	21,942	21,652	253.5	11,427	19.80	1,129,985	4,688	244,052	21.30	20.44		

[1] Department figures are in 500-pound gross-weight bales for all years. Agricultural census figures for all periods are in running bales.

Bureau of Agricultural Economics. Italic figures are census returns. Production figures conform with census annual ginning enumerations, with allowance for cross-State ginnings.

Source: The Agricultural Statistics of 1944.

Cotton: Production in specified countries, 1934–43

Year beginning August	United States	India	China	Soviet Union	Egypt	Brazil	Peru	Mexico	Argentina	Uganda	Anglo-Egyptian Sudan	Estimated world total
	1,000 bales	*1,000 bales*	*1,000 bales*	*1,000 bales*	*1,000 bales*	*1,000 bales*	*1,000 bales*	*1,000 bales*	*1,000 bales*	*1,000 bales*	*1,000 bales*	*1,000 bales*
1934	9,636	3,987	3,243	1,687	1,566	1,328	342	223	295	212	227	23,810
1935	10,638	4,874	2,667	2,250	1,769	1,757	393	315	373	269	201	26,830
1936	12,399	5,217	3,870	3,400	1,887	1,817	386	397	144	283	268	31,500
1937	18,946	4,788	3,556	3,700	2,281	2,075	376	341	237	349	264	38,630
1938	11,943	4,227	2,301	3,800	1,728	1,989	396	307	327	253	263	29,090
1939	11,817	4,108	1,883	4,000	1,801	2,141	378	312	362	252	245	28,966
1940	12,566	5,090	2,354	3,000	1,900	2,507	383	302	232	310	247	30,580
1941	10,744	5,127	2,406		1,735	1,844	329	375	373	198	247	27,400
1942	12,817	3,935			877	2,089	322	435	498	94	271	27,340
1943	11,427	4,249			740		259	520	535	159	196	26,800

Bureau of Agricultural Economics. Compiled from official sources, International Institute of Agriculture, credible trade sources, and estimates of the Department of Agriculture.

Cotton: Supply and distribution, United States, 1934–44

Season beginning August—	Supply					Distribution					
	Carry-over beginning of season		Ginnings in season	Imports	Total supply	Consumption		Destroyed	Exports	Carry-over end of season	
	Foreign	Total				Foreign	Total			Foreign	Total
	1,000 bales	*1,000 bales*	*1,000 bales*	*1,000 bales*	*1,000 bales*	*1,000 bales*	*1,000 bales*	*1,000 bales*	*1,000 bales*	*1,000 bales*	*1,000 bales*
1934	96	7,744	9,515	107	17,366	120	5,361	30	4,767	71	7,208
1935	71	7,208	10,403	155	17,766	131	6,351	35	5,971	73	5,409
1936	73	5,409	12,269	249	17,927	182	7,950	45	5,433	112	4,499
1937	112	4,499	18,284	158	22,941	132	5,748	65	5,595	87	11,533
1938	87	11,533	11,617	132	23,282	122	6,858	66	3,325	76	13,033
1939	76	13,033	11,420	159	24,612	128	7,784	73	6,191	95	10,564
1940	95	10,564	12,318	188	23,069	146	9,722	70	1,112	140	12,166
1941	140	12,166	10,599			196	11,170	50		135	10,640
1942	135	10,640	12,497			170	11,100	60		88	10,657
1943	88	10,657	11,150			114	9,942	50		118	10,744
1944	118	10,744									

Cotton: Mill consumption, by growths, United States, 1934–43

Season beginning August—	Domestic				Foreign					All growths
	Upland	American Egyptian	Sea Island	Total	Egyptian	Chinese	Indian	Other	Total	
	Bales	*Bales*	*Bales*	*Bales*	*Bales*	*Bales*	*Bales*	*Bales*	*Bales*	*Bales*
1934	5,228,995	11,343	566	5,240,904	82,249	15,227	20,826	1,661	119,963	5,360,867
1935	6,198,225	21,376	238	6,219,839	66,982	17,664	44,433	2,242	131,321	6,351,160
1936	7,747,489	20,097	395	7,767,981	77,858	33,943	61,662	8,635	182,098	7,950,079
1937	5,608,081	6,187	1,950	5,616,218	47,876	28,616	48,999	6,269	131,760	5,747,978
1938	6,714,266	18,638	3,226	6,736,130	53,185	24,536	39,701	4,874	122,296	6,858,426
1939	7,630,954	21,204	3,166	7,655,324	53,903	7,922	61,956	4,669	128,450	7,783,774
1940	9,545,314	26,937	3,270	9,575,521	60,884	4,459	77,929	2,910	146,182	9,721,703
1941	10,922,303	47,031	4,281	10,973,615					196,491	11,170,106
1942	10,874,337	49,783	5,664	10,929,784					170,298	11,100,082
1943	9,784,768	43,720		9,828,488					113,582	9,942,070

Office of Distribution. Compiled from reports of the Bureau of the Census. Quantities are in running bales (round bales counted as half bales) and foreign in equivalent 500-pound bales.

BILLS AND JOINT RESOLUTIONS INTRODUCED

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

(Mr. MURRAY (for himself, Mr. MORSE, and Mr. PEPPER) introduced Senate bill 2499, to establish a national policy for education and to provide a 10-year program of assistance to the States for the further development of educational systems, which was referred to the Committee on Education and Labor, and appears under a separate heading.)

By Mr. BRIDGES:

S. 2500. A bill to provide for designation of the United States Veterans' Administration hospital at Manchester, N. H., as the Frank Knox Veterans Memorial Hospital; ordered to lie on the table.

By Mr. PEPPER (for himself and Mr. JOHNSTON of South Carolina):

S. 2501. A bill to amend the Armed Forces Leave Act of 1946 to provide for the redemption prior to maturity of bonds issued under such act; to the Committee on Military Affairs.

(Mr. LA FOLLETTE introduced Senate Joint Resolution 185, providing for the filing of claims for compensation for personal injuries and property damages sustained by citizens of the United States who were taken prisoner by the enemy during World War II, which was referred to the Committee on Foreign Relations, and appears under a separate heading.)

(Mr. BARKLEY introduced Senate Joint Resolution 186, to provide for the transfer of the painting First Fight of Ironclads—*Monitor* and *Merrimac*, now stored in the United States Capitol Building, to the custody of the United States Naval Academy, was passed, and appears under a separate heading.)

DEVELOPMENT OF EDUCATIONAL SYSTEMS

Mr. MURRAY. Mr. President, on behalf of the Senator from Oregon [Mr. MORSE], the Senator from Florida [Mr. PEPPER], and myself, I ask unanimous consent to introduce for appropriate reference a bill to establish a national policy for education and to provide a 10-year program of assistance to the States for the further development of educational systems, and I request that it be printed in full in the RECORD, together with an accompanying statement in explanation.

The PRESIDENT pro tempore. Without objection, the bill will be received and appropriately referred, and the bill together with an accompanying statement in explanation will be printed in the RECORD.

The bill (S. 2499) to establish a national policy for education and to provide a 10-year program of assistance to the States for the further development of educational systems, read twice by its title, referred to the Committee on Education and Labor, and ordered to be printed in the RECORD, as follows:

Be it enacted, etc., That this act, divided into titles according to the following table of contents, may be cited as the "Education Development Act of 1947":

TABLE OF CONTENTS

Section 1. Short title.
Section 2. Declaration of policy.

TITLE I—BASIC EDUCATIONAL PROGRAMS AND SERVICES

Section 101. Appropriation authorized.
Section 102. Allotments to States.
Section 103. Educational expenditures by States.
Section 104. State plans.

TITLE II—SCHOLARSHIPS AND FELLOWSHIPS

Section 201. Appropriation authorized.
Section 202. Allotments to States.
Section 203. State plans.

TITLE III—PLANNING AND CONSTRUCTION OF EDUCATIONAL PLANT FACILITIES

Section 301. Appropriation authorized.
Section 302. Allotments to States.
Section 303. State plans.

TITLE IV—CAMPING PROGRAMS FOR CHILDREN AND YOUTH

Section 401. Appropriation authorized.
Section 402. Allotments to States.
Section 403. State plans.

TITLE V—ADMINISTRATION

Section 501. State control of operations.
Section 502. United States Office of Education.
Section 503. Program development, administration, and research.
Section 504. National standards.
Section 505. Operation of State plans.
Section 506. National Board of Appeals.

TITLE VI—GENERAL PROVISIONS

Section 601. Report to Congress.
Section 602. Definitions.
Section 603. Separability.

DECLARATION OF POLICY

SEC. 2. The Congress hereby declares that in order to promote the common defense, democratic participation in government, the development of science and the arts, productive employment in a fruitful economy, wise use of leisure, world peace and security, and the general welfare, it shall be the national policy to seek the development within 10 years of educational systems throughout the United States—

(a) which will be so organized, financed, and administered as to be capable of offering full and equal opportunities to all to develop their capacities for their own benefit individually and for the best interest of the Nation as a whole;

(b) which will afford equality of opportunity to all without regard to sex, race, color, or creed;

(c) which will promote the principles of democracy, of respect for the dignity of the individual, and of respect for such human rights as freedom of assembly, speech, and religion, with unrestricted pursuit of objective truth and the free exchange of ideas and knowledge:

(d) under which it will be the responsibility of the several States, in accordance with their constitutions and laws, to provide the administrative organization for public educational services, and particularly, under such home-rule provisions as they may determine, to provide for local public school administrative units of efficient size and organization; and to provide for the chartering of nonpublic educational institutions;

(e) under which it will be the responsibility of State and local school authorities to provide for compulsory school attendance, to determine the public-school curriculum, to appoint competent teachers and officers of instruction, to provide safe and sanitary school buildings, to provide suitable equipment and instructional materials, and, where necessary, safe pupil transportation;

(f) under which it will be the responsibility of nonpublic tax-exempt schools and educational institutions to meet suitable standards of educational service as established by competent authority, and to aid in the attainment of national educational objectives in the interests of the general welfare;

(g) under which it will be the responsibility of the Federal Government to assist the States in discharging their responsibilities and in meeting Nation-wide educational objectives; and

(h) under which it will be the further responsibility of the Federal Government to cooperate with other members of the United Nations in raising educational standards and in carrying out the obligations of membership in the United Nations Educational, Scientific, and Cultural Organizations.

TITLE I—BASIC EDUCATIONAL PROGRAMS AND SERVICES

APPROPRIATION AUTHORIZED

SEC. 101. For the purpose of assisting the States to provide basic educational programs and educational services in order more nearly to equalize educational opportunities among and within the States, there is hereby authorized to be appropriated for the fiscal year ending June 30, 1948, the sum of $500,000,000; for the fiscal year ending June 30, 1949, the sum of $600,000,000; for the fiscal year ending June 30, 1950, the sum of $650,000,000; for the fiscal year ending June 30, 1951, the sum of $700,000,000; for the fiscal year ending June 30, 1952, the sum of $750,000,000; for the fiscal year ending June 30, 1953, the sum of $800,000,000; for the fiscal year ending June 30, 1954, the sum of $850,000,000; for the fiscal year ending June 30, 1955, the sum of $900,000,000; for the fiscal year ending June 30, 1956, the sum of $950,000,000; for the fiscal year ending June 30, 1957, the sum of $1,000,000,000; and thereafter such sums as the Congress may determine.

ALLOTMENTS TO STATES

SEC. 102. (a) For the fiscal year ending June 30, 1948, and for each fiscal year thereafter, the Commissioner shall allot to each State, which has a plan approved meeting requirements set forth in section 104 hereof, an amount which bears the same ratio to the total sum appropriated for such fiscal year under this title as the State's index of financial need, as determined under subsection (b) of this section, bears to the sum of such indexes of financial need for all States, except that during the fiscal year ending June 30, 1948, no State shall receive less than $5 per child of the ages 4 to 20, inclusive; during the fiscal year ending June 30, 1949, no State shall receive less than $6 per child of such ages; during the fiscal year ending June 30, 1950, no State shall receive less than $6.50 per child of such ages; during the fiscal year ending June 30, 1951, no State shall receive less than $7 per child of such ages; during the fiscal year ending June 30, 1952, no State shall receive less than $7.50 per child of such ages; during the fiscal year ending June 30, 1953, no State shall receive less than $8 per child of such ages; during the fiscal year ending June 30, 1954, no State shall receive less than $8.50 per child of such ages; during the fiscal year ending June 30, 1955, no State shall receive less than $9 per child of such ages; during the fiscal year ending June 30, 1956, no State shall receive less than $9.50 per child of such ages; during the fiscal year ending June 30, 1957, no State shall receive less than $10 per child of such ages.

(b) (1) The index of financial need of each State shall be the product of (A) such State's total income payments, and (B) the quotient obtained by dividing (i) the difference between twice the national income per child and the income per child for such State by (ii) the income per child for such State, except that such quotient shall in no case exceed eight: *Provided*, That the index of financial need for any State shall be reduced in accordance with section 103.

(2) For the purposes of this section, the national income per child shall be the average, for the three most recent consecutive years for which data are available, of the total income payments received in all of the States within the continental limits of the United States, divided by the total number of persons, within such States, of the ages of 4 to 20, inclusive; and the income per child for a State shall be the average, for such 3 years, of the total income payments received within such State divided by the number of

persons, within such State, of the ages of 4 to 20, inclusive.

(3) Between July 1 and August 21 of each year, the Commissioner shall calculate the index of financial need of each State from data provided by the Secretary of Commerce regarding income payments and the number of persons of the age of 4 to 20, inclusive, in each State.

EDUCATIONAL EXPENDITURES BY STATES

SEC. 103. The Commissioner shall determine for each State in the continental United States the percentage ratio of (A) the amount spent in that State from local and State revenues and from other sources for current expenditures (excluding interest, debt service, and capital outlay) for public and nonprofit tax-exempt schools, and higher educational institutions for the third year next preceding the year for which the computation is made, to (B) the average of the annual income payments received in that State, as determined by the Department of Commerce, for 3 years including the third, fourth, and fifth years next preceding the year for which the computation is made.

If the percentage ratio for any State is less than 2 percent as thus determined in 1947, less than 2.2 percent in 1948, less than 2.4 percent in 1949, less than 2.6 percent in 1950, less than 2.8 percent in 1951, less than 3 percent in 1952 and thereafter, the index of financial need for each such State, as computed under section 102, shall be proportionately reduced.

STATE PLANS

SEC. 104. (a) A State plan for basic educational programs and educational services under this title must—

(1) meet the standards set forth in section 504 hereof;

(2) provide for disbursement of funds received under this title to schools, school systems, educational agencies, and institutions for the payment of current expense (excluding interest, debt service, and capital outlay) as follows: (A) Until the fiscal year ending June 30, 1952; 3 percent, if expended, shall be expended solely for preelementary education; 33 percent, if expended, shall be expended solely for elementary education; 33 percent, if expended, shall be expended solely for secondary education, including vocational education of noncollegiate grade; 17 percent, if expended, shall be expended solely for higher education; 3 percent, if expended, shall be expended solely for community recreation and adult education; 3 percent, if expended, shall be expended solely for special education of physically handicapped children and youth; 3 percent, if expended, shall be expended solely for health and physical education; 3 percent, if expended, shall be expended solely for the further development of public library services, especially in rural areas; (B) beginning with the fiscal year ending June 30, 1952, and thereafter: for any or all of the purposes in (A) above, as the State agency may determine;

(3) provide that not to exceed 2 percent of funds received under this title shall be used for the expenses of the State authority necessary for the efficient administration of the State plan, including program development and supervision;

(4) provide that the State plan shall be made public before any expenditure of Federal funds under the plan is incurred.

(b) The Commissioner shall approve any plan which fulfills the conditions specified in subsection (a) hereof.

TITLE II—SCHOLARSHIPS AND FELLOWSHIPS

APPROPRIATION AUTHORIZED

SEC. 201. For the purpose of assisting the several States to enable young persons of ability to continue their education in the last 2 years of high school and in higher educational institutions by means of the award of scholarships and fellowships there is hereby authorized to be appropriated for the fiscal year ending June 30, 1948, $70,000,000; for the fiscal year ending June 30, 1949, $105,000,000; for the fiscal year ending June 30, 1950, $140,000,000; for the fiscal year ending June 30, 1951, $170,000,000; for the fiscal year ending June 30, 1952, $200,000,000; for the fiscal year ending June 30, 1953, $230,000,000. for the fiscal year ending June 30, 1954, $260,000,000; for the fiscal year ending June 30, 1955, $290,000,000; for the fiscal year ending June 30, 1956, $320,000,000; for the fiscal year ending June 30, 1957, $350,000,000; and thereafter such sums as the Congress may determine.

ALLOTMENTS TO STATES

SEC. 202. For the fiscal year ending June 30, 1948, and for each fiscal year thereafter the Commissioner shall allot to each State which has a plan approved meeting the requirements set forth in section 203 hereof an amount which bears the same ratio to the total sum appropriated for such fiscal year under this title as the number of persons 16 to 24 years of age, inclusive, in such State bears to the total number of persons of those ages in all of the States.

STATE PLANS

SEC. 203. (a) A State plan for scholarships and fellowships under this title must—

(1) meet the standards set forth in section 504 (a) hereof;

(2) provide a method of identifying students of ability for the award of scholarships and fellowships without reference to race, color, sex, or creed;

(3) provide special assistance for needy students who are compelled to live away from home in order to complete their education;

(4) provide that at least 20 percent of the State's allotment, if expended, shall be expended for scholarships for students who are enrolled in the last 2 years of high school; at least 40 percent, if expended, shall be expended for scholarships for students who are high-school graduates and are enrolled, or eligible to enroll in junior colleges, technical institutes, vocational schools, colleges, and universities; at least 20 percent, if expended, shall be expended for fellowships for students who are enrolled or eligible to enroll, in graduate or professional schools or departments of colleges, universities, and research institutes in the United States or other countries;

(5) provide that not to exceed 2 percent of funds received under this title shall be used for the expenses of the State authority necessary for the efficient administration of the State plan for the award of scholarships and fellowships.

(b) The Commissioner shall approve any plan which fulfills the conditions specified in subsection (a) hereof.

TITLE III—PLANNING AND CONSTRUCTION OF EDUCATIONAL PLANT FACILITIES

APPROPRIATION AUTHORIZED

SEC. 301. In order to assist the States in making surveys of the need for educational plant facilities, in preparing drawings and specifications for such facilities, and in acquiring, constructing, or improving such facilities, there is hereby authorized to be appropriated for the fiscal year ending June 30, 1948, the sum of $200,000,000; for the fiscal year ending June 30, 1949, the sum of $300,000,000; for the fiscal year ending June 30, 1950, and for each fiscal year thereafter, until the fiscal year ending June 30, 1957, the sum of $400,000,000; and thereafter such sums as the Congress may determine.

ALLOTMENTS TO STATES

SEC. 302. (a) For the fiscal year ending June 30, 1948, and for each fiscal year thereafter the Commissioner shall allot to each State for which a State plan has been approved a sum bearing the same ratio to the total sum appropriated for such year under this title as the product of (1) the number of persons in such State of the ages 4 to 20, inclusive, as determined on the basis of the latest figures certified by the Department of Commerce, and (2) the square of its Federal percentage as defined in subsection (b) hereof bears to the sum of the corresponding products for all of the States.

(b) The Federal percentage with respect to any State shall be 100 percent less the non-Federal percentage; and the non-Federal percentage shall be that percentage which bears the some ratio to 50 percent as the per capita income of such State bears to the per capita income of all the States, except that (1) the non-Federal percentage shall in no case be more than 66⅔ percent or less than 25 percent and (2) the non-Federal percentage for Alaska and Hawaii shall be 50 percent each, and the non-Federal percentage for Puerto Rico shall be 25 percent.

(c) The Federal percentages shall be promulgated by the Commissioner between July 1 and August 21 of each year on the basis of the average of the per capita incomes of the several States and of the continental United States (excluding Alaska) for the three most recent consecutive years for which satisfactory data are available from the Department of Commerce. Such promulgation shall be conclusive for each fiscal year in the period beginning July 1 next succeeding such promulgation: *Provided*, That the Commissioner shall promulgate such percentages as soon as possible after the enactment of this title, which promulgation shall also be conclusive for the fiscal year ending June 30, 1948.

(d) The amount of the allotment to a State shall be available, in accordance with the provisions of this act, for payment of such State's Federal percentage of the cost of approved projects within the State. The Commissioner shall calculate the allotments to be made under this section and notify the Secretary of the Treasury of the amounts thereof. Sums allotted to a State for a fiscal year for the purposes of this title and remaining unencumbered at the end of such year shall remain available to such State for the next fiscal year (and for such year only), in addition to the sums allotted for such State for such next fiscal year. Any amount of the sum authorized to be appropriated for such year, or which is not allotted in such year by reason of the failure of any State or States to have plans approved under this act, or any amount allotted to a State but remaining unencumbered at the end of the period for which it is available to such State is hereby authorized to be appropriated for the next fiscal year in addition to the sum otherwise authorized under section 301 hereof.

STATE PLANS

SEC. 303. (a) A State plan for carrying out the purposes of this title must—

(1) meet the standards set forth in section 504 (a) hereof;

(2) set forth the general manner in which the State proposes to survey its need for educational plant facilities and to determine the priority of projects based on the relative need of different sections of the population and of different areas lacking adequate educational plant facilities, giving special consideration to educational plant facilities serving rural communities and areas with relatively small financial resources;

(3) set forth the general standards for the planning, construction, or acquisition of such facilities of different classes and in different types of locations;

(4) provide that educational plant facilities will be made available to all persons residing in a given territorial area without discrimination on account of race, color, sex, or creed; where separate school facilities are provided for separate population groups, equitable provision shall be made for educational plant facilities of like quality for each such group on the basis of need;

(5) provide for affording every applicant for a construction project an opportunity for hearing before the State agency;

(6) provide that the rates of pay for laborers and mechanics engaged in construction of federally aided projects will be not less than the prevailing local wage rates for similar work as determined in accordance with Public Law 403 of the Seventy-fourth Congress, approved August 30, 1935, as amended;

(7) provide that not to exceed 3 percent of the funds received under this title shall be used for the expenses of the State authority necessary for the efficient administration of the State plan, including program development and supervision.

(b) The Commissioner shall approve any plan which fulfills the conditions specified in subsection (a) hereof.

TITLE IV—CAMPING PROGRAMS FOR CHILDREN AND YOUTH

APPROPRIATION AUTHORIZED

SEC. 401. (a) For the purpose of assisting the several States in providing camping programs for children and youth in public parks and forests, such programs to be administered by school and other nonprofit tax-exempt organizations in cooperation with park and forest authorities, there is hereby authorized to be appropriated for the fiscal year ending June 30, 1948, $25,000,000; for the fiscal year ending June 30, 1949, $40,000,000; for the fiscal year ending June 30, 1950, $55,000,000, for the fiscal year ending June 30, 1951, $65,000,000; for the fiscal year ending June 30, 1952, $75,000,000; for the fiscal year ending June 30, 1953, $85,000,000; for the fiscal year ending June 30, 1954, $95,000,000; for the fiscal year ending June 30, 1955, $105,000,000; for the fiscal year ending June 30, 1956, $115,000,000; for the fiscal year ending June 30, 1957, $125,000,000; and thereafter such sums as the Congress may determine.

ALLOTMENT TO STATES

SEC. 402. For the fiscal year ending June 30, 1948, and for each fiscal year thereafter, the Commissioner shall allot to each State which has a plan approved meeting the requirements set forth in section 403 hereof an amount which bears the same ratio to the total sum appropriated for such fiscal year under this title as the urban child population of the ages 10 to 16, inclusive, of the State bears to the urban child population of those ages in all the States.

STATE PLANS

SEC. 403. (a) A State plan for carrying out the purposes of this title must—

(1) meet the standards set forth in section 504 (a) hereof;

(2) set forth the manner in which the State proposes to determine the number, capacity, and location of camps in public parks and forests needed to accommodate the urban child population of the State;

(3) set forth standards for the construction, equipment, and operation of camps of different sizes and in different types of locations;

(4) provide that camping facilities and programs will be made available without discrimination on account of race, creed, color, or economic status; separate camping facilities and programs for separate population groups which make equitable provision of camping facilities and programs of like quality for each such group on the basis of need shall be deemed to meet this requirement;

(5) provide that not to exceed 2 percent of the funds received under this title shall be used for the expenses of the State authority necessary for the efficient administration of the State plan, including program development and supervision.

(b) The Commisssioner shall approve any plan which fulfills the conditions specified in subsection (a) hereof.

TITLE V—ADMINISTRATION

STATE CONTROL OF OPERATIONS

SEC. 501. No department, agency, officer, or employee of the United States shall exercise any direction, supervision, or control over the personnel, curriculum, or program of instruction of any school, school system, or educational institution with respect to which funds have been or may be expended under this act.

UNITED STATES OFFICE OF EDUCATION

SEC. 502. (a) The United States Office of Education shall be administered within the Federal Security Agency by a Commissioner, who shall be appointed by the President, by and with the advice and consent of the Senate, and shall receive compensation at a rate not to exceed $15,000 per annum.

(b) The Commissioner, in exercising his authority under this act, shall consult and advise with a National Advisory Council (hereinafter referred to as the "Council") on all matters of major policy or program. The Council shall consist of the Commissioner, as chairman, and 9 citizens to be appointed by the President, by and with the advice and consent of the Senate. Each member shall be appointed for a 4-year term; except that (1) at least half of the members originally appointed shall be appointed for 2-year terms, and (2) any member appointed to fill a vacancy occurring prior to the expiration of the term of his predecessor shall be appointed for the remainder of such term. The members of the Council shall serve without remuneration, except for a per diem subsistence allowance not to exceed $25 for actual time devoted to the work of the Council and shall be reimbursed for travel and other necessary expenses.

(c) The Commissioner may from time to time appoint such other advisory committees as he deems necessary to consult and advise with him and the members of his staff with respect to matters involving technical and professional questions of policy and procedure in the administration of this act. Persons appointed to serve on such committees shall serve without remuneration, except for a per diem subsistence allowance of not to exceed $25 for actual time devoted to attending meetings called by the Commissioner and shall be reimbursed for travel and other necessary expenses.

(d) The Commissioner shall appoint and fix the compensation of such personnel as he may deem necessary to carry out the provisions of this act. Appointments shall be made and compensation shall be fixed in accordance with the provisions of the civil-service laws and regulations and the Classification Act of 1923, as amended, except that, when deemed necessary by the Commissioner for the effective administration of this act, expert consultants and part-time employees may be employed without regard to such laws.

(e) Officers and employees of the Office of Education, members of the council, members of advisory committees, and consultants employed, shall be chosen without regard to political affiliations and solely on the basis of their ability and fitness to perform the duties of the office or position.

(f) In addition to administering the provisions of this act, the functions of the United States Office of Education, under the direction of the Commissioners, shall be—

(1) to aid, stimulate, and encourage the development throughout the Nation of improved services and facilities in the entire field of education;

(2) to cooperate with other agencies of the Federal Government, with State Governments, and with other agencies and individuals functioning in the field of education;

(3) to promote, foster, and encourage State and community activities in the field of education;

(4) to collect and analyze statistics, make studies, investigations, and reports on conditions, problems, needs, and progress in the field of education, both in the United States and in other countries, and disseminate and make available information relating to the field of education;

(5) to make reports and recommendations with respect to the most effective policies and methods for the promotion and improvement of educational services, including recommendations with respect to legislation and matters of administrative policy;

(6) to cooperate with the Department of State and the United Nations Educational, Scientific, and Cultural Organization;

(7) to administer such Federal programs, including the grants-in-aid programs authorized by this act, and to exercise such other powers and perform such other duties and functions in the field of education as are now assigned to it or may be provided by presently existing or by subsequent legislative enactment.

(g) The Commissioner, after advisement with the National Advisory Council, and with the approval of the Administrator, Federal Security Agency, is hereby authorized to promulgate such rules and regulations in conformity with the provisions of this act as may be necessary to facilitate its administration.

(h) In administering the provisions of this act, the Commissioner is authorized to utilize the services and facilities of any executive department in accordance with an agreement with the head thereof. Payment for such services and facilities shall be made in advance or by way of reimbursement, as may be agreed upon between the Commissioner and the head of the executive department furnishing them.

(i) The Commissioner is hereby authorized to delegate to any officer or employee of the Office of Education designated by him such of his functions, powers, and duties as he deems appropriate, including the approval, disapproval, or modification of any action which is subject to the direction of the Commissioner; except that he may not delegate the function of promulgating official regulations concerning grants-in-aid programs authorized in this act.

PROGRAM DEVELOPMENT, ADMINISTRATION, AND RESEARCH

SEC. 503. For the purpose of (a) administering the provisions of this act; (b) conducting basic scientific research on learning processes and education methods, such research to be conducted either directly by the Office of Education or by contract with other Government agencies, State educational authorities, schools and school systems, colleges, and universities or research institutes; and (c) providing demonstrations of improved education methods in cooperation with States, communities, school systems, schools, colleges, universities, and libraries, there is hereby authorized to be appropriated to the United States Office of Education for the fiscal year ending June 30, 1948, the sum of $10,000,000; for the fiscal year ending June 30, 1949, the sum of $12,500,000; for the fiscal year ending June 30, 1950, the sum of $15,000,000; for the fiscal year ending June 30, 1951, the sum of $17,500,000; for the fiscal year ending June 30, 1952, the sum of $20,000,000; for the fiscal year ending June 30, 1953, the sum of $22,500,000; for the fiscal year ending June 30, 1954, the sum of $25,000,000; and for each fiscal year thereafter such sum as the Congress may determine.

NATIONAL STANDARDS

SEC. 504. In order to qualify for receiving funds appropriated under this act, a State—

(a) by legislative enactment shall (1) accept the provisions of this act and provide for the administration of funds to be received; (2) provide that the State treasurer, or corresponding official in the State, shall serve as trustee for the funds paid to the State under this act; (3) establish or designate a single State agency as the sole agency for preparing and carrying out or supervising the carrying out of the State plans under this act; (4) provide for an audit by the State agency of the expenditure of funds received and disbursed to schools, school systems, educational agencies, and institutions as authorized in this act; (5) provide that the State agency shall make such reports, in such form, and containing such information, as the Commissioner may from time to time reasonably require; and (6) provide, in States which maintain separate schools for separate population groups, for a just and equitable apportionment of funds received for the benefit of each such group; and (7) provide that funds received under the provisions of this act shall be made available to every State-approved educational agency in need thereof: *Provided*, That in any State in which the legislature has not taken the action specified in this paragraph the chief executive of such State may, until such action has been taken or until 6 months after the adjournment of the first regular session of the legislature in such State following the date of enactment of this title, whichever first occurs, take such action for such period as is required by this act to be taken by legislative enactment;

(b) either by legislative enactment, or by regulations issued by its State agency, if the legislature so directs, shall provide after the fiscal year ending June 30, 1950, and then subject to exception only after an appeal upheld by the National Board of Appeals that (1) teachers in public schools shall be paid not less than $1,500 per school year of 180 days and shall be entitled to retirement benefits no less adequate than those provided for beneficiaries under the old age insurance provisions of the Social Security Act; (2) a State plan shall be in effect with the objective of bringing about, in not to exceed 5 years, public educational programs and opportunities for children and youth of rural areas no less adequate than those for children and youth in urban areas; (3) a State plan shall be in effect with the objective of bringing about, in not to exceed 5 years, substantially equal opportunities at all levels of the State's public educational system and throughout all areas of the State without regard to sex, race, color, or creed; (4) teachers and other employees of public educational agencies shall be employed only on the basis of merit and retained on the basis of efficiency; (5) school buildings, school busses, and other school equipment shall be safe and sanitary; (6) all books and other necessary instructional materials shall be provided without charge to school pupils; (7) public services, other than instructional services, shall be equally available to all children attending nonprofit tax-exempt schools selected by their parents and meeting the requirements of the State's compulsory attendance laws; (8) all physically and mentally qualified children of 6 to 16 years of age, inclusive, shall be required to attend school for a school year of not less than 180 days; and (9) there shall be actively and progressively under development a 10-year program for the improvement of educational services throughout the State, including plans for improving the organization of school administrative units and educational agencies, plans for improving employment conditions for teachers, and plans for educational plant construction and other capital expenditures for educational purposes.

(c) either by legislative enactment, or by regulations issued by its State agency, if the legislature so directs, shall provide, after the fiscal year ending June 30, 1955, and then subject to exception only after an appeal upheld by the National Board of Appeals, that (1) teachers in public schools shall be paid not less than $2,000 per school year of 180 days; (2) public educational programs and opportunities for children and youth of rural areas shall be no less adequate than those for children and youth in urban areas; and (3) equal opportunities shall be provided at all levels of the State's public educational system and throughout all areas of the State without regard to sex, race, color, or creed and all forms of discrimination not related to individual aptitude shall be eliminated.

(d) In any case where a State agency is unable or unwilling to distribute Federal grants in conformity with this act, the Commissioner, after a public hearing before and a determination by the National Board of Appeals, shall be authorized to carry out the intent of the act by certification of their pro rata share of allotments under sections 102, 202, 302, and 402 of this act directly to local schools, school systems, or educational agencies and, in the case of section 202, to individuals.

OPERATION OF STATE PLANS

SEC. 505. (a) At the beginning of each fiscal year the Commissioner shall estimate the sums to which each State is entitled under the provisions of this act and shall thereupon certify to the Secretary of the Treasury the amount so estimated, reduced or increased, as the case may be, by any sum for which the Commissioner finds that his estimate for any prior period was greater or less than the amount to which the State was entitled for such period. The Secretary of the Treasury shall thereupon through the Fiscal Service of the Treasury Department and prior to audit or settlement by the General Accounting Office, pay to the State in quarterly installments, the amounts so certified beginning with the first quarter of the fiscal year for which appropriations made under authorization of this act are available.

(b) The Commissioner shall cause audits to be made of the expenditure of funds under this act. If the Commissioner, after reasonable notice and opportunity for hearing to the State agency administering or supervising the administration of plans approved under the provisions of this act, finds that in the administration of the plan or plans there is a failure to comply substantially with any of the provisions of the State plan he shall notify such State agency that further payments will not be made to the State under such plan or plans until he is satisfied that there is no longer any failure to comply, or until the National Board of Appeals shall have overruled his decision. Until he is so satisfied or is so overruled, he shall make no further certification to the Secretary of the Treasury with respect to such plan or plans of such State in which there is such failure.

NATIONAL BOARD OF APPEALS

SEC. 506. (a) There is hereby established a National Board of Appeals, which shall consist of a Chairman and two additional members appointed by the Supreme Court of the United States solely on the grounds of fitness to perform the duties of the office. Each member of the Board shall receive compensation at the rate of $50 for each day of actual service on the Board, together with necessary expenses for travel and subsistence in attending sessions of the Board.

(b) The terms of the office of the three members first taking office shall expire, as designated by the Supreme Court at the time of appointment, one at the end of the third year, one at the end of the sixth year, and one at the end of the ninth year. The terms of office of their successors shall expire 9 years after the expiration of the terms for which their predecessors were appointed; except that any new member appointed to fill a vacancy occurring prior to the expiration of the term for which his predecessor was appointed shall be appointed only for the unexpired portion of the term of his predecessor. No member serving a full 9-year term may be reappointed for a second term.

(c) The principal office of the Board shall be in the District of Columbia. The Commissioner shall provide the Board with suitable rooms in the District of Columbia and with necessary legal, stenographic, and other assistance satisfactory to the Board.

(d) The Board shall meet at the call of the Chairman to hear appeals from the State agencies respecting inability to meet national standards specified in section 504 of this act or involving the withholding of certification of funds as set forth in section 505 (b) of this act. The proceedings of the Board shall be conducted in accordance with such rules of practice and procedure as the Board may prescribe.

(e) In any proceeding involving the issue whether a State agency or a school, school system, or educational institution has been guilty of fraud, misuse of funds, or failure to comply with the provisions of an approved State plan or with the national standards, the burden of proof shall be upon the appellant to show that the findings of the Commissioner on the basis of which the certification of funds has been withheld are without sufficient foundation in fact to justify the further withholding of such certification.

(f) The findings of fact of the Commissioner unless substantially contrary to the weight of evidence, shall be conclusive; but the Board, for good cause shown may remand the case to the Commissioner to take further evidence, and the Commissioner may thereupon make new or modified findings of fact and may modify his previous action, and shall certify to the Board the transcript and record of the further proceedings; such new or modified findings of fact shall likewise be conclusive unless substantially contrary to the weight of evidence. The Board shall have jurisdiction to affirm the action of the Commissioner or to set it aside in whole or in part.

TITLE VI—GENERAL PROVISIONS

REPORT TO CONGRESS

SEC. 601. The Commissioner shall include in his annual report for transmission to Congress a full report of the administration of this act, including a detailed statement of appropriations and disbursements, together with a summary and analysis of the legislative and administrative provisions adopted by each State for the expenditure of funds received under this act and statistical information showing the accomplishments of the respective States through the expenditure of such funds. Such report shall also include a record of hearings and actions by the National Board of Appeals.

DEFINITIONS

SEC. 602. As used in this act—

(a) The term "State" shall include the several States, the District of Columbia, Alaska, Hawaii, and Puerto Rico.

(b) The term "legislature" means the State or Territorial legislatures, or other comparable body, except that in the District of Columbia it shall mean the Board of Commissioners.

(c) The term "nonprofit tax-exempt school" means any school, college, or educational institution exempt from taxation under section 101 (6) of the Internal Revenue Code and approved by the State agency.

(d) A "just and equitable" apportionment, allotment, or distribution of funds provided under this act for the benefit of a separate population group in a State which maintains separate educational facilities for such

separate population groups, means any plan of apportionment, allotment, or distribution which results in the expenditure, for the benefit of such separate groups, of a proportion of said funds not less than the proportion that each such group in such State bears to the total population of that State.

(e) The term "preelementary education" means the organized education in nursery schools and kindergartens of children of the ages three to five, inclusive.

(f) The term "special education of physically handicapped children" means the education of children who are handicapped by reason of crippling, speech impediments, loss or partial loss of sight or hearing, or who are convalescing from serious illness or accidents and for whose education special instructional methods or facilities are required by reason of such physical handicaps.

(g) The term "community programs of recreation and adult education" means programs operated under the auspices of schools, libraries, colleges, and universities or other nonprofit tax-exempt educational institutions or organizations and designed to serve the community with part-time classes and other educational and recreational services.

(h) The term "scholarship" means a financial award made to a person qualified to enroll or already enrolled as a student in an accredited high school, college, university, technical institute, junior college, vocational school, or other nonprofit tax-exempt educational institution meeting minimum standards for such accreditation as determined by the State agency.

(i) The term "fellowship" means a financial award made to a person qualified to enroll or already enrolled as a student in graduate or professional schools or departments of colleges, universities, or research institutes approved for the purpose by the State agency.

(j) The term "student" means a person who is devoting substantially full time to educational work in a high school, college, university, junior college, technical institute, vocational school, or research institute approved by the State agency.

(k) The term "urban child population" as used in title IV means the number of children who are of the ages 10 to 16, inclusive, as estimated by the Department of Commerce, living in cities or municipalities of 10,000 or more inhabitants.

(l) The term "camping program" means a program of organized activities for children who are of the ages 10 to 16, inclusive, conducted in public parks and forests under the auspices of schools and other nonprofit tax-exempt organizations.

(m) The term "educational plant facilities" means the buildings, furniture, and permanent equipment of educational institutions, including preelementary schools, elementary schools, secondary schools, vocational school, junior colleges, colleges, universities, libraries, and student or faculty dormitories or similar facilities operated under the auspices of or in connection with public and nonprofit tax-exempt educational institutions, but does not include any institution furnishing primarily domiciliary or custodial care.

(n) The term "construction" includes the erection of new buildings, extension, remodeling, and alteration of existing buildings, initial equipment of any such buildings, and landscaping the site thereof, architects' fees, legal counsel, and all other expenses incidental to such construction, but excluding the cost of off-site improvements and the cost of acquisition of land.

(o) The term "State-approved educational agency" means any public school, school system, or higher educational institution or any nonpublic nonprofit tax-exempt school, school system, or higher educational institution meeting the standards promulgated by a State department of education, State board of education, or similar State agency empowered by legislation to determine such standards and to give or withhold approval of such schools, school systems, and higher educational institutions.

SEPARABILITY

SEC. 603. If any provision of this act, or the application thereof to any State, person, or circumstance, is held invalid, the remainder of the act, and the application of such provision to other States, persons, or circumstances shall not be affected thereby.

The accompanying statement of explanation presented by Mr. MURRAY is as follows:

SUMMARY OF THE EDUCATION DEVELOPMENT ACT

The Education Development Act provides for a 10-year program of Federal aid to education.

This program is based on a declaration of policy aimed at achieving throughout the United States educational systems which offer full opportunities for the development of individual capacities and which afford "equality of opportunity to all without regard to sex, race, color, or creed."

The policy declaration clearly recognizes that education is a State responsibility. The role of the Federal Government is to aid and stimulate the States in discharging their responsibilities.

The basic provisions of the bill are as follows:

I. EQUALIZATION OF BASIC EDUCATIONAL PROGRAMS (TITLE I)

For the fiscal year of 1948 $500,000,000 is authorized to help the States equalize opportunities in the following fields: Preelementary education, elementary education, secondary education, including noncollegiate vocational education, higher education, adult education and community recreation, special education of physically handicapped children and youth, health and physical education, and public library services, especially in rural areas.

This sum is to increase gradually every year until, in the tenth year, it amounts to $1,000,000,000.

Funds are to be distributed among the various States in accordance with an index of financial need for each State. The poorer States may receive as much as $40 a child; the more well-to-do States may receive as little as $10 a child.

In order to qualify for the entire amount of its grant, each State must also maintain a certain level of educational expenditures from its own funds (computed as a percentage of income payments within a State). The purpose of this is to assure that Federal aid will supplement rather than take the place of State support of education.

II. SCHOLARSHIPS AND FELLOWSHIPS (TITLE II)

For the fiscal year of 1948, $70,000,000 is authorized to aid the States "to enable young persons of ability to continue their education in the last 2 years of high school and higher educational institutions by means of the award of scholarships and fellowships." This sum is to increase until it reaches $350,000,000 in the tenth year.

The States are to "provide a method of identifying students of ability * * * without reference to race, color, sex, or religion."

The funds authorized at the maximum level could annually finance 250,000 young people to finish high school, 400,000 to attend college, and 75,000 to engage in postgraduate or professional study.

III. PLANNING AND CONSTRUCTION OF EDUCATIONAL FACILITIES (TITLE III)

Two hundred million dollars is authorized for the fiscal year of 1948 to aid the States in (a) making surveys of the needs for educational plant facilities, (b) preparing drawings and specifications for such facilities, and (c) acquiring, constructing, or improving such facilities. This sum rises to $400,000,000 by the third year.

These funds are to be distributed among the States in such a manner as to provide more funds per capita for the poorer States. The allocation formula is the same one used in the recent Senate bill on Federal aid for hospital construction.

The States must also match Federal funds in accordance with their financial capacity. Every State, no matter how poor, must put up at least $1 for every $3 in Federal funds. The maximum amount of State matching is $2 for every $1 of Federal funds.

The State plans must "provide that educational plant facilities will be made available to all persons residing in a given territorial area without discrimination." Where separate school facilities are provided for separate population groups, "equitable provisions shall be made for educational plant facilities of like quality for each such group on the basis of need."

IV. CAMPING PROGRAMS FOR CHILDREN AND YOUTH (TITLE IV)

The sum of $25,000,000 is authorized for the fiscal year of 1948 to assist the States in "providing camping program for children and youth in public parks and forests." This sum is to increase to $125,000,000 in the tenth year.

These funds are to be distributed among the States in accordance with the urban child population.

V. ADMINISTRATION (TITLES V AND VI)

A. State control (sec. 501): It is provided that no Federal agency or official shall "exercise any supervision or control over the personnel, curriculum, or program of instruction of any school, school system, or educational institution."

B. United States Office of Education (sec. 502): The United States Commissioner of Education is authorized to administer the Federal aid provisions of the act and to have audits made on expenditures under the act. He is also given an initial authorization of $10,000,000 for educational research to be conducted either directly by the Office of Education or by contract with other agencies, particularly colleges, universities, and research institutions. He is also to submit a full annual report to Congress on the administration of the act.

C. National Advisory Council (sec. 502): A National Advisory Council is established, composed of nine citizens to be appointed by the President with the Commissioner serving as chairman. The Commissioner must consult with this Council on all matters of major policy or program.

D. National Standards (sec. 504): In order to qualify for receiving funds under this act, a State is expected to live up to standards clearly set forth in the act.

Certain general standards relate to the administration of the funds, State audits, the submission of reports to the Commissioner and the availability of funds to all State-approved educational agencies needing assistance.

With regard to other educational objectives, it is recognized that the raising of standards has to be on a step by step basis. The following goals are set for the period after the program has been in operation for 3 years: (1) Public school teachers to be paid no less than $1,500 a year; (2) a plan to be in effect aiming at equal educational opportunities in farm areas within 5 years; (3) a plan to be in effect aiming at equal educational opportunities for all racial groups within 5 years; (4) employment to teachers on a merit basis; (5) school buildings and other equipment to be safe and sanitary; (6) books to be provided without charge; (7) noninstructional public services should be available to children in all schools; (8)

compulsory school year of no less than 180 days a year for children from 6 to 16 years of age; (9) a 10-year program for the improvement of educational services throughout the State to be "actively and progressively under development."

Any State can bring an appeal to the National Board of Appeals respecting inability to meet any of these standards; and the Board has the power to grant exceptions.

The following goals are set for the period after the program has been in operation for 8 years: (1) Public-school teachers to be paid no less than $2,000 a year; (2) equal educational opportunities in farm areas, and (3) equal educational opportunities for all racial groups. With respect to these standards also, any State may win an exception by carrying a successful appeal to the National Board of Appeals.

E. National Board of Appeals (sec. 506): A National Board of Appeals is to be set up, composed of three members appointed by the United States Supreme Court. This Board shall hear appeals from State agencies respecting inability to meet any of the national standards and against the withholding of funds from any State. The Board is given power to grant exceptions and set aside actions by the Commissioner.

SUMMARY OF AUTHORIZATIONS

I. Basic educational programs and services, $500,000,000 rising to $1,000,000,000 yearly.

II. Scholarships and fellowships, $70,000,000 rising to $350,000,000 yearly.

III. Planning and construction of educational facilities, $200,000,000 rising to $400,000,000 yearly.

IV. Camping programs for children and youth, $25,000,000 rising to $125,000,000 yearly.

V. Program development, administration, and research, $10,000,000 rising to $25,000,000 yearly.

Total, $805,000,000 rising to $1,900,000,000 yearly.

FISCAL POLICY ASPECTS

Major proposed legislation of this character should be measured in terms of its impact on the entire national economy. The effect of the bill on expenditures for education in the fiscal year 1948 and for 10 years thereafter is indicated by the attached table. At present, such expenditures—local, State, Federal, and institutional—amount to about 3.2 percent of the national income. This percentage would probably rise to 3.6 percent as soon as the proposal is in effect, and by 1947 would rise to 4 percent of the estimated national income at a full-employment level.

Such a program would undoubtedly have a most favorable effect upon productivity and the national income both immediately and in subsequent years.

TOTAL ESTIMATED EXPENDITURES FOR EDUCATION UNDER PRESENT AND PROPOSED LEGISLATION

[In millions of dollars]

	Under present legislation, fiscal year 1948	Under present and proposed legislation—	
		Fiscal year 1948	Fiscal year 1957
Non-Federal, including private	4,000	3,950	7,100
Current	3,400	3,400	6,300
Elementary, secondary, and special education	2,750	2,750	5,100
Higher education	550	550	1,000
School-lunch, camping, and other programs	100	100	200
Capital	500	450	600
Interest	100	100	200

TOTAL ESTIMATED EXPENDITURES FOR EDUCATION UNDER PRESENT AND PROPOSED LEGISLATION—continued

[In millions of dollars]

	Under present legislation, fiscal year 1948	Under present and proposed legislation—	
		Fiscal year 1948	Fiscal year 1957
Federal	1,620	2,325	2,050
Current	1,616	2,221	1,650
Capital	4	104	400
Total, Federal and non-Federal	5,620	6,275	9,150

ESTIMATED EXPENDITURES FOR EDUCATION AS A PERCENT OF ESTIMATED INCOME PAYMENTS

Non-Federal	2.3	2.3	3.1
Federal	.9	1.3	.9
Total, Federal and non-Federal	3.2	3.6	4.0

TOTAL ESTIMATED EXPENDITURES FOR EDUCATION UNDER PRESENT AND PROPOSED LEGISLATION—EXPLANATORY NOTES

1. The figures do not include expenditures of individuals, including parents, other than those which enter into the income of institutions.

2. The estimate of non-Federal current expenditures of $3,300,000,000 for elementary, secondary, special and higher education for fiscal 1948 represents a 20-percent increase over such estimated expenditures for fiscal 1942. This is approximately $200,000,000 above the non-Federal expenditures which would be required for the States to receive their full allotment under the 2-percent standard proposed in the bill for the first year of operation.

3. The estimate of non-Federal current expenditures of $100,000,000 for fiscal 1948 for school lunch, camping, and other programs, etc., is based on actual non-Federal expenditures of $76,000,000 for school lunches alone in 1945.

4. The Bureau of Labor Statistics estimated total expenditures for construction of educational facilities, public (almost all of which is non-Federal) and private. At $475,000,000, in 1940 prices, for the second postwar year (Monthly Labor Review, February 1945). The above estimate of non-Federal capital expenditures of $500,000,000 under present legislation represents an increase over this figure of approximately 35 percent to allow for the rise in construction costs and a subsequent downward adjustment for anticipated continuing construction bottlenecks. Expenditures for Federal grants under the proposed legislation are estimated at $100,000,000 for the first year of operation of the program. The estimate of non-Federal capital expenditures is reduced to $450,000,000 under the proposed legislation because it is assumed that Federal grants may supplant non-Federal expenditures to the extent of $50,000,000.

5. The estimate of non-Federal expenditures of $100,000,000 for interest payments for fiscal 1948 is somewhat below the fiscal 1942 level.

6. The estimate of Federal current expenditures of $1,616,000,000 for fiscal 1948 consists of $21,000,000 for vocational education, $5,000,000 for land-grant colleges, $1,500,000,000 for veterans' education, $75,000,000 for the school-lunch program, and $15,000,000 for the Office of Education and various miscellaneous items.

7. The estimate of non-Federal current expenditures of $6,300,000,000 for fiscal 1957 is based on the assumption that all of the States meet the 3-percent standard as proposed in the bill. The figure of $6,300,000,000 represents 3 percent of an estimated average full employment level of income payments of $210,000,000,000 in the years 1952, 1953, and 1954. Expenditures are allocated among elementary, secondary, special, and higher education, and school-lunch, camping, and other programs in approximately the same proportion as is estimated for fiscal 1948.

8. The estimate of non-Federal expenditures of $200,000,000 for interest payments for fiscal 1957 represents 200 percent of the estimated figure for 1948.

9. The estimate of Federal current expenditures of $1,650,000,000 for fiscal 1957 includes $1,500,000,000 under the proposed legislation and an estimated $150,000,000 for vocational education, land-grant colleges, the school-lunch program, the Office of Education, and miscellaneous items under existing legislation.

10. For fiscal 1948, income payments are estimated at $175,000,000,000.

11. For fiscal 1957, income payments are estimated at $230,000,000,000.

Mr. MURRAY subsequently said: Mr. President, one could not attend or thoughtfully follow the discussions at the United Nations Educational and Cultural Conference, held in London in November 1945, without coming to the conclusion that we, in America, must reexamine our entire attitude in relation to the problem of education.

In the New World we are entering, we must dedicate ourselves to the building of an educational system that will be a genuine force in strengthening our democratic institutions and providing an example for the rest of the world.

A new and bolder approach with respect to Federal aid to education seems to be in order. We need a program based upon the recognition that an expanded educational system is a prerequisite to a sound and intelligent electorate and to the creation of an economy of full employment and full production. We need a program so broad and so challenging that it will inspire the united support of all groups who are truly interested in raising American educational standards for all our citizens and improving the general social and economic life in our country.

On June 13 of this year, when Senate bill 181, the Educational Finance Act, was reported from the Education and Labor Committee, the point of view I have just expressed was set forth in a separate statement of views submitted by the Senator from Massachusetts [Mr. WALSH], the Senator from Vermont [Mr. AIKEN], the Senator from Oregon [Mr. MORSE], and myself. We pointed out at that time that America needed a 10-year program for the development and improvement of educational activities.

Today the Senator from Oregon [Mr. MORSE], the Senator from Florida [Mr. PEPPER], and I have introduced a bill providing for such a 10-year program.

In the past we have studied on a piecemeal basis the problem of Federal aid to education. The education development bill, on the other hand, approaches the problem as a whole. This bill deals with four types of Federal aid:

First, general equalization of educational opportunities;

Second, scholarships and fellowships;

Third, planning and construction of school buildings; and

Fourth, camping programs.

The bill assumes that the Federal Government must finance an important share of the needed improvement, but it does not propose to let the States sit back while the Federal Government takes over their job. Laggard States must make more effort than they have made in the past. All States must continue to do their share. Funds are to be distributed among the States not merely on the basis of population but also in accordance with the financial need of each State.

The bill also sets forth certain standards which the States are expected to meet in order to qualify for Federal aid. These standards, along with other important aspects of the measure, are described in detail in the explanation of the bill which I filed earlier today.

The measure has been drafted in close consultation with all the professional groups in education and many others which have a special interest in this field. The almost unanimous reaction to the preliminary outline of the bill was that, for the first time, it would focus public attention upon the true scope of the educational problem.

The bill has been introduced at this time mainly for the purpose of stimulating study and constructive discussion during the coming 5 months. Many important details still remain to be worked out. Many controversial issues are still to be resolved.

It is our hope to have a redrafted bill ready for introduction at the beginning of the next Congress. With such a bill as a basis for study it seems to me that the Education and Labor Committee might well undertake at that time a comprehensive review of the entire educational situation.

CLAIMS OF COMPENSATION OF CERTAIN PRISONERS OF WAR

Mr. LA FOLLETTE. Mr. President, I ask unanimous consent to introduce for appropriate reference a joint resolution, and request that it be printed in full in the RECORD.

There being no objection, the joint resolution (S. J. Res. 185) providing for the filing of claims for compensation for personal injuries and property damage sustained by citizens of the United States who were taken prisoner by the enemy during World War II, was received, read twice by its title, referred to the Committee on Foreign Relations, and ordered to be printed in the RECORD, as follows:

Whereas the Government of the United States has made no provision for the asserting of claims by its citizens who, as a result of capture by the enemy during World War II, suffered loss of, or damage to, health or property, or by the dependents of persons who lost their lives while in or as a result of such captivity;

Whereas the failure of the Government of the United States to provide facilities for the presentation of such claims has resulted in activities whereby private sources are making representations to those who believe they have such claims, seeking to represent them before such tribunal as may be established to consider such claims; and

Whereas it is the responsibility of the Government of the United States to extend to its citizens all possible assistance in the presentation and prosecution of such claims: Therefore be it

Resolved, etc., That (a) the Secretary of State is authorized and directed to establish facilities for the filing of claims for compensation by citizens of the United States, and by individuals who are not citizens but who served as members of the armed forces of the United States, (1) who were taken prisoner by the enemy during World War II, and (2) who sustained loss of, or damage to, health or property as a result of such captivity; and by the dependents of any such persons who died during or subsequent to such captivity.

(b) Any such claims filed by members or former members of the armed forces, or their dependents, shall be transmitted by the Secretary of State to the Secretary of War or the Secretary of the Navy, as the case may be, and any substantiating or supplementary information or data available from the records of such Department shall be attached to and returned with such claim to the Secretary of State.

SEC. 2. It is the sense of the Congress that, in the negotiation of peace treaties and in any adjustments among the Allied Governments with respect to reparations and credits, paramount consideration shall be given to the protection of the interests of individuals who shall have filed valid claims under the provisions of the first section of this joint resolution, to the end that the necessary facilities may be established and funds made available for the prompt adjudication and payment of such claims.

CASTLE CLINTON NATIONAL MONUMENT, NEW YORK CITY—MOTION TO RECONSIDER

Mr. WAGNER. Mr. President, I desire to enter a motion to reconsider the vote by which House bill 5125, a bill to establish the Castle Clinton National Monument in the city of New York, and for other purposes, was passed by the Senate on yesterday. I am informed that it is still in the possession of the Senate.

The PRESIDENT pro tempore. The motion will be entered.

AMENDMENT OF SOCIAL SECURITY ACT AND INTERNAL REVENUE CODE—PRINTING OF H. R. 7037 WITH AMENDMENTS NUMBERED

Mr. GEORGE. Mr. President, anticipating that House bill 7037, to amend the Social Security Act and the Internal Revenue Code, and for other purposes, may be sent to conference, I ask unanimous consent to have the bill, as it passed the Senate, printed with the Senate amendments made thereto numbered.

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

TREATY OF GENERAL RELATIONS AND PROTOCOL BETWEEN THE UNITED STATES AND THE PHILIPPINES

Mr. CONNALLY. The Committee on Foreign Relations today ordered reported to the Senate the recently negotiated treaty with the Philippine Islands. A number of appointments have been made in that connection. I ask unanimous consent that, as in executive session, they may go to the Executive Calendar, so that we can act on them when we reach the executive calendar today.

The PRESIDENT pro tempore. Without objection, the request of the Senator from Texas is granted.

RATE OF POSTAGE ON DOMESTIC AIR MAIL

The PRESIDENT pro tempore laid before the Senate a message from the House of Representatives announcing its disagreement to the amendments of the Senate to the bill (H. R. 5560) to fix the rate of postage on domestic air mail, and for other purposes, and requesting a conference with the Senate on the disagreeing votes of the two Houses thereon.

Mr. CHAVEZ. I move that the Senate insist upon its amendments, agree to the request of the House for a conference, and that the Chair appoint the conferees on the part of the Senate.

The motion was agreed to; and the President pro tempore appointed Mr. CHAVEZ, Mr. MCKELLAR, Mr. HAYDEN, Mr. BAILEY, Mr. ELLENDER, Mr. REED, Mr. LANGER, and Mr. BUCK conferees on the part of the Senate.

PROCEEDINGS AT DINNER IN HONOR OF PRESIDENT ROOSEVELT AND VICE PRESIDENT TRUMAN IN 1945

[Mr. MYERS asked and obtained leave to have printed in the RECORD the proceedings of a dinner given in honor of the inauguration of Franklin Delano Roosevelt, President, and Harry S. Truman, Vice President, at Washington, D. C., on January 19, 1945, which appears in the Appendix.]

THE NEW CONTROL SYSTEM—EDITORIAL FROM PHILADELPHIA EVENING BULLETIN

[Mr. MYERS asked and obtained leave to have printed in the RECORD an editorial entitled "The New Contro. System" from the Philadelphia Evening Bulletin of July 26, 1946, which appears in the Appendix.]

EQUAL PAY FOR MEN AND WOMEN

[Mr. MYERS asked and obtained leave to have printed in the RECORD a factual statement of the Women's Bureau of the Department of Labor, and an article entitled "Women's Wages" by Malvina Lindsay, both on the subject of equal pay for men and women, which appear in the Appendix.]

JULEAN ARNOLD

[Mr. MAGNUSON asked and obtained leave to have printed in the RECORD an article on Julean Arnold and excerpts from China Club minute book, which appear in the Appendix.]

TRAINING OF OFFICERS FOR THE NAVAL ESTABLISHMENT

The PRESIDENT pro tempore laid before the Senate the amendments of the House of Representatives to the bill (S. 2304) to provide for the training of officers for the naval service, and for other purposes, which were on pages 12 and 13, to strike out all of section 16; on page 13, line 5, to strike out "17" and insert "16"; in line 11, to strike out "19" and insert "18"; in line 21, to strike out "20" and insert "19", and on page 14, line 3, to strike out "21" and insert "20."

Mr. WALSH. I move that the Senate concur in the amendments of the House.

The motion was agreed to.

GRANTS TO STATES FOR HOSPITALS AND PUBLIC HEALTH CENTERS—CONFERENCE REPORT

Mr. HILL 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. 191)

to amend the Public Health Service Act to authorize grants to the States for surveying their hospitals and public-health centers and for planning construction of additional facilities, and to authorize grants to assist in such construction, having met, after full and free conference, have been unable to agree.

LISTER HILL,
JAMES M. TUNNELL,
ELBERT D. THOMAS,
ROBERT M. LA FOLLETTE, Jr.,
ROBERT A. TAFT,
Managers on the Part of the Senate.

A. L. BULWINKLE,
VIRGIL CHAPMAN,
VITO MARCANTONIO,
CHAS. A. WOLVERTON,
CLARENCE J. BROWN,
Managers on the Part of the House.

Mr. HILL. I ask unanimous consent for the present consideration of the conference report.

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

Mr. HILL. Mr. President, I now move that the Senate agree to the House amendment to the bill.

The motion was agreed to.

TERMINAL LEAVE FOR ENLISTED PERSONNEL OF THE ARMED FORCES—CONFERENCE REPORT

Mr. JOHNSON of Colorado submitted the following report:

The committee of conference on the disagreeing votes of the two Houses on the amendment of the Senate to the bill (H. R. 4051) to grant to enlisted personnel of the armed forces certain benefits in lieu of accumulated leave, having met, after full and free conference, have agreed to recommend and do recommend to their respective Houses as follows:

That the House recede from its disagreement to the amendment of the Senate to the text of the bill and agree to the same with an amendment as follows: In lieu of the matter proposed to be inserted by the Senate amendment insert the following: "That this Act may be cited as the 'Armed Forces Leave Act of 1946'".

"SEC. 2. As used in this Act—

"(a) The term 'member of the armed forces' means any member of the Army of the United States, United States Navy, United States Marine Corps, or the United States Coast Guard.

"(b) The term 'discharge' means (1), in the case of enlisted personnel, separation or release from active duty under honorable conditions or appointment as a commissioned officer or warrant officer; and (2), in the case of commissioned or warrant officers, separation or release from active duty under honorable conditions.

"(c) The term 'spouse' means a lawful wife or husband.

"(d) The term 'child' includes—

"(1) a legitimate child;

"(2) a child legally adopted;

"(3) a stepchild, if, at the time of death of the member or former member of the armed forces, such stepchild is a member of the deceased's household;

"(4) an illegitimate child, but in the case of a male member or former male member of the armed forces only if he has been judicially ordered or decreed to contribute to such child's support; has been judicially decreed to be the putative father of such child; or has acknowledged under oath in writing that he is the father of such child; and

"(5) a person to whom the member or former member of the armed forces at the time of death stands in loco parentis and so stood for not less than twelve months prior to the date of death.

"(e) The term 'parent' includes father and mother, grandfather and grandmother, stepfather and stepmother, father and mother through adoption, and persons who, for a period of not less than one year prior to the death of the member or former member of the armed forces, stood in loco parentis to such member or former member: *Provided*, That not more than two parents may receive the benefits provided under this Act and preference shall be given to the parent or parents, not exceeding two, who actually exercised parental relationship at the time of or most nearly prior to the date of the death of such member or former member of the armed forces.

"(f) The term 'Secretary' means in the case of personnel of the Army, the Secretary of War; in the case of personnel of the Navy and Marine Corps, the Secretary of the Navy; and in the case of personnel of the Coast Guard, the Secretary of the Treasury, and the designated representatives of each such Secretary.

"(g) The term 'cash' includes a check upon the Treasurer of the United States.

"SEC. 3. (a) Each member of the armed forces shall be entitled to leave at the rate of two and one-half calendar days for each month of active service, excluding periods of (1) absence from duty without leave, (2) absence over leave, and (3) confinement as the result of a sentence of court martial. Except as provided in subsection (b) of this section, such leave may be accumulated in an amount not to exceed one hundred and twenty calendar days. Any leave so accumulated shall not, however, survive death occurring during active military service. Enlisted members or former enlisted members of the armed forces shall be considered to be entitled to such leave from and after September 8, 1939, but shall not be considered to have any leave accumulated or accrued as of the date of the enactment of this act, or the date of discharge if prior to such date of enactment, in excess of the amount which would have been accumulated and accrued if their leave had been accumulated and accrued from and after September 8, 1939, on the same basis as leave is accumulated and accrued in the case of commissioned officers in the regular components of their respective branches of the armed forces. Except in the case of leave to be settled and compensated for under section 6 of this Act, leave may be taken by a member on a calendar-day basis as vacation or absence from duty with pay, annually as accruing or otherwise, in accordance with regulations to be issued by the several Secretaries. Such regulations shall provide equal treatment for officers and enlisted men, shall establish to the fullest extent practicable uniform policies for the several branches of the armed forces, and shall provide that leave shall be taken annually as accruing to the extent consistent with military requirements and other exigencies. Members who reenlist after the date of enactment of this Act may be authorized reenlistment leave in the discretion of the Secretary, for a period not exceeding ninety days, and such leave shall be deducted from leave accrued during active service prior to reenlistment or charged against any leave which may accrue during future active service or both. In the case of members who are retired after the date of enactment of this Act and after retirement are continued on or recalled to active duty, leave accrued during service prior to retirement may be carried over to the period of service after retirement. Leave taken prior to discharge before or after the enactment of this Act shall be considered as active military service; but leave settled and compensated for under section 6 of this Act shall not be considered as active military service.

"(b) Notwithstanding any other provision of this Act or of any other law or regulation, no member of the armed forces (other than a member on terminal leave on September 1, 1946) shall be permitted to accumulate or to have to his credit, at any time after August 31, 1946, accumulated or accrued leave aggregating in excess of sixty days.

"SEC. 4. Leave to be settled and compensated for under section 6 of this Act shall be compensable as follows:

"(a) In the case of leave accumulated as an enlisted member of the armed forces, on the basis of the base and longevity pay applicable to such member on the date of his discharge from enlisted service if discharged before August 31, 1946, or on August 31, 1946, if not so discharged, and an allowance computed at the rate of 70 cents a day for subsistence, plus, in the case of enlisted members of the first three grades with dependents on August 31, 1946 or former enlisted members of the first three grades with dependents at the time of discharge if prior to such date, an allowance computed at the rate of $1.25 a day for quarters.

"(b) In the case of leave accumulated or accrued as a member of the armed forces as a warrant or commissioned officer, on the basis of the base and longevity pay and allowances applicable to such member on August 31, 1946.

In the case of all other leave provided under this Act, members shall be entitled during such leave to the same pay and allowances they would receive if not on leave and to any additional or other allowance or allowances otherwise authorized or provided by law for members while on leave. Determination of the number of calendar days of leave to which a member or former member is entitled, including the number of calendar days of absence from duty or vacation to be counted or charged against such leave, shall be made in accordance with regulations to be prescribed by the respective Secretaries, which regulations shall provide equal treatment of officers and enlisted men and shall establish to the fullest extent practicable uniform policies for the several branches of the armed forces. In the case of the leave of enlisted members or former enlisted members attributable to the period prior to the date of enactment of this Act, the Secretary may in the determination of the number of calendar days of absence from duty or vacation to be counted or charged against such leave rely on such records and evidence, including applicants' sworn statements as to the material facts, as he may determine proper. All decisions by the Secretary under this section shall be final and conclusive and shall not be subject to review by any court or by any officer of the United States.

"SEC. 5. (a) Leave to which enlisted members of the armed forces discharged prior to September 1, 1946, and former enlisted members of the armed forces discharged prior to the date of enactment of this Act, are entitled under the provisions of section 3 of this Act shall, to the extent not taken, be settled and compensated for only in the manner provided in section 6 of this Act and if application is made to the Secretary not later than September 1, 1947, or, in the case of any such member or former member whose record is corrected after the date of enactment of this Act to show discharge under honorable conditions, not later than September 1, 1947, or within one year after the date on which such record is corrected, whichever is later.

"(b) In any case in which a member of the armed forces on active duty on September 1, 1946 (other than a member on terminal leave on such date) has to his credit on August 31, 1946, accumulated or accrued leave aggregating in excess of sixty days, such leave in excess of sixty days shall be settled and compensated for only in the manner provided in section 6 of this Act and if application is made to the Secretary not later than September 1, 1947.

"(c) In no event shall the number of calendar days of leave settled and compensated for under section 6 of this Act exceed one hundred and twenty calendar days; and in no event shall the number of calendar days of leave so settled and compensated for, plus

"(1) in the case of a member on active duty on September 1, 1946 (other than a member on terminal leave on such date), the number of calendar days of leave accumulated or standing to such member's credit on such date, or

"(2) in the case of a member or former member placed on terminal leave prior to September 1, 1946, the number of calendar days of such terminal leave,

exceed one hundred and twenty calendar days.

"SEC. 6. (a) Leave by this Act provided to be settled and compensated for under this section shall be settled and compensated for as follows:

"(1) Settlement and compensation shall be made entirely in cash—

"(i) when the amount due is less than $50;

"(ii) in the case of any enlisted member of the armed forces discharged prior to January 1, 1943; or

"(iii) in any case covered by subsection (b) or (c) of this section.

"(2) In all other cases settlement and compensation shall be made in bonds of the United States to the highest multiple of $25 and in cash to the extent of the full amount of any difference. Any such bond issued pursuant to an application made under subsection (a) of section 5 shall be dated as of the 1st day of January, the 1st day of April, the 1st day of July, or the 1st day of October, whichever next follows the date of discharge, and any such bond issued pursuant to an application made under subsection (b) of section 5 shall be dated as of October 1, 1946. Each such bond shall mature five years from the date thereof. The bonds issued under this Act shall be issued by the Secretary of the Treasury under the authority and subject to the provisions of the Second Liberty Bond Act, as amended, and through such agencies as he may designate. Except as provided in subsection (d), such bonds shall be nonnegotiable and shall not be transferable by sale, exchange, assignment, pledge, hypothecation, or otherwise. Such bonds shall be issued only to and in the names of living members or living former members of the armed forces. In the event of the death of any holder of any such bond or of any check issued pursuant to this subsection, payment of the bond shall be made by the Secretary of the Treasury prior to, upon, or after its maturity upon application at the option of such holder's survivors and payment of the check shall be made by the Secretary of the Treasury upon application by such survivors as follows: To such holder's surviving spouse and children, if any, in equal shares; and if such holder leaves no surviving spouse or child or children, then in equal shares to such holder's surviving parents, if any. If there is no such survivor, any such bond shall be retired, and any such check shall be cancelled and the amount of the bond or check covered into the general fund of the Treasury. Payment of any such bond or any such check to any holder, or any survivor entitled thereto under the provisions of this subsection, between seventeen and twenty-one years of age shall constitute a complete discharge of the obligations of the United States under this Act. Where the Secretary of the Treasury is of the opinion that any holder of any such bond or any such check or any survivor entitled to payment under the provisions of this subsection is, by reason of being either under seventeen years of age or under mental disability, incapable of satisfactorily looking after his own interests, payment of such bond or such check may be made in the same manner, and with the same effect, as settlement and compensation made under the provisions of subsection (c). Interest on each bond issued under this Act shall accrue at the rate of 2½ per centum per annum from the date of such bond to the date of maturity or to the last day of the month in which payment of the principal of the bond is made, whichever is earlier, and shall be paid with such principal. All decisions by the Secretary of the Treasury under this section with respect to the issuance and payment of bonds and under this paragraph with respect to the issuance and payment of checks shall be final and conclusive and shall not be subject to review by any court or by any officer of the United States. The provisions of this section with respect to the issuance and payment of bonds shall be carried out subject to regulations of the Secretary of the Treasury.

"(b) Leave by this Act provided to be settled and compensated for under this section shall, in the case of any member or former member of the armed forces who dies after discharge, or on or after September 1, 1946, if not discharged prior to such date, and before settlement and compensation has been effected, be settled and compensated for, on application therefor, with such member's or former member's survivors, as follows: To such member's or former member's surviving spouse and children, if any, in equal shares; and if such member or former member leaves no surviving spouse or child or children, then in equal shares to his surviving parents, if any. If there is no such survivor, no settlement and compensation shall be made under this Act. Settlement and compensation under this subsection with any such survivor between seventeen and twenty-one years of age shall constitute a complete discharge of the obligations of the United States under this Act.

"(c) Where the Secretary is of the opinion that any member or former member of the armed forces or any survivor of any such member or former member is, by reason of being either under seventeen years of age or under mental disability, incapable of satisfactorily looking after his own interests, such Secretary may settle and compensate under this section with a proper person selected by him for the use and benefit of such member, former member or survivor, without the necessity of resorting to judicial proceedings for the appointment of a legal representative. Settlement and compensation made under the provisions of this subsection shall constitute a complete discharge of the obligations of the United States under this Act. The provisions of this subsection shall not apply when a legal guardian or committee has been judicially appointed for any such member, former member, or survivor, except as to any settlement and compensation made prior to the receipt of notice of appointment: *Provided*, That no fee, commission, or charge shall be demanded or accepted by any representative of any member, former member, or survivor appointed in accordance with the provisions of this subsection and the exaction or acceptance of any such fee, commission, or charge shall be deemed a misdemeanor punishable by a fine of not exceeding $500 or imprisonment for not exceeding six months, or both.

"(d) (1) Pursuant to regulations prescribed by him, the Administrator of Veterans Affairs is authorized and directed to accept an assignment of a bond issued to the insured under this section, the proceeds of which shall be used in payment of premiums or in payment of the difference in reserve in case of conversion to insurance on another plan or in payment of a policy loan made prior to July 31, 1946, on a United States Government Life Insurance policy or a National Service Life Insurance policy: *Provided*, That such assignment may not be used by the insured directly or indirectly as a means of securing in cash the proceeds of such bond or any portion thereof prior to the date of its maturity or the maturity of such policy by death, whichever is the earlier, and such assignment shall be deemed to constitute an agreement by the insured to this effect.

"(2) Any bond assigned under this subsection shall be redeemed at any time, upon presentation to the Secretary of the Treasury, and the proceeds thereof shall be paid and credited to the appropriate fund or appropriation designated by the Administrator.

"SEC. 7. All amounts paid or payable under section 6 of this Act, in cash, bonds, or both, shall not be assignable except as provided in subsection (d) of such section, shall be exempt from claims of creditors, including any claim of the United States, and shall not be subject to attachment, levy, or seizure by or under any legal or equitable process whatever. All such amounts (except interest in the case of bonds) shall be exempt from taxation.

"SEC. 8. There are hereby authorized to be appropriated such sums as may be necessary to carry out the provisions of this Act. Amounts expended hereunder shall be included in the annual reports to the Congress by the Departments concerned.

"SEC. 9. The Act approved May 8, 1874 (18 Stat. 43), as amended by the Act approved July 29, 1876 (19 Stat. 102; 10 U. S. C. 842), is hereby repealed. Such repeal shall not affect any unused leave accumulated (including leave accruing at the rate of two and one-half days per month after July 1, 1946) prior to the date of enactment of this Act."

And the Senate agree to the same.

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

ELBERT D. THOMAS,
EDWIN C. JOHNSON,
LISTER HILL,
CHAN GURNEY,
CHAPMAN REVERCOMB,
Managers on the Part of the Senate.

R. E. THOMASON,
CARL T. DURHAM,
ROBERT L. F. SIKES,
LESLIE C. ARENDS,
CHARLES R. CLASON,
Managers on the Part of the House.

Mr. JOHNSON of Colorado. Mr. President, I ask for the present consideration of the conference report.

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

There being no objection, the Senate proceeded to consider the report.

Mr. JOHNSON of Colorado. Mr. President, the conference report deals with House bill 4051, the so-called terminal leave pay bill. I move that the Senate agree to the conference report.

Mr. LANGER. Mr. President, will the Senator give us the result of the conference, whether it was decided to pay in cash or bonds?

Mr. JOHNSON of Colorado. The conference report follows pretty closely the Senate bill. Terminal leave will be paid for in bonds, but the bonds may be used to pay insurance. Outside of that, the report very closely follows the bill as it was passed by the Senate.

Mr. LANGER. I want the RECORD to show that I, for one, disapprove the conference report.

Mr. PEPPER. Mr. President, I do not wish to oppose the report. I merely desire to say that the Senator from South Carolina [Mr. JOHNSTON] and I feel very deeply that the money should be available to the GI's at their own option. We realize it is too late now to accom-

plish that purpose, but we wish to give notice that before the Senate adjourns we will introduce a bill to that effect, and we will reintroduce it at the coming session, and will continue to pursue the matter as long as we can to enable the GI's to get the money in cash to which we think they are entitled. That is all I wish to say. I do not oppose the adoption of the report.

The PRESIDING OFFICER (Mr. HOEY in the chair). The question is on agreeing to the conference report.

The report was agreed to.

TEMPORARY EXTENSION OF TIME FOR FILING APPLICATIONS FOR PATENTS—CONFERENCE REPORT

Mr. PEPPER submitted the following report:

The committee of conference on the disagreeing votes of the two Houses on the amendments of the Senate to the bill (H. R. 5223) to extend temporarily the time for filing applications for patents, for taking action in the United States Patent Office with respect thereto, for preventing proof of acts abroad with respect to the making of an invention, 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 1, 2, 4, 6, 8, 12, 16, 17, 18, 22, 25, 29, 31, 34, and 35.

That the House recede from its disagreement to the amendments of the Senate numbered 3, 5, 9, 11, 13, 14, 15, 19, 20, 21, 23, 24, 26, and 32, and agree to the same.

Amendment numbered 7:

That the House recede from its disagreement to the amendment of the Senate numbered 7, and agree to the same with an amendment as follows:

Strike out the matter proposed to be stricken out by the Senate amendment and insert the following: ", which request must be accompanied by (1) a copy of the original foreign application, certified to by the patent office of the country in which it was filed, but if the original foreign application has been destroyed, other evidence pertaining thereto may be accepted; (2) a sworn translation of the same if it is not in the English language; and (3) if the foreign application was not made by the inventor himself, an affidavit by the applicant or patentee stating that such application was filed for his benefit or on his behalf and that such procedure is in accordance with the procedure in the foreign country"; and the Senate agree to the same.

Amendment numbered 10: That the House recede from its disagreement to the amendment of the Senate numbered 10, and agree to the same with an amendment as follows: In lieu of the matter proposed to be inserted by the Senate amendment insert the following: "person,"; and the Senate agree to the same.

Amendment numbered 27: That the House recede from its disagreement to the amendment of the Senate numbered 27, and agree to the same with an amendment as follows: On page 11, line 1, of the House bill strike out "sections" and insert "section"; and the Senate agree to the same.

Amendment numbered 28: That the House recede from its disagreement to the amendment of the Senate numbered 28, and agree to the same with an amendment as follows: Strike out the matter proposed to be stricken out by the Senate amendment and insert the following:

"SEC. 11. No claims for patent infringement shall be made or action brought by or on behalf of or for the benefit of any country or a national of any country against which the United States has declared the existence of a state of war, in respect to any manufacture, use, or sale since September 8, 1939."

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: Strike out the matter proposed to be stricken out by the Senate amendment and insert the following:

"SEC. 13. Section 10 (a) of the said Trading With the Enemy Act, relating to the filing and prosecution of applications for patents and the registration of trade-marks, prints, labels, and copyrights, by an enemy, or ally of an enemy, is hereby repealed."

And the Senate agree to the same.

Amendment numbered 33: That the House recede from its disagreement to the amendment of the Senate numbered 33, and agree to the same with an amendment as follows: In lieu of the matter proposed to be inserted by the Senate amendment insert a period and the following: "The Alien Property Custodian shall be entitled to the benefits of this Act."; and the Senate agree to the same.

CLAUDE PEPPER,
SCOTT LUCAS,
A. W. HAWKES,
Managers on the Part of the Senate.

FRANK W. BOYKIN,
FRITZ G. LANHAM,
FRED A. HARTLEY, JR.,
Managers on the Part of the House.

Mr. PEPPER. Mr. President, I ask unanimous consent that the Senate proceed to consider the conference report.

The PRESIDING OFFICER. Is there objection?

There being no objection, the Senate proceeded to consider the report.

Mr. PEPPER. Mr. President, this is a conference report on a patent bill. The report has already been agreed to by the House, and I move that the conference report be adopted.

The report was agreed to.

REQUEST FOR CONSIDERATION OF THE CALENDAR

Mr. BARKLEY. Mr. President, since the call of the calendar on Monday a number of bills have been reported by committees. The calendar does not show where we left off at the last call, but I ask unanimous consent that the pending business be temporarily laid aside and that the Senate proceed with the call of the calendar for the consideration of uncontested bills, beginning where we left off at the last call.

Mr. WHERRY. Mr. President, a parliamentary inquiry.

The PRESIDING OFFICER. The Senator will state it.

Mr. WHERRY. There is so much confusion that we on this side did not hear the request of the majority leader.

Mr. BARKLEY. I was asking unanimous consent that the pending business be temporarily laid aside and that the Senate proceed to a call of the calendar for the consideration of bills to which there is no objection.

Mr. WHERRY. I believe the so-called poll-tax bill is the pending business.

The PRESIDING OFFICER. The Senator from Nebraska is correct.

Mr. REVERCOMB. Mr. President, a parliamentary inquiry.

The PRESIDING OFFICER. The Senator from West Virginia will state his inquiry.

Mr. REVERCOMB. At what place on the calendar will the call begin?

The PRESIDING OFFICER. The clerk informs the Chair it will be order of business 1908.

Mr. WHERRY. I should like to address the Senate at this time.

The PRESIDING OFFICER. The Senator from Nebraska is recognized.

THE STATE DEPARTMENT AND AMERICAN FOREIGN POLICY

Mr. WHERRY. Mr. President, it is now evident that the Seventy-ninth Congress will adjourn sine die without acting on my Senate Resolution 197, in which I proposed a thorough investigation of the State Department policies.

I ask unanimous consent to have printed in the RECORD at this point as a part of my remarks Senate Resolution 197. The resolution asks for a complete investigation of the Department of State, with particular emphasis on, first, any variance between the policies now being pursued and those expressed in the Atlantic Charter, the Potsdam Agreement, and the various agreements entered into in recent years by the American Republics; second, any intervention by the personnel of the Department of State in the domestic policies or affairs of the Latin-American Republics or other action by such personnel tending to destroy or militate against the good-neighbor policy in the Western Hemisphere; third, whether any of the personnel of the Department of State have shaped or influenced or have attempted to shape or influence foreign policies or our operations in any foreign nations with a view toward the establishment of a Communist form of government in such nations; fourth, any actions taken in any foreign nation by any personnel of the Department of State which were known by them to be contrary to the foreign policy of the United States or the instructions of our ambassadors or ministers to such nations; fifth, the extent to which the personnel of the Department of State are in sympathy with Communist ideology; and, sixth, any conflict between the policies being pursued by the Department of State and those being pursued by our Army or Navy in any territory now occupied by our military or naval forces. The resolution provides that the committee shall report to the Senate at the earliest practicable date the results of its study and investigation, together with such recommendations as it may deem advisable.

There being no objection, Senate Resolution 197 was ordered to be printed in the RECORD, as follows:

Resolved, That a special committee to be composed of five Senators to be appointed by the President of the Senate is authorized and directed to make a full and complete study and investigation with respect to the policies, operations, administration, and personnel of the Department of State, with particular emphasis on (1) any variance between the policies now being pursued and those expressed in the Atlantic Charter, the Potsdam agreement, and the various agreements entered into in recent years by the American Republics; (2) any intervention by personnel of the Department of State in the domestic policies or affairs of the Latin-American Republics or other action by such personnel

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

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

Mr. WHERRY. Mr. President, it will be recalled that I cast the only vote against the confirmation of the nomination of Dean Acheson, as Under Secretary of State. Subsequent events have fully justified my vote. The Senate has just been confronted by a situation in which I feel Mr. Acheson clearly misrepresented to one of its committees, conditions surrounding the International Air Transportation Agreements which he entered into in behalf of the United States. We are in the embarrassing position of having had to denounce and abrogate that executive agreement because of its admitted dangers to the United States.

Mr. Acheson now tries to explain his position away as a "mistake."

Mr. President, whether it was a mistake or a misrepresentation, it proves one sure thing, namely, that Mr. Acheson is unsuited to occupy the high, influential, powerful office he now holds.

I point out to the Senate that the State Department is one of our most rapidly expanding Government agencies. It now has a personnel of more than 26,000, and an annual appropriation of $128,000,000. How necessary, then, that one who directs the activities of the State Department, an organization of more than 26,000 persons, should not only be suited to the duties which he must perform, but also eminently qualified to handle the affairs of state. In the absence of the Secretary of State, Dean Acheson, Under Secretary, apparently assumes full responsibility. An Assistant to the Secretary of State should be particularly well suited for carrying out the duties of that office.

Had it not been necessary for the State Department to come to the Congress for appropriations, it is my opinion that we would not have known what had been done by Mr. Acheson until the damage was revealed. This, Mr. President, is only a part of the picture. Who knows when the Senate may again be called upon to repudiate some other ill-advised agreement to which we have been committed?

On May 15, 1946, my distinguished colleague, the Senator from Maine [Mr. WHITE], stated in minority views to the Senate Committee on Foreign Relations that:

From 1940 to 1944, inclusive, there have been but 38 treaties submitted to the Senate as against 256 agreements, of which we have knowledge, not submitted to the Senate. This tendency warns that we of the Senate must assert our rights in this field or we shall be guilty of acquiesence in their loss. * * *

If the State Department's conception of executive authority prevails, if the Senate yields thereto, then the Senate abandons to the executive branch its right to consent or to refuse to consent to foreign commitments of the most solemn character.

I am absolutely convinced that the United States would not be in her present predicament in world affairs if the Senate had been given the opportunity to exercise its constitutional responsibilities to advise and consent to the ratification of any matters in any of these agreements which properly fell within the province of treaty matters.

WHAT ROAD ARE WE FOLLOWING?

Mr. President, as a free people, we cannot much longer follow the road we are traveling if civilization, Americanism, and freedom are to survive. There is already universal recognition of the tragic fact that instead of being "on the road to peace," we are on the road to an atomic war.

WHAT MEN AND WOMEN ARE SAYING

All over the world men and women are now contemplating in terror the awful tragedy that has already occurred, and are trying to resign themselves to an even more terrible tragedy in the not far distant future.

As far back as November 18, 1945, the Catholic bishops of the United States issued their "Statement on War and Peace," which I quote in part:

The war is over but there is no peace in the world.

Since the Moscow Conference of 1943, the United States, Great Britain, and Russia have undertaken to shape the peace which they are imposing on the nations. * * * It is discouraging in the extreme.

Instead of honest discussion even of diverging plans, we are witnessing a return to the tragedy of power politics and the danger of balance of power arrangements, which with the substitution of more expedience for justice, have begotten war after war.

On December 17, 1945, Dorothy Thompson wrote:

I never remember anything like this in America. The people have a contempt for their leadership. In America when pictures of their leaders are shown on the screen they laugh. They do not cheer or boo, they laugh contemptuously. The leaders have taken away the peoples' ideals and when that happens despair sets in.

When people feel that way, everything becomes senseless, the war was senseless; everything is a lie, as the Atlantic Charter became a lie when Yalta and Potsdam became the truth.

The people think the world is out of its senses, but they do not know what to do about it * * * for they have nothing to say about it, they must just accept it, and they are hurt and bewildered and angry.

On March 7, 1945, the Federal Council of Churches of Christ in America stated in their findings that:

A world of fear, hatred, cruelty, misery, and violent death is fast closing in on the prospects of a world of fellowship and love.

On March 14, 1946, Maj. George Fielding Eliot wrote:

The peoples of the world are confused, disappointed and frightened. In large part they are also miserable. These were not the promises of victory. We thought victory would bring us peace and hope. We thought victory would bring us a better world. It has brought us only fear and suffering.

On March 25, 1946, Messrs. Joseph and Stewart Alsop wrote in the Washington Post that Secretary of State Byrnes and the chiefs of the armed forces had gone before the Senate Military Affairs Committee to urge the extension of the draft and other manpower measures because of the immediate danger of an outbreak of armed conflict. According to these correspondents, I quote:

It is safe to say that in peacetime history of the United States there has been no such scene as this meeting presented, except at prior and similar meetings with the House Military Affairs Committee. Last week, for the first time the highest officials of government warned the leaders of Congress of the possibility of immediate national danger in a world officially at peace.

On April 3, 1946, Mr. Sumner Welles said:

Unless the United States returns to the basic principles of the good-neighbor policy, no inter-American conference can now be held without risking a break-up of the inter-American system and the total destruction of Pan-American solidarity.

The policy pursued by the Department of State during the past 2 years has resulted in a series of unrelieved failures. It has done grave injury to this country's highest interests, and to the welfare of the rest of the New World. Will American public opinion permit a continuation of this disastrous policy?

On May 8, 1946, the former Secretary of the Treasury, Mr. Morgenthau, who perhaps more than anyone else on the globe has helped to turn the world against the United States, mournfully lamented:

I doubt very much whether the United States has a single important friend left in the world.

On May 4, 1946, Walter Lippmann, returning from a visit to war-torn Europe, had the following to say:

No one, least of all the Russians, believes that the political frontier between themselves and the British can be stabilized where it now is. This is the reason why every statesman in Europe has it in the back of his mind as his controlling assumption that he must act as if there were going to be a war between Britain and Russia, which will involve all the other nations.

Again on May 22, Sumner Welles wrote:

From Cairo to Tokyo the eastern world is seething. All constituted authority, whether alien or national, has been gravely weakened during the last several years. The economic dislocation resulting from the war culminating with the present famine, intensify the trend toward mass unrest, toward revolt, and toward eventual anarchy.

On May 30, 1946, Gen. Omar Bradley told a Memorial Day audience that:

Today, there is a growing uneasiness and fear that the peace we sought at the end of the war will elude our grasp. The symptoms of fear are all about. The world that was sick with hatred is now sick with starvation and famine. Out of the rubble of Axis aggression has emerged the suspicion and distrust of allies. Already people have asked themselves, "What has the war accomplished?"

On the same day General Marshall warned the whole world from Nanking, China, that:

China is trembling on the verge of an even greater calamity than the war with Japan.

Cardinal Tien of China a little later admitted that a third world war is now inevitable, and said the sooner it broke out the greater would be the suffering and agony the peoples of the world would be spared.

On June 1, 1946, Pope Pius XII said:

Peace is vanishing in an international bitterness and ungodliness which may provoke a violent world explosion.

On June 15, 1946, Anne O'Hare McCormick wrote in the New York Times that:

Prolonging the present condition of suspense on the Continent can only lead to catastrophe. There is no use outlawing the atomic bomb if the great powers follow policies that produce the conditions of war. In eastern Europe these conditions are creating a system of pauper states. As to Germany everybody now admits that the occupation is a failure in itself and a menace to the rest of the Continent.

And on the same day Adolf Berle, one of the original New Deal braintrusters, and former Ambassador to Brazil, made the following startling admission of what was happening to America from within when he said:

We are now in a world crisis and there is every sign that that crisis will become more intense. Once more all the symptoms of foreign diplomatic conflict are appearing here as they did in 1917. We have the same propaganda campaigns, the same lies and distortions intended to intimidate faithful American public servants, and the same appeals to cupidity, unthinking idealism, and fears.

We have a similar crew of turncoats, some of whom have been in their time Fascist agents and Communist agents abroad, who now appear claiming to advise and guide the New York public. And we know that whatever else these people want they are not interested in the welfare of the United States.

NOT ONE WORLD BUT TWO WORLDS HAVE EMERGED FROM THE WAR

It has now become terrifyingly obvious, Mr. President, that in spite of the fraudulent, poisonous, persistent propaganda to the contrary, not one world of international cooperation exists, but two worlds of conflicting ideologies and purposes have emerged from this terrible war.

No less a person than the Pulitzer prize winning correspondent of the New York Times, James Reaton, said on May 6, 1946:

The thesis that is rapidly gaining ground in the capital now is the following:

First, the Soviet Union is using its economic, political, and military power to support Communist elements all over Europe—not only in the Soviet Belt but also westward into France.

Second, the Soviet Union does not want to take its armies out of eastern Europe, because the Soviets still profess to believe the capitalist world is hostile to them.

Third, our efforts to remove this fear have not succeeded. Therefore, rather than make further concessions to Russia that would divide Europe into two spheres, we should now concede that the two spheres exist and give our support to the western sphere.

On May 27, 1946, the New York Herald Tribune, one of Russia's stanchest defenders in the United States, stated in its leading editorial:

The lines of a new world cleavage are becoming ever more distinct and ominous. In nearly every source of policy there is a growing acceptance of the fact of a struggle for power between two world systems, that of Russia and the west, and a growing tendency to believe that struggle is irreconcilable.

On May 15, 1946, in testifying before the House Banking and Currency Committee, the former Secretary of the Treasury, now Chief Justice Fred M. Vinson, admitted that the British loan would split the world into two conflicting economic blocs with America and England arraigned against Communist Russia in a battle for world trade supremacy.

Mr. President, in spite of the Government-inspired propaganda to the contrary, the one world on which all of our international organizations were supposed to be based in order to function is apparently crumbling right under our feet.

The truth is Russia has refused to join any of the five major international organizations except the United Nations.

Russia has refused to join either the international bank or the international fund set up under the Bretton Woods agreements.

Russia has refused to join or to attend the International Civil Aviation Conference.

Russia has refused to become a member of the International Food and Agriculture Organization. She merely sent an observer to the first meeting.

To this very moment Russia has refused to accept an invitation to the World Trade Conference which is to be called in the near future.

It is significant, indeed, Mr. President, that Russia will not join any organizations where any matters are discussed which would compel her to show her hand. She uses the veto power in the United Nations instead of coming out into the open.

PEACEMAKING AT AN IMPASSE WITHIN UNO AND IN THE FOREIGN MINISTERS' COUNCIL

This sudden wrenching of one world into two conflicting parts has awakened many of our statesmen and policy-makers to the tragic fact that neither inside UNO, nor outside, in the Foreign Ministers' conferences, are we getting on with real peacemaking.

Mr. John Foster Dulles accurately describes our present predicament. In speaking of the way the big powers are failing to get along, he says:

No one of them trusts the others sufficiently to permit of decisions in which it does not concur. They may not feel sure about their ability to go on deserving top rank in the world. Therefore, they seek artificially to perpetuate that position. So they plan a structure of peace that cannot be altered without the consent of each of them. They think through such rigidities to find safety. Actually these rigidities imperil the whole structure of peace.

The junior Senator from Florida [Mr. PEPPER], who has been a most determined advocate in the Senate of cooperation with Russia, has gone so far as to admit that the whole problem of peacemaking with which we are confronted can never be solved within the United Nations organization as it is now operating.

Certainly this is news to the vast majority of the American people. The Senator from Florida, in a statement on March 20, 1946, said:

At the present time and under the present circumstances, the United Nations is not the way out of this web of fear. It is a delusion and a snare to regard the present United Nations organization as the tribunal for the solution of the clashes and conflicts among the Big Three growing out of their fear for their own security.

And those who pretend now that the United Nations organization can perform such functions are either, without disclosing their purpose, attempting to wreck it, or to convert it from its declared original character into something else. We must therefore, prepare outside of the United Nations organization the conditions which will make it possible for the United Nations organization effectively to function.

WHO IS TO BLAME?

Mr. President, in the midst of all of this confusion and suspicion and the terrible suffering this peace stalemate is causing to hundreds of millions of people, it has suddenly become popular in the United States to blame everything that has gone wrong on the Communists and Mr. Stalin and Mr. Molotov. Our own policy makers of the administration have taken refuge in this game of charge and countercharge. Now, who is to blame?

On March 20, 1946, Sumner Welles wrote:

Relations between the United States and the Soviet Union have been allowed to drift into an increasingly dangerous condition * * * The recent trend of Soviet policy unfortunately indicates that unless the Soviet Union becomes convinced that the western powers are both strong enough and determined enough to prevent it, it will avail itself of this moment of world upheaval to seek a form of security based upon those traditional Russian aims which Russian Governments have successfully pursued since the dawn of the nineteenth century.

On March 20, 1946, none other than Secretary of Commerce Wallace told a New York audience that:

Russia can't ride roughshod over eastern Europe and get away with it. I think that we can make it perfectly clear to the Soviet Government that no country, however powerful in a military or economic way, can dominate by mere force even the smallest country for very long.

On March 27, 1946, Hanson W. Baldwin, military analyst for the New York Times, stated in his column that:

We must make it amply clear to Russia and to the world that the basic strategic reason for which we fought the last war was to prevent the domination of western Europe by any one power, and to prevent that domination of eastern Asia by any one power.

On May 10, 1946, the Washington Post, which has always reflected the internationalist opinions of its owner, Eugene Meyer, recently elected head of the world bank, stated in an editorial:

We are faced today with a condition and not a theory. The condition is not that Britain and Russia are preparing for war, but that Russia will not make peace. What our angel of peace is afraid of is, bluntly, Russian aggression. Only Russia has the might and the dynamism and the posture to break the peace.

On May 18, 1946, the junior Senator from Arkansas [Mr. FULBRIGHT] told a New York audience:

Never before in public have I questioned the purposes of Russia. It is with profound reluctance that I have concluded that the recent actions of Russia are not consistent with a desire to bring peace to the world under the aegis of the United Nations. Crusading communism appears now to be on the march. There are doubts within the minds of many of us that Russia will ever submit to rules of conduct in any field.

On May 30, former Ambassador to Germany James W. Gerard said, concerning the Russians that:

It's about time they found out we are tired of having their representatives throw a monkey wrench into the United Nations. We are tired of having our representatives pushed around.

On June 7, 1946, David Lawrence, an astute student of affairs, wrote in the United States News:

Until the flames of totalitarianism are extinguished around the world there will be danger of another world conflagration. There is no use camouflaging the truth about what is going on. We are up against the ruthless rule of totalitarianism in world diplomacy. A government that cannot be trusted can make war overnight. Russian aggression has begun. Will the American people ignore it as they did Hitler's aggression or will they be realistic and face the facts of international life. Are we on the road to World War III?

On June 13, 1946, the distinguished chairman of the Senate Foreign Relations Committee, the Senator from Texas [Mr. CONNALLY] warned the Russians that:

It is unreasonable to allow a veto by one Foreign Minister to upset the whole peace program. We should not tolerate such a situation. Let me warn any nation that now plans to subjugate the rest of the world economically, politically, or militarily, world domination is a fatuous dream. The peoples of the world will not stand for it.

And now the press has broken out in a veritable rash of protests by my colleagues, the Senator from Michigan [Mr. VANDENBERG], the Senator from Texas [Mr. CONNALLY], and the Senator from Vermont [Mr. AUSTIN], along with Secretary Byrnes, that they are not going to permit Russia to veto the peace.

Yet, Mr. President, there is another side to the story which, because of the heat and confusion now being generated in diplomatic circles, still is not being brought out into the open.

Let us grant that Russia is standing in the way of reaching satisfactory peace settlements. Let us grant that Mr. Stalin and the Communists constitute the major obstacle on the road back to peace. There is still the shameful part the United States has played in the preliminary peace settlements for which the Russians cannot possibly be held solely to blame; a role which, it seems to me, has set the stage for the very actions and policies on the part of the Russians which are now being so self-righteously condemned.

I am speaking of the war-breeding secret commitments made by our American Presidents of Moscow, Tehran, Yalta, and Potsdam; commitments which set in motion forces and policies which could not do other than make peace terribly difficult, if not an absolute impossibility.

The fact that Russia refuses to cooperate with the rest of the world does not serve as an excuse to relieve this administration of its own responsibility for those betrayals of the rights and privileges and liberties of hundreds of millions of our fellow beings both in Europe and Asia.

The policy makers responsible do not so much as mention any of those betrayals or war-breeding commitments which were made in secret—without the knowledge, the advice, or the consent of either the United States Senate or the American people. The plain fact is that up until this very moment Russia has only been doing in her own way what our policy makers agreed to permit her to do in conformity with those secret agreements of Tehran, Yalta, and Potsdam.

There is just a slight hint of this fact in the following admission of Elmer Davis, who as head of the Office of War Information had more to do with all the propaganda that was fed the American people than perhaps any other man.

On April 5, 1946, Mr. Davis wrote in the Washington News:

A year or so ago most of us supposed that Russian objectives were the same as ours; and extensive concessions were made to them on that hypothesis. It now seems to have been mistaken. There is something that is worse than either atomic or biological warfare. It is subjugation to an alien oppressor.

But still, Mr. President, there has been not a single official admission of guilt; not a single official repudiation of these terrifying agreements; not a single regret expressed for the savage consequences to which our policy makes us a party, and which just in themselves would make the realization of any kind of peace well-nigh impossible.

RECORD OF MY OWN OPPOSITION TO SUCH POLICIES

The question raised by all of these developments, Mr. President, a question which cannot be ignored longer except at our own peril—is one for the American people to answer once and for all; it is whether we shall continue these policies which are in themselves playing directly into Russia's hands, or we must determine whether or not our legitimate and most crucial interests are being deliberately betrayed by alien fanatics both within and outside of the United States.

The record plainly shows that I have protested the steady deterioration of American foreign policy for many long months.

On four specific occasions I have sought to crystallize attention on the long-existent confusion in our foreign policy, hoping to stimulate efforts to find an answer to the question of whether or not America is being deliberately sabotaged and betrayed, or whether our policies are really disastrous in themselves. Surely even the most naive appeasers in America must now realize that we cannot afford to wait longer for such an answer. The time has come for a completely honest, courageous, and open showdown on this issue.

On May 9, 1946, President Truman himself warned the American people that now:

Nobody should play politics with national safety.

Yet, Mr. President, on every occasion when I have sought to arouse interest in these issues, and to stimulate thought about what future course of action would safeguard America's interests and security, I have met with evasion.

Mr. President, on September 24, 1945, I read into the RECORD the reasons why I opposed the confirmation of the nomination of Dean Acheson as Under Secretary of State. I did so because I could not find out from Mr. Acheson or from anyone else what our foreign commitments and policies were, which Mr. Acheson was to carry out. I did not know how Mr. Acheson felt about them, and he failed to respond to my questions.

I had hoped that, as a result of my action, at least some light might be thrown on the policies we had been persuing. I sought information which would enable this administration, and the American people, to get a better picture of the actual results of our policies. My hopes were vain. My efforts were futile. Both Mr. Acheson, and the administration's undisclosed policies received the highest commendation from my colleagues, the Senator from Texas [Mr. CONNALLY], the Senator from Kentucky [Mr. BARKLEY], and the Senator from Arkansas [Mr. FULBRIGHT].

On October 22, 1945, Mr. Spruille Braden was nominated as Assistant Secretary of State. Again, on that occasion, I sought information. Ugly rumors and reverberations were coming out of South America, as a result of Mr. Braden's activities prior to that date. I sought to learn whether or not his policies had been in keeping with the solemn contracts we had signed with our sister republics, and with the act of Chapultepec, Again I could not get any real light on Mr. Braden's past activities or on our future policies toward the South American countries. But it became clear to me that there was something radically wrong both with our policy, and with the way our State Department, and Mr. Braden, had been interpreting it, so far as South America was concerned.

On that same day, the distinguished chairman of the Foreign Relations Committee, together with my colleagues, the Senator from Michigan [Mr. VANDEN-

BERG] and the Senator from Wisconsin [Mr. LA FOLLETTE], indirectly revealed that Mr. Braden and the State Department for many long months, had been destroying the very roots of our good-neighbor policy. At that time, the Senator from Texas [Mr. CONNALLY] in answer to questions by some of us on the floor, insisted that:

We do not want to create any impression that by the confirmation of the nomination of Mr. Braden we are reverting to the old type of diplomacy of the years gone by when we had the reputation, whether deservedly or not, of having wielded the big stick and using a strong-arm diplomacy * * *. We want the other countries to feel that we are showing consideration for their sovereignty and their independence and that we do not expect to interfere in anywise in any of their domestic affairs.

The Senator from Michigan [Mr. VANDENBERG] stated that he considered that Mr. Braden was "but an incident" in the development of a dangerous perversion of our traditional Latin-America policies, and went on to say he believed there was an imperative need that:

We shall do everything in our power to maintain healthy, wholesome relationships and to scrupulously observe all of our mutual engagements with the 20 Latin-American Republics which constitute, with us, the great inter-American system of hemispherical peace, security, and good will.

On the same day the Senator from Wisconsin [Mr. LA FOLLETTE] stated during debate on Mr. Braden's confirmation that:

If I voted for Mr. Braden, if the committee voted for him, and if the Senate voted for him—

And we did, Mr. President. We confirmed him. I followed the leadership of our distinguished colleague, the Senator from Michigan, as I always have, and I am proud to do so because of his knowledge of foreign affairs.

If I voted for Mr. Braden, if the committee voted for him, and if the Senate voted for him, as they intend to do, I have the distinct feeling that we are not advancing the cause of cooperation, consultation, and united action so far as the Latin-American nations are concerned.

In discussing the dilemma in which the United States Senate found itself as a result of Mr. Braden's previous policies and actions, the Senator from Wisconsin went on to say that the best thing he could do was to vote for Mr. Braden's confirmation, but he added:

I want it clearly understood that in so doing I am not in any wise indicating that I am in favor of any weakening or any alteration of our policy so far as the Latin-American countries are concerned * * *. To proceed further on a unilateral basis or in a unilateral spirit in order to avoid embarrassing and complicated problems, which may arise from multilateral action and discussion, I say in the long run, hazards the destruction of the good-neighbor policy.

On November 28, 1945, I submitted Senate Resolution 197 to investigate the State Department after Ambassador Hurley openly charged that:

The professional foreign-service men in the State Department sided with the Chinese Communist armed party, and the imperialist bloc of nations, whose policy it was to keep China divided against itself.

Again the State Department and that administration policy were completely whitewashed, and Ambassador Hurley became the target of personal abuse, while such persons as Mr. John Service, who over a year before had been one of the six persons arrested for disclosing confidential State Department material, and who had been whitewashed in a secret session of this administration's policy makers, was sent to Japan to serve as economic adviser to General MacArthur.

On January 29, 1946, for myself and in behalf of several other Senators, I introduced Senate Concurrent Resolution 51, providing for a joint congressional committee to investigate starvation conditions in Europe. Eighteen other Senators on both sides of the aisle joined me in stressing the urgency of the conditions of starvation which warranted congressional action. But again, as on so many other occasions, this administration stubbornly refused to look these tragic consequences of its own policies in the face.

Instead, Mr. President, this administration has continued to carry on our foreign relations in such a secret and blundering way that at this very moment neither the American people nor the Senate of the United States, nor the other nations of the world know what to make of the course we have been following in South America, Asia, and Europe.

OUR POLICY OF MEDDLING IN SOUTH AMERICA

Let us turn to South America. Nowhere else in the world have we such a great stake in continued confidence, cooperation, and unity of purpose, between and among nations, as we have in the Western Hemisphere.

It is in the long tradition we have built up in our relations with these nations that the fundamental tenets and solemn commitments of this Government are most clearly and consistently stated.

On October 22, 1945, my colleague from Michigan [Mr. VANDENBERG] paid a just tribute to this good-neighbor policy of which I am speaking in one of the most masterful utterances that has been heard on the floor of the Senate since I have been a Member of the Senate. I believe it will be years before a more clearly defined statement is made than that made by the distinguished Senator of Michigan when he said:

This inter-American system is not the sudden improvisation of an expedient hour. It is not born of the transient exigencies of a war. It dates back to the days of President James Monroe in respect to its roots. It is the evolution of many decades of neighborly contacts. It is the natural outgrowth of common interests in the protection and development of our common heritage in this new world. Its credentials are as long as they are honorable. It enjoys attachments of deep affection throughout the two Americas. It has been solemnly stabilized by repeated treaties for mutual consultation and mutual support. It is not a perquisite of the United States alone. It is the common property of our inter-American partnership, and the statecraft of the United States must never for an instant neglect, ignore, or violate this fundamental fact.

Mr. President, contrary to the current popular myth, it was President Hoover who, in 1928, withdrew our troops from Haiti and Nicaragua, and solemnly assured the Latin-American countries that we could not again intervene in the internal affairs of any nation to the south of us. This was the original formulation of what has come to be known as our good-neighbor policy. And while, on occasion, this Government has relapsed into the "big-stick" policy and "dollar diplomacy," yet over the years our traditional policy has been that of trying to be a good neighbor among good neighbors.

On December 26, 1933, the late President Roosevelt signed the Seventh International Conference of American States Agreement, article 8 of which specifically provides that:

No state has the right to intervene in the internal or external affairs of another.

On the same day the late President stated:

I feel safe in undertaking to say that under our support of the general principle of nonintervention as has been suggested, no government need fear any intervention on the part of the United States under the Roosevelt administration.

On June 17, 1935, former Secretary of State Cordell Hull reaffirmed this principle and went on to say that:

This declaration creates a precedent which in my belief will never be abandoned.

On September 15, 1936, Mr. Hull reaffirmed that so far as South America was concerned:

This administration has made it clear it would not intervene in any of those republics.

Again on December 5, 1936, Mr. Hull stated in Buenos Aires, at the opening of the Inter-American Conference for the Maintenance of Peace, that:

We recognize the right of all nations to handle their affairs in any way they choose, and this quite irrespective of the fact that their way may be different from our way or even repugnant to our ideas. If the solemn rights and obligations between nations are to be treated lightly or to be brushed aside, the nations of the world will head straight toward international anarchy. It is to the interest of everyone that there be an end of treaties broken by arbitrary and unilateral action.

On December 21, 1936, the United States signed the Declaration of Principles of Inter-American Solidarity and Cooperation, at Buenos Aires, which also specifically provided under article 3 (b):

Intervention by one state in the internal or external affairs of another state is condemned.

On March 17, 1938, Secretary Hull again stated as this Government's policy and conviction that:

All nations should, through voluntary self-restraint abstain from use of force in pursuit of policy and from interference in the internal affairs of other nations.

Again at the Eighth International Conference of American States December 24, 1938, at Lima, Peru, the United States signed the following solemn pledge contained in the Declaration of Lima:

The respect for the personality, sovereignty and independence of each American state constitutes the essence of international order sustained by continental solidarity.

In the Declaration of Principles agreed upon at this conference we agreed that:

The intervention of any state in the internal or external affairs of another is inadmissible.

Again on April 13, 1940, the late President Roosevelt stated:

If civilization is to survive, the rights of the smaller nations to independence, to their territorial integrity, and to the unimpeded opportunity for self government must be respected by their more powerful neighbors.

Even as recently as March 21, 1944, Secretary Hull asserted in his outline of the principles of American foreign policy that:

All nations, large and small, which respect the rights of others are entitled to freedom from outside interference in their internal affairs.

Although it is difficult to believe, as recently as October 31, 1945, and January 5, 1946, Secretary Byrnes and Mr. Braden made the following assurances, respectively.

Mr. Byrnes declared:

In the inter-American system the members do not interfere in the internal affairs of their neighbors nor do they brook interference in those internal affairs by others.

Mr. Braden said on January 5, 1946:

Our policy of nonintervention in the affairs of the other American countries is fundamental and will continue. We have no intention of that kind of unilateral action.

Mr. President, in spite of all these solemn declarations and promises of nonintervention the fact remains that we have so grossly repudiated our agreements that we have now reached the place where our whole future relations with South America are gravely in danger.

What is the record?

On March 27, 1946, Sumner Welles wrote:

Our recent policies in Latin America have been incredibly stupid as well as humiliatingly unsuccessful. American public opinion should be demanding from this Government some coherent program of foreign policy which will refill the reservoir of good will toward the United States.

On the same day, in the New York Times, Hanson Baldwin wrote:

For many months we have been breathing fire and brimstone toward Argentina and badgering the Argentine Government with accusations.

In Argentina our policy has served only to elect our enemy Peron and to consolidate much of Argentine and Latin-American sentiment against us. Many of the happy results of the good-neighbor policy have been destroyed and again Latin Americans are becoming more and more conscious of the "Colossus of the North" and Yankee "imperialism." We are risking the formation of a real anti-American bloc in South America.

It is high time the dangerous policies of Mr. Braden and Mr. Acheson be ended. We indulged in such inexcusable intervention that we are now confronted with complete embarrassment of our relations with every other South American country.

The Bradenistic policy of intervention by insult has been against the richest and most powerful nation in South America, namely, the Argentine.

I am not defending the Argentine Government for any of its misdeeds, whatever they may or may not have been. I am not carrying a portfolio for Argentina. Whatever excuse may have existed for the policies toward Argentina during the war certainly has no validity now.

The war has been over for more than a year. The course pursued by Mr. Braden and Mr. Acheson over the past 12 months is positively the most stupid and scandalous adventure in personal feuding between the heads of states that is to be found in the entire history of our diplomacy.

The Argentine finally broke with the Axis. She was admitted as a member of the Chapultepec Conference and of the United Nations Organization. She was entitled to joint action by any nations directly concerned with her affairs. Yet, in spite of all the agreements we have signed, to which Argentina has been a party, Mr. Braden and Mr. Acheson seem for the past year to have gone out of their way to force a permanent break with the Argentine people.

WHAT WE HAVE DONE TO ARGENTINA DURING THE PAST YEAR

During the past year we have continued, until within the last month, to keep over 800 Argentine firms on the blacklist.

Until within a week or so we have kept all of Argentina's funds in the United States banks frozen.

Up until this very moment we have continued to refuse to join in any discussion with the Argentine delegates concerning the Rio conference on hemisphere defense. That discussion has already been postponed, until Mr. Braden is satisfied that they have eliminated all of what has been termed Axis influence in Argentina.

Our State Department is insisting that the Argentine courts accept the views of Messrs. Braden and Acheson as to what aliens in Argentina were friendly with the Axis Powers and should be deported from Argentina; as to what Argentinean citizens were friendly with the Axis Powers and should be tried and imprisoned, if found guilty; and as to what agencies or businesses trafficked with the Axis Powers and should be liquidated by the Argentine Government. In response to their insistence, the Argentine Government has replied that it is seeking to expedite these matters in accordance with Argentine law.

Here, again, is a case in which Messrs. Braden and Acheson have done everything they apparently could do to violate another solemn agreement.

On December 26, 1933, at the Convention of Human Duties and Rights, held in Montevideo, we subscribed to the following principle:

The political existence of a state is independent of recognition by the other states. Even before recognition the state has the right to defend its integrity and independence, to provide for its conservation and prosperity, and consequently to organize itself as it sees fit, to legislate upon its interests, administer its services, and to define the jurisdiction and the competence of its courts.

In the light of that solemn convention, for the State Department of the United States to insist that the Argentine courts act in accordance with State Department demands in determining what constitutes unfriendly action on the part of individuals or agencies is the sheerest and boldest defiance of international law and of every solemn commitment we have made to the South American Republics.

I ask you, Mr. President, just exactly what is the State Department going to do if the Argentine courts do not agree with its list of persons who are suspects, a list which our State Department will not even furnish, I am informed, to the Argentine officials?

Consider another circumstance in this story of diplomatic blunders. Spruille Braden and Dean Acheson have been carrying on a personal feud against Colonel Peron ever since the war ended. The press was filled with stories that the Argentine people became so incensed over Braden's interference in their presidential campaign that Braden's action really assured Peron's election. Braden created in the Argentine an issue which—were the situation reversed—the American people would, of course, have resented intensely. No self-respecting people will tolerate such interference in their domestice affairs.

Not only did Braden thus directly interfere in the Argentine presidential elections, but I am informed that Braden, in defiance of all international law, actually used the American Embassy in Buenos Aires as the headquarters of the Argentine parties opposing Peron. Such unprecedented, high-handed activity, such a wanton breaking of faith with the American people, and such an offense offered the Argentine people, could have only one possible result. Acheson and Braden were completely repudiated by the Argentine people. The result was a terrible loss of face for 130,000,000 American people who, though blameless, will have to bear the consequences.

There is a universal recognition of the failure of our South American diplomacy everywhere except within this administration. One need only to summarize the calamitous extent of this venture in personal intervention, by reminding oneself of the fact that all of the hatred, fear, and animosity now aroused against the United States, has played directly into the hands of just one nation. That nation is Russia. Russia has taken this opportunity to attempt to reestablish diplomatic and trade, and even military, relations in the Argentine. What better weapon could the Communists in South America desire than the animosity and hostile interventionist policy of Acheson and Braden?

Through these two officials, America has furnished the Communists with reason to cry "Yanqui Imperialism." Certainly we cannot blame Stalin for what is clearly the calamitous consequence of Braden's own bungling.

So far as South America is concerned, Mr. President, the time has come, as I have already stated, to repudiate the policy of Bradenism, and to return to the good-neighbor policy. But to accomplish this, we need desperately to clean out the Communist influences in the

State Department, which, for some strange reason, have wielded such a sinister influence during the past few years.

After a great deal of struggle, members of the Senate have finally wrung from the distinguished Secretary of State the admission that there are, indeed, many Communists and fellow travelers in the State Department. It would seem, however, that the Secretary has been unable to do anything about them, because of the provisions of the civil-service law and its administration by the Civil Service Commission. That problem needs desperately to be taken care of by Congress immediately.

But there are still certain very startling facts about the way our South American policies have been handled, and about the forces and individuals who have had the most persistent interest in carrying out these policies, which have not yet been told to the American people.

There is the matter of the press and propaganda.

Mr. Carleton Beals, writing in the Progressive of July 15, 1946, stated:

It is a long time since the American public has had much of the truth about Latin-America. And folks aren't likely to get much more very soon.

Mr. Beals, who is one of our ablest and most forthright authorities on Latin-America, revealed that even during Mr. Nelson Rockefeller's regime—

Only those who jumped on the bandwagon and peddled pap and piffle had any chance to travel or get at the news. One couldn't even read current issues of Latin-American publications in the public libraries. As a student of Latin-American affairs and one earning his living by writing about them I could not obtain access to such materials. It was possible to get only what printed matter Mr. Nelson Rockefeller and the State Department wanted you to get, unless you went to a vast amount of trouble, subterfuge, and expense.

In the February 8, 1946, issue of the Commonweal, Mr. Christopher Emmet, a well-informed authority on Latin America, asserts in detail that Arnaldo Cotesi, of the New York Times; Joseph Newman, of the New York Herald Tribune; and Virginia Pruett and Ray Josephs, of PM, have completely misjudged the Argentine situation and misinformed the American public. As Mr. Emmett says:

It is largely the facts and appraisals they reported which most American commentators, headline writers, and newspaper columnists relayed, with the usual oversimplification, to the American people.

My distinguished colleague the Senator from Wisconsin [Mr. LA FOLLETTE], on the Senate floor on October 22, 1945, vigorously condemned this kind of reporting. I quote his words:

What I am saying is that such faulty reporting, such faulty exposition of the actual facts in a nation which is in a state of crisis can only lead to disaster if our policy is to be predicated upon such reports which are so inaccurate and which so utterly fail to describe the actual factual situation.

It is not by accident, however, Mr. President, that this misinformation should have emanated largely through New York sources. I hold in my hand a copy of the State Department so-called Blue Book on the Argentine, which it published and released in February 1946. Most Senators know what is in that "Blue Book." Those who do not should read it. The name Joseph Newman, to whom I have referred, reported on March 26, from Buenos Aires, that Foreign Minister Bevin had refused to join with the United States in issuing the Blue Book, even after a personal invitation to do so was extended by Mr. Byrnes. As a matter of fact, the British were so opposed, Mr. Newman went on to say that—

The British Government's economic policy toward the Argentine is now seriously embarrassing the State Department and its representatives in this country.

There is a strange coincidence in all of this, Mr. President. For although the State Department Blue Book was issued in February of this year, in January the Committee on Latin-American Affairs of the CIO issued their own white book on The Argentine Regime. I have it here on my desk, Mr. President.

It so happens that in the CIO News of February 25, 1946, a statement appeared calling attention to the fact that—

Release of the State Department's blast fully confirms similar charges made over a long period of time by the CIO Latin-American Affairs Committee. As a matter of fact the CIO committee's book, The Argentine Regime, was released weeks before the State Department did its job.

It so happens that the executive director of this Latin-American committee of the CIO is George Michanowsky, born in Yalta, Russia, who arrived in the United States from Panama in 1940. He was not a United States citizen, and he registered as an alien on December 17, 1940.

Mr. Michanowsky served for a while with New York's PM, in 1942. Now this same man has moved into the select circle as advisor to our Secretary of State and as a molder of American public opinion. I want to enter into the record a copy of a letter written to Secretary Byrnes on August 6, 1945, which is startling, to say the least, and is self-explanatory:

[Jacob S. Potofsky, chairman; George Baldanzi; L. S. Buckmaster; Lewis B. Clark; Joseph Curran; Samuel J. Hogan; O. A. Knight; Martin C. Kyne; David J. McDonald, Milton Murray; Joseph P. Selly; Willard Townsend; George Michanowsky, executive secretary]

PHILIP MURRAY, *President* — JAMES B. CAREY, *Secretary-Treasurer*

COMMITTEE ON LATIN-AMERICAN AFFAIRS,
CONGRESS OF INDUSTRIAL ORGANIZATIONS,
New York, N. Y., August 6, 1945.

Hon. JAMES F. BYRNES,
Secretary of State, Department of State, Washington, D. C.

DEAR MR. BYRNES: Please permit me to congratulate you on your magnificent achievements at the Potsdam Conference. I also wish to thank you very much for your kind letter of July 5.

At this time I should like to acquaint you, on a confidential basis, with a very important matter I have dealt with during your absence from this country: In order to offer maximum support to United States Ambassador Spruille Braden's admirable activities on behalf of democracy in Argentina, we have engaged in a campaign on his behalf both in this country and in the lands to the south of us. We have especially publicized Mr. Braden's fine record, deserving the confidence of business and labor, among Latin-American workers, organized and unorganized. This step was particularly important since there was a chance that propaganda campaigns emanating from certain quarters and calculated to resuscitate the moth-eaten cry of "Yankee imperialism" threatened to make some headway and to confuse the situation in various countries, especially in Argentina.

An inspired Associated Press story describing how admirable a stand you had taken on the Argentine question and reaffirming in detail our full and unqualified support of Ambassador Braden created a sensation in Latin America and made the front page of Argentina's biggest newspapers. Hard on the heels of this story and certain other actions originating with me, the Under Secretary of State Joseph Grew was happy to announce on August 2 that representatives of Argentine labor unions had called on Ambassador Braden in Buenos Aires to express their disapproval of the recent campaign of defamation directed at the Ambassador and obviously inspired by certain elements.

Since I know how limited your time is, I shall confine myself today to giving you only this sketchy outline of some of the things I have done during your absence to assist United States foreign policy and the cause of democracy. It will be a great honor to hear from you on this subject at your convenience. At your request, of course, I shall be glad to elaborate on any of these points.

Very sincerely yours,
GEORGE MICHANOWSKY.

Here then is the type of support and conniving which has made our Latin American policy under Mr. Braden and Mr. Acheson so terribly effective in destroying our own prestige, and in putting a weapon in the hands of the Communists.

Mr. President, I wish to sound a warning. What about the State Department's publicity which no doubt, will continue? There are now 45,778 full- or part-time personnel in publicity and propaganda work within all the Government agencies.

We need not go back any further than the Yalta agreement to find a convincing picture of the way in which our policies are selling out the Chinese to the Communists and betraying our own most vital interests in the Far East.

The Yalta agreement is said by authoritative students to be the greatest insult to which the United States has ever subjected the Chinese people. Mr. President, certain reports and charges have been made which ought to be investigated by the Senate. It is claimed, for instance, that Russia was turned loose to rape and loot Manchuria, that China was cut in two, and forced to grant to Russia not only all that she had fought Japan 10 years to retain, but also all the benefits contained in agreements that had been entered into by the Soviets and the Chinese since January 26, 1923.

We know now that the Kurile Islands, which it certainly was not in the late President's authority to give to the Russians, or to anyone else, except by treaty, ratified by the Senate, were given to Stalin and by him are being turned into a Russian fortress.

It is charged that the late President agreed to the restoration of the Chinese Eastern Railway to the Soviet Union, and the uniting of outer and inner Mongolia in a Soviet puppet state.

The Russians did not have a shadow of legal claim to a single one of the concessions it is reported the Yalta agreement gave them. Yet, the Chinese were not even consulted, it is said, until the late President had returned from Yalta and personally informed the Chinese Ambassador of the deal. The Ambassador is asserted to have reminded the President, that this seems to be taking us back to the nineteenth century. But it was much worse than that, Mr. President—vastly worse.

For instance, I am informed the Chinese were given to understand by the late President that by accepting the Yalta agreement and formalizing it in a treaty with Russia, which China did conclude in August 1945, China could expect three tremendous advantages:

First. China would have peace with Russia along their 3,000-mile frontier.

Second. The late President assured the Chinese that by accepting the Yalta deal, they could expect the Russians no longer to support the Chinese Communists against the Chinese Government.

Third. Above all, the Chinese were assured they would receive active and large-scale assistance from the United States to hasten the end of the war and to enable China to begin reconstruction in earnest at the earliest possible moment.

Those are some of the reasons behind my earnest pleas to the Senate to adopt Senate Resolution 197.

WE FAILED AT ALMOST EVERY POINT TO FULFILL OUR PROMISES TO CHINA

While the Chinese were terribly fearful of Russia's entry into the war in the Far East, and while they believed there was no need for Russia's entry, I understand they accepted the Yalta deal on the basis of the United States promises.

General Stilwell was replaced by General Wedemeyer, who got along well with the Chinese, and who understood the situation. General Hurley, as Ambassador, had defined the Chinese Communists as "a political party with an army trying to overthrow the Government of the Republic of China."

General Hurley, who was our Ambassador, had pledged American support to the Chinese Nationalist Government. However, General Hurley resigned in December of 1945, accusing the State Department of failure to support those pledges. He demanded a clear-cut statement of American policy toward China.

On December 15, 1945, President Truman issued a public statement of American policy toward China.

This statement of policy criticized the Nationalist Government of China as undemocratic, and insisted that it be widened to include other political elements, particularly the Communists. Ambassador Wei forthwith resigned.

It is a matter of history that the Chinese Nationalist Government had in the past attempted time and again to broaden its base, but all attempts to include the Communists resulted in the latter trying to effect a coup and to take over the whole Government.

In 1927 the Communists sought to do exactly that. But for the Generalissimo they would have succeeded. Henceforth, the Communists had consistently adopted the policy of armed rebellion. The uneasy common front of 1937 again broke up in 1939 when the New Fourth Army of the Communists, as well as the Eighth Route Army, took matters into their own hands, expanding their forces and taking advantage of Japanese attacks to attack Government troops from the rear. The Chinese Government took the position that no working arrangement could be made unless and until the Communists gave up their territorial bases and their private army.

However, the Truman statement of policy did not insist that the Communists should give up their private army first. It insisted that the Chinese Government could not be regarded as democratic unless it included the Communists. This was exactly what the Communists wanted. By refusing to join under any terms, they would forever hold the key to the political situation in China. Thus they were enabled to increase their demands, as they did during the Hurley, and later the Marshall, negotiations, which they could hope would result ultimately in capturing the whole Government.

The statement also stipulated that unless the basis of the Chinese Government was widened, American assistance could not be given. The Communists had gone on record opposing an American loan to China. They would not like to have the government made stronger. On the contrary, they had, since the termination of war, torn up more than 2,000 kilometers of railways, breached dykes flooding wide areas, and in general made economic recovery impossible. They had occupied sections of trunk railway lines, so that these lines could not run, making famine relief impossible. These measures would create misery among the people, and misery breeds Communists. In short, the veto of the loan played directly into the hands of the Communists, making peace and unity entirely impossible. The Truman statement therefore defeated its own purpose.

General Marshall's enforcement of the Truman policy made peace and unity impossible. He sought to freeze the military situation by truce agreements enforced by truce terms. In December 1945, General Marshall succeeded in bringing Mao Tse-tung, the Communist leader, to Chungking. He also succeeded in bringing about the Political Consultative Council composed of all parties. Agreements were arrived at in the council in January 1946. But no sooner were the agreements made than they were broken by the Communists. Since the termination of the war, the Communists had considerably widened their control through illegally seizing territories from the surrendering Japanese, and through the assistance of the evacuating Russians in Manchuria. General Marshall's truce arrangements in effect legalized those Communists gains, thus encouraging them to seize more and more territories for General Marshall's truce terms to legalize. The truce arrangements could not bring unity or peace to China. They had exactly the opposite effect, no matter how well-intentioned they might be. Of the 2,000 counties—or districts—in China, informed sources point out that the Communists were in occupation of 74 counties before the Japanese surrender. Two hundred and forty-one additional counties were occupied by them after the surrender and 20 more were occupied after the Marshall truce agreement of January 1946. The total now stands at 335 counties.

In the meantime, the projected loan of $500,000,000 to China, already agreed to in principle, is not forthcoming. It is now in the hands of the Import and Export Bank, with apparently no clear-cut directive from higher levels.

The Chinese people are now in even greater misery than during the war. They are disillusioned, desperate, and bewildered.

Informed Chinese simply cannot understand American policy.

First, they cannot understand why this administration is so sensitive to Communist criticisms in China while having struggles with the Communists in other parts of the world;

Second, why this administration grants large loans to other countries, such as Yugoslavia, and not to China, knowing that those regimes are totalitarian;

Third, why Mr. Truman appears to believe Communist participation in the Chinese Government would make it democratic while we regard Communists in other lands as totalitarian;

Fourth. Why this administration insists on Communist participation in the Chinese Government while congressional committees and the Justice Department are trying to bar Communists from the American Government;

Fifth, why Mr. Truman believes Chinese Communists are democrats and agrarian reformers while we regard American Communists as owing allegiance to a foreign nation;

Sixth, why Mr. Truman has failed to insist upon the abolition of the private army of the Chinese Communists which is making peace and unity impossible in China and the rest of Asia;

Seventh, why Mr. Truman does not insist that the Communists open up their occupation areas in China so normal communications can be resumed, bringing relief to millions of starving people;

Eighth, why our American representatives to UNRRA, and the American Director-General of UNRRA limit UNRRA aid to China to such meager proportions, while giving bountiful aid to Russian satellites, and even ex-enemy countries. China is to receive from UNRRA supplies worth $562,500,000 or about $1.25 per capita. The per capita value given to Greece is about $46.90, to Italy $9.75, to Poland $20.70, to Yugoslavia $27.50, to White Russia $6.40, to Ukraine $4.60.

Ninth, informed Chinese ask why the United States Government cannot revise the whole policy toward China right now, knowing full well that the policy, as embodied in the Truman statement, and

administered by Marshall, has proved to be wrong. They insist that the basic premise of the policy plays directly into the hands of the Communists whose advantage plainly lies in making the implementation of this policy impossible.

Tenth, it is hard to believe, Mr. President, that in spite of all that has transpired, Mr. Acheson has testified before the House Foreign Affairs Committee, which was reported to the House June 27, in connection with H. R. 6795, that there is need to extend to China an agreement which would provide military equipment and training, not only to the Nationalist government, but would permit aid to the Communist armies as well.

If the United States Government really wants to help the Chinese people, it must reverse its policy.

According to press releases right up to this very hour, the situation is becoming more desperate, and, evidently, neither Mr. Acheson nor the policymakers in the Far Eastern Division intend to make a reversal of our present policies pursued in China, or to remedy these terrible errors flowing from the mistaken policy now being pursued.

EUROPEAN POLICY FOLLOWS SAME PATTERN

Mr. President, when we turn to Europe to analyze just what we have been doing there for the past year the picture is even more grim.

As Anne O'Hare McCormick wrote on June 15, 1946, in the New York Times:

> The state of Europe today is the first threat to the peace of the world.

On July 15, Secretary Byrnes confirmed this conclusion, and even went so far as to tell the American people he was going to direct the American military government in Germany that very week to abandon the provisions of the Potsdam Declaration and start out on their own negotiating with the governments in any of the zones that would work with them to prevent a complete catastrophe in Germany and Europe.

While no one seems to realize the full significance of this statement, it becomes perfectly clear that it amounts to the first sign of an open break with Russia.

But, Mr. President, this does not alter in any way our other policies which we have been following in Europe since the war ended. All one has to do is to recall that for almost a year the Communists in other governments have used food for purely political purposes, but the United States Government would not even permit the churches to use food for purely humanitarian missions of mercy.

As recently as June 25, 1946, General Eisenhower himself appeared before the Senate Committee on Appropriations to plead for the restoration of a huge amount of money for the Army's relief program. Said General Eisenhower:

> I recommend that the act carry no less than $500,000,000 for these problems in the occupied territories. The feeding of these countries is extremely meager and the people responsible have had to cut and cut until they have cut it down to nothing but a starvation diet. Only recently have we had enough food in sight to restore the European zone, I think, to 1,250 calories. We have always felt that on the advice of our doctors anything lower than 1,500 was indefensible. So the conditions throughout Austria, Germany, and Japan have become alarming to our people.

Mr. President, let us survey briefly the European picture. Mass deportations; slave labor; a policy creating a permanent economic slum of Europe; millions without even a minimum of human shelter, clothing, heat, light, or sanitation.

Civilization simply cannot survive such awful development. The newspapers of yesterday morning carried articles which make one's flesh creep.

In the July 6, 1946, edition of the New Leader, John Dos Passos reported a conversation he had with a high-ranking American Army officer in the train out of Berlin on his way home. According to Mr. Dos Passos the American officer stated:

> It's all this apologizing that makes me sick. We built up the greatest army in the world and won the war with it and now we are letting everything go to pieces because we don't know what to do next.

Russia has become a real menace to the peace and the security of the world. But Russia could never have reached this stage in her aggressions had it not been for the weakness of our State Department policies.

CONCLUSION

Indeed, Mr. President, Russian aggression is a major problem, but to continue to pretend to abide by these sordid agreements which have made possible Russia's aggressions thus far is not only suicidal to the peoples caught between the two power centers of the world, but it may be the end of our freedom and our great heritage.

Mr. MORSE obtained the floor.

Mr. CONNALLY. Mr. President, will the Senator from Oregon yield to me? I shall be very brief.

Mr. MORSE. I yield with the understanding that I retain the floor.

Mr. CONNALLY. I thank the Senator.

Mr. President, I have listened with a great deal of interest to the address of the Senator from Nebraska [Mr. WHERRY] on the foreign situation. I shall not undertake this afternoon to reply to the Senator. It seems to me that it is rather unfortunate that he should have chosen the closing hours of the Congress to fire his artillery and then fall back behind the well-protected breastworks of his office and his home.

Mr. President, it is easy enough for Senators to sit in their air-cooled offices, or for correspondents and columnists to sit in their well-appointed offices in this country and tell us all about how the affairs of the world should be conducted. It is marvelous. But, Mr. President, the Department of State of the United States is not responsible for all the unhappy things which are taking place in the world today. The United States is not responsible for all the unfortunate things which are happening throughout the world and those which have happened throughout the world.

Today, while the Secretary of State of the United States, Mr. Byrnes, with the sanction and the blessing of the President of the United States, is in a foreign capital participating in an international conference in an effort to help bring about peace throughout the world, and helping in the drafting of peace treaties, and while the distinguished Senator from Michigan [Mr. VANDENBERG] and myself have lately been laboring with Mr. Byrnes in undertaking to bind up some of the wounds of the world, it is most unfortunate to have a broadside attack made upon the State Department for its policies all down the line.

The Senator from Nebraska referred to the unfortunate situation of deportees in Europe. I suppose the State Department is responsible for there being deportees in Europe, and displaced persons, and conditions of that sort. We are not responsible for those things.

Mr. President, I want to see the peace of the world restored, I want to see the United States get along, as it were, with other nations. I want to see the United States carry out its high concepts of international duty; and it is doing that now insofar as it is able to do it.

But, Mr. President, the United States is not the only nation in the world. We cannot enter a conference and dictate every act that takes place. While in Paris I am sure the Senator from Michigan received communications, as I did, from constituents and others in the United States, complaining about this, that, and the other, telling us just what to do, as if all we had to do was to call the conference to order and say, "By unanimous consent, without objection, it is so ordered."

Mr. President, that cannot be done. Groups of foreign nations have their objectives and their policies. The United States, through President Truman, through the Secretary of State, through the distinguished Senator from Michigan, and other representatives, in international conferences are doing all that can possibly be done now for the promotion of good will with the nations of the earth, for the establishment of peace, and for the promotion of the United Nations organization, in which will be settled international questions, in the language of the charter, "by peaceable means." These are the things we are striving to establish, and I hope Senators will aid us and do what they can to promote these causes, instead of making addresses and speeches attacking and criticizing and throwing obstacles in the way of harmony and unity here at home.

One of the reasons why we have been as successful as we have has been that we have been nonpartisan, the Senator from Michigan representing that branch of our citizenry known as the Republican Party, and working in complete harmony with the Secretary of State and others of us on the other side of the aisle. We have been saved the confusion and the uncertainty and the bitterness that followed World War I. It is only because of such nonpolitical unity that the voice of America is influential in these world conferences. If the other nations thought we were divided, if they believed there was a line of cleavage here at home on the ground of partisan politics, they would be encouraged more and more to resist us on the theory that they

could divide us at home, or undermine us here, and render our efforts ineffective.

I do not say this in bitterness, I assure the Senator from Nebraska, but I say it in all good spirit. We are all good Americans. If we can have peace, we save from the battlefield the boys of Nebraska, as well as the boys of Texas and of Michigan. If we have accord, we save the terrible burdens of taxation and sacrifice which have been borne in the recent years. There is no advantage of party in these international conferences. What benefits one American benefits all Americans.

Mr. President, I hope we may remain united, that we shall not dissipate our efforts because of narrow partisan political considerations which do not contribute, but which detract from the force, the influence, the prestige of America in this supreme hour of the world's history.

Mr. President, this is perhaps the most fateful hour in all the annals of time. America has a great opportunity. We should and we must lead the world, not because we want any selfish advantage, not because other nations have things we desire, but because of the fact that we do not wish these things. We have a position among the powers which enables us to exert perhaps the most tremendous and compelling influence any nation has ever exerted in all history. We want to exert that voice and that influence in behalf of things looking to the betterment of mankind, for the welfare of the peoples of the world, and we cannot do it if our forces are divided on domestic political lines.

Mr. WHERRY. Mr. President——

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

Mr. MORSE. I yield, with the understanding I may retain the floor in my own right.

Mr. WHERRY. I thank the Senator. I wish to say to the distinguished Senator from Texas that no one has cooperated more fully than I with the universal peace program which has been brought into the Senate. My criticism was constructive, and not inspired in any way by political considerations. I do not know how in the world the distinguished Senator from Texas could criticize my speech very much from a political angle, when he did not hear half of it.

I hardly think the Senator from Texas subscribes to the policies of Mr. Acheson and Mr. Braden in South America. Certainly we have the right, as Senators, to stand on the floor and, in a constructive way, ask the Senate and ask the administration to carry out policies which are in keeping with the good neighbor policy in South America. That is all I ask today, and I do so at this time. I have tried for 10 days, as I said in the beginning of my remarks, to get an opportunity to prepare a summary and enumerate a few American principles, and when I finally got my study completed, I presented it, and I did it only as an American, to be helpful to the administration and to the distinguished leader of the Committee on Foreign Relations.

Mr. CONNALLY. Mr. President, will the Senator from Oregon yield?

Mr. MORSE. I yield.

Mr. CONNALLY. I wish to say that I entertain the most cordial and friendly relations with the Senator from Nebraska. Of course I subscribe to the doctrine that any Senator has a right to express his opinions and his views on this floor regarding any public question, and I shall not vote to take that right away from him, and I did not vote that way today, when the Senator from Nebraska was so voting.

Mr. VANDENBERG. Mr. President, I cannot let the moment pass without a brief word, lest my silence be misunderstood. I do not care to go into the ancient history involved in the comments on American foreign policy which have been made by the distinguished Senator from Nebraska [Mr. WHERRY]. I happen to share some of the views which he expressed regarding certain of our American attitudes up to the time of the Yalta Conference, and most emphatically including the Yalta Conference, although I hasten to add that I realize the late President of the United States was operating under the exigencies of war, and perhaps under what he considered to be a dire necessity to maintain unity of armed action at any price. Happily, we are under no such repugnant compulsions now. I agree, and so does Secretary Byrnes, that appeasement days are over.

I have no quarrel with the Senator in respect to pre-Yalta policies in many aspects, and I think there will have to be revisions at some key points before the world will have won peace with justice.

I have no quarrel with the Senator regarding certain phases of the vitally important South American situation. The distinguished chairman of the Senate Committee on Foreign Relations, and my distinguished friend sitting at my left, the Senator from Wisconsin [Mr. LA FOLLETTE], and I have been critical of all unilateral action in South America, and I am sure we have done everything within our power to create a different situation, and I think a different situation is under way.

The only thing I wish to comment on directly in the remarks of my able friend from Nebraska relates to the immediate situation which we confront in respect to the Peace Conference now in session at Paris. I inferred from the Senator's observations that he doubted whether the present Secretary of State is vigorously and faithfully representing sound American viewpoints at the present moment in respect to these negotiations.

Mr. President, confining my present remarks to the five treaties which are under discussion in Paris, I wish to say that in their preparation, through difficult and trying hours, I do not know how any representative of America could have been more faithful to the human rights and fundamental freedoms for which America stands in respect to herself and the world than Secretary of State James F. Byrnes. He could not always have his way. But he relentlessly kept the record straight. I was there. I think I know.

Nor do I know of any more definite and specific issue that could have been drawn with the Soviet Union regarding human rights and fundamental freedoms than were drawn, for example, by our distinguished Secretary of State in respect to the very thing the able Senator from Nebraska particularly referred to, namely, the status of displaced persons and refugees. I refer to the Secretary's refusal even to consider a treaty with Austria so long as the price was the immediate involuntary repatriation of 500,000 poor victims of displacement, including patriots from the heroic Polish Army of General Anders.

I simply wish to say Mr. President, that with respect to the Secretary of State's present obligations in Paris, in respect to his express purpose to achieve a final result for an American position which in my humble opinion reflects the full American idea, I would not want the world in general or the Soviets in particular to think that there was any serious division at home, behind him. Division at home would be our greatest hazard. For myself I subscribe to him my full faith and confidence in respect to the hard task to which he is now committed, and I shall maintain that attitude until events unexpectedly dictate otherwise.

Mr. MORSE. Mr. President, I rose to speak on a subject other than the one to which I wish to address myself now, but I have been so deeply moved by the commendable statements made by the Senator from Texas [Mr. CONNALLY] and the Senator from Michigan [Mr. VANDENBERG] on the international situation that I wish to associate myself with their remarks. I wish to mention at this time that I think a very solemn—and I use the word advisedly—a very solemn obligation rests on the Senate of the United States to consider and vote upon, before it adjourns, Senate Resolution 196. This is the resolution which proposes that this country accept the compulsory jurisdiction of the World Court in any dispute with any other nation which likewise has or in the future will accept the compulsory jurisdiction of the World Court. The resolution does not limit our right to make any other agreement with a nation with which we are in dispute insofar as agreeing to some other peaceful method for settling the dispute is concerned.

The Senator from Texas was quite right when he pointed out the significance of this hour in the history of man, and hence I say that no stone should be left unturned by the Senate of the United States in fostering an international order based upon justice through law. The greatest opportunity to advance that order which this body perhaps will have in the lifetime of its Members is to adopt Senate Resolution 196, which has been reported unanimously by the Foreign Relations Committee of the United States Senate, and the principle of which has been endorsed by the President of the United States, by the Secretary of State, by the American Bar Association, by every authority, without exception within my knowledge, on international law in the United States.

I believe that not only the people of the United States but the peoples of the world have the right to look at this body during the closing hours of the Seventy-

ninth Congress and ask whether the 96 Senators of this body will rise to a very rare opportunity, that only infrequently is presented to them in high office, and perform the great art of statesmanship called for by this resolution 196. We have a great chance to show to the peoples of the world that we of the United States are ready to submit our international disputes to the rules of reason prevailing in an international court of justice. I hope that no rationalization, no maneuver by way of subterfuge, no excuses and no alibis will be advanced that will cause us to delay or postpone meeting—and I use this word advisedly—what in my judgment, when I consider the security of posterity from the curse of war, has now become a sacred obligation. I sincerely hope that the majority leader, the chairman of the Foreign Relations Committee, and the senior Senator from Utah [Mr. THOMAS], who had charge of the hearings on this resolution, will, before the Congress adjourns, move that the Senate of the United States proceed to consider, to debate, and to vote upon Senate Resolution 196. I express that hope because I believe the resolution 196 is the best evidence that we can give to the smaller nations of the world and the greatest assurance that we can give to Russia that we stand ready to live up to the spirit and the intent and the purpose of the San Francisco Charter. It will be recalled that at the last plenary session of that great conference, it adopted without a dissenting vote a resolution which proposed that all signatories to the United Nations charter should as soon as possible file their declaration with the United Nations pledging themselves to accept the compulsory jurisdiction of the World Court in disputes with other nations that had likewise by reciprocity accepted a similar jurisdiction.

O Mr. President, although I did not rise to speak on this point, I will say that we cannot listen to the Senator from Texas and the Senator from Michigan without realizing that those two great statesmen have caught the vision of a one world and have recognized its implication so far as the welfare of future generations the world over are concerned. Unquestionably I think they see that this is our last chance, Mr. President, to build a world order which recognizes that the peoples of the world must either live together in a cooperative arrangement by way of justice through law or destroy themselves in a third world war. I shall await the first rational argument to justify any postponement of immediate consideration of Senate Resolution 196.

I close this part of my speech by repeating what I have heretofore said: that in my opinion the hour is historic, the obligation sacred, the responsibility one so full of significance to the future welfare not only of our country, but of the world, that we cannot justify going home at the end of this week without having risen to this obligation and cast our vote on Senate Resolution 196.

I agree with the great Senator from Texas with regard to these international issues. There is no room for the slightest degree of partisan politics. On this issue we must all be Americans first and politicians second. I close not only with a plea for the passage of the resolution but with a prayer that we will meet this solemn obligation. If there was ever a time when statesmen ought to bow their heads and pray to the Almighty God to give us vision and strength and foresight, I think the time is now. I hope that a full appreciation of the significance of Senate Resolution 196 will permeate the thinking of every Member of this body, and that between now and the time Congress adjourns the 96 of us can unite, not only in the interest of our country but in the interest of permanent peace through law, and pass the resolution. It is my view that only to the extent that we make that contribution now can we hope to live up to the great obligations which rest upon our shoulders to lead this country down the broad highway to future peace, setting an example to all the nations of the world that we mean to practice as well as preach international justice through law.

With the great Secretary of State now sitting in Paris working not only in our interest for a peace based upon justice, I pray that we will give him the support he so sorely needs; that we will put him in a position so that when he listens to the arguments of the nations, great and small, he can say, "Yes; we believe in justice through law, because the Senate of the United States has again demonstrated that belief and conviction by passing by an overwhelming vote Senate Resolution 196."

Let me repeat that I hope the great statesmen of this body who have in charge the international policies of this Nation, so far as Senate action is concerned, will not fail to live up to what I consider to be their clear duty and obligation.

TRANSFER OF PAINTING OF BATTLE BETWEEN MONITOR AND MERRIMAC TO NAVAL ACADEMY AT ANNAPOLIS

Mr. BARKLEY. Mr. President, I have been waiting to try to introduce a joint resolution and to have it acted upon. It deals with a painting entitled, "The First Fight of Ironclads, Monitor and Merrimac." The painting is about 10 by 15 feet in size. It has been moved around the Capitol for years and years from one place to another, and is now in storage in the basement of the Capitol. It would be very appropriate if that painting were permanently allocated to the Naval Academy at Annapolis. I know of no more appropriate place for it to hang than in the Naval Academy at Annapolis, rather than being stored in the basement of the Capitol in Washington. Looking to that transfer, I ask unanimous consent to introduce a joint resolution which would accomplish that purpose.

There being no objection, the joint resolution (S. J. Res. 186) to provide for the transfer of the painting First Fight of Ironclads, Monitor and Merrimac, now stored in the United States Capitol Building, to the custody of the United States Naval Academy, was read twice by its title.

Mr. BARKLEY. Mr. President, I ask unanimous consent for the immediate consideration of the joint resolution.

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

There being no objection, the joint resolution (S. J. Res. 186) to provide for the transfer of the painting "First Fight of Ironclads, Monitor and Merrimac," now stored in the United States Capitol Building, to the custody of the United States Naval Academy, was considered, ordered to be engrossed for a third reading, read the third time, and passed, as follows:

Resolved, etc., That the painting "First Fight of Ironclads, Monitor and Merrimac," by William Formby Halsall, now stored in the United States Capitol Building, be and the same is hereby transferred to the permanent custody of the United States Naval Academy.

The removal and transport of this painting from the Capitol to the United States Naval Academy at Annapolis, Md., shall be effected at the expense of said Academy, and the Architect of the Capitol shall act for the Joint Committee on the Library in carrying out the provisions of this joint resolution.

Mr. BARKLEY. Mr. President, I ask at this point to have printed in the RECORD a brief statement containing the history of this painting, which I think Senators will find interesting.

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

TRANSFER OF PAINTING "FIRST FIGHT OF IRONCLADS, MONITOR AND MERRIMAC," TO THE CUSTODY OF THE UNITED STATES NAVAL ACADEMY

The painting "First Fight of Ironclads, Monitor and Merrimac," was completed in 1886 by the artist, William Formby Halsall. This artist, a distinguished painter of marine subjects, was born in England, March 20, 1841, and died at Winthrop, Mass., November 7, 1919.

The painting was purchased by the Joint Committee on the Library in January 1887 for the sum of $5,000 and for many years was exhibited in the lobby of the gallery floor, Senate wing of the Capitol, until the installation of the elevators on the Senate side in 1909 made its removal necessary.

The painting is a very large one, requiring a wall space 9 feet and 8 inches high by 15 feet and 4 inches long, and as there was no adequate space available in the Capitol Building in which it might be relocated, it was taken to the Senate Office Building and placed on view in room 405 of that building, where it remained until May 1919, when at the request of the occupant of that room it was removed therefrom, and placed in storage first in the Senate Office Building, and later in its present location in the Capitol Building.

As there is no adequate space available in the United States Capitol Building in which to hang the painting "First Fight of Ironclads, Monitor and Merrimac," it is recommended that this painting be located at, and placed in the custody of, the United States Naval Academy, where another painting by this artist "Our Glory—Battleship Oregon" also hangs.

THE CALENDAR

Mr. BARKLEY. Mr. President, earlier in the day I asked unanimous consent that the Senate proceed to the call of the calendar represented by bills reported since the calendar was called on Monday. The Senator from Wyoming [Mr. O'MAHONEY] asked me to withhold that request, which I did. I now ask unanimous consent that following the remarks

of the Senator from Oregon [Mr. MORSE] the Senate may proceed to the consideration of unobjected-to bills on the calendar, beginning with calendar No. 1908.

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

Mr. PEPPER. Mr. President, I wish to announce that at the conclusion of the call of the calendar it is my purpose to bring up calendar 1610, Senate bill 1178, which is the so-called equal pay for equal work bill for women, which was favorably reported by the committee. I do not want Senators to think that perhaps there might be something else brought up at the conclusion of the call of the calendar. To those who are interested I want to give notice that I shall try to bring up that bill for consideration.

PROHIBITION OF POLL TAX IN FEDERAL ELECTIONS

The Senate resumed consideration of the bill (H. R. 7) making unlawful the requirement for the payment of a poll tax as a prerequisite to voting in a primary or other election for national officers.

Mr. MORSE. Mr. President, House bill 7, the so-called anti-poll-tax bill, is now the unfinished business before the Senate. Once again House bill 7 has been brought up at the end of a session of Congress. I shall not review my position in regard to the procedure which has been followed in the handling of the bill. I have not changed my views in regard to the procedure. Neither shall I dwell upon the statement, "I told you so," as shown by the action taken today on the cloture petition, which action I predicted days ago. I think it is perfectly obvious that we can never hope to pass House bill 7 until we are willing to grapple with it early in the session and make it perfectly clear that we intend to fight through on the issue until we finally reach a vote on the merits of the bill.

This bill has come to hold the hopes of millions of Americans, Negroes and whites alike, who wish to see removed improper restraints upon the right of our citizens to vote, who wish to enjoy what I consider to be one of the fundamental freedoms and liberties of American citizens, irrespective of the color of their skin or their economic status—a free, untrammeled franchise.

The bill has the opposition of many Senators who were likewise opposed to the passage of the Fair Employment Practices Act. Senators will remember that the Fair Employment Practices bill was before the Senate early in this session. Many persons have entirely overlooked what I consider to be an important incident which occurred during the debate on the FEPC bill. Many Senators were absent from the Chamber at the time. So, Mr. President, especially in view of the action which has taken place today on the cloture petition in the United States Senate, I wish to refresh the recollection of Senators on the point I have in mind.

I have on my desk the official RECORD of the proceedings and debates of the Seventy-ninth Congress, second session, volume 92. I turn to page 814 which records the proceedings of February 4, 1946. The Senator from Tennessee [Mr. STEWART], a Democrat, had the floor. He was addressed by the Senator from Louisiana [Mr. OVERTON], also a Democrat, who asked the Senator from Tennessee to yield. The RECORD shows that he did so. The RECORD also shows that the Senator from Indiana [Mr. CAPEHART], a Republican, joined in the discussion. Mr. President, I think it desirable for the RECORD that there now be read into the RECORD the debate which occurred on February 4, 1946, as recorded on page 814. I quote from the RECORD:

Mr. OVERTON. The Senator has very correctly made the observation that this is a political measure. It is intended to get votes for the national administration now in power. At least there is no doubt about that in my mind. I do not think there is any doubt about it in the mind of anyone, whether he be a Democrat or a Republican, if he has given any thought to the origin of this measure and its daddy and granddaddy, the anti-poll-tax bill and the anti-lynching bill. I ask the Senator if he does not agree with me that the purpose is very largely to enable the national Democratic administration to hold within its ranks Negro votes from pivotal States, and probably add to the number of Negro votes from such States.

Mr. President, I feel very friendly toward the Negro. I believe that all of us in Louisiana feel friendly toward him. We have no trouble with the Negro, politically or otherwise. So far as Louisiana is concerned, very few of them vote. They are perfectly well satisfied with the government of Louisiana, as it is being conducted today.

But, Mr. President, the question I wish to ask the Senator is whether the National Democratic Party realizes that ultimately the Negro is going to come to the conclusion that his permanent friend, his steady friend, his fast and certain friend, is not the Democratic Party, but the Republican Party? Is not the Negro going to come to the conclusion that out of a sense of gratitude he owes fealty to the Republican Party? Was it not the great emancipator, Abraham Lincoln, who broke the shackles from the Negro's wrists and gave him freedom? Was it not the Republican Party which placed in our Constitution the fifteenth amendment, giving the Negro the right of suffrage? Was it not the Republican Party that, following the War Between the States, undertook to place and did place the Negro in political power in the Southern States? Is the Negro going to forget his obligation to the party which made his race free, which gave it political power, and which gave it political prestige? Is he going to go astray and worship after false idols and false gods? Is he going to surrender the birthright and heritage of his race, politically, for a mess of pottage which might be thrown out by the present national Democratic administration?

As a Democrat whose forebears have been Democrats and whose democracy cannot be impunged, I wish to say that it would be infinitely better for the Negro to adhere to the Republican Party rather than to the Democratic Party.

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

Mr. STEWART. I yield for a question, but I do not wish to lose the floor.

Mr. CAPEHART. I understand, and my request is made with that in mind.

Mr. President, are we to understand from the able Senator from Louisiana that the Democratic Party does not wish to have the vote of the Negro?

Mr. OVERTON. So far as the southern Democrats are concerned, I can say "Yes"—unquestionably so, so far as the great majority of southern Democrats are concerned. We do not want the Negroes in the party. They do not belong in the Democratic Party.

Mr. EASTLAND and Mr. CHAVEZ addressed the Chair.

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

Mr. STEWART. The Senator from Indiana has not completed his question, I believe.

Mr. CAPEHART. Mr. President, I wish to say that I see no connection between wanting the vote of the Negroes and the question before the Senate at the moment. Let me say that we in the Republican Party want the votes of the Negroes of America because they are Americans.

Mr. President, I am very happy to join with the Senator from Indiana [Mr. CAPEHART] in extending an invitation to the Negroes of America to come on over and join the Republican Party, because I think the action taken at this session of Congress, both on the FEPC bill and on the anti-poll-tax bill, should make unequivocally and crystal clear to the Negroes of America that their hopes to exercise the rights of free citizens will be assured and guaranteed to them only by the Republican Party.

Mr. LANGER. Mr. President, as a Republican, I wish to say that I agree somewhat with the speech just made by my colleague the Senator from Oregon. The Republican Party has done some little more for the Negro than has the Democratic Party—and that is worth noting. Ever since the time of Abraham Lincoln, the Republican Party, time and time and time again—and that has been true during the last 4 or 5 years since I have been a Member of the Senate—when it has had an opportunity to do something of real value for the Negro, has done more than the Democratic Party but has not done as much as it should have done; and I wish the RECORD to show that, because that is the record.

REORGANIZATIONS OF FINANCIAL STRUCTURES OF DEBTOR RAILROADS—CONFERENCE REPORT

Mr. WHEELER submitted the following report:

The committee of conference on the disagreeing votes of the two Houses on the amendments of the House to the bill (S. 1253) to enable debtor railroad corporations expeditiously to effectuate reorganizations of their financial structures; to alter or modify their financial obligations; 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 disagreement to the amendment of the House to the text of the bill and agree to the same with an amendment, as follows:

In lieu of the matter inserted by the amendment of the House insert the following: "That (1) it shall be lawful (any express provision contained in any mortgage, indenture, deed of trust, or other instrument to the contrary notwithstanding), with the approval and authorization of the Interstate Commerce Commission (hereinafter referred to as the Commission), as provided in paragraph (2) hereof, for a carrier as defined in section 20a (1) of Part 1 of the Interstate Commerce Act to alter or modify (a) any provision of any class or classes of its bonds, notes, debentures, or other indebtedness, (whether secured, unsecured, matured, or unmatured) issued under any mortgage, indenture, deed of trust, or other instrument, or otherwise created, such bonds, notes, debentures, or other evidences of indebtedness

being hereinafter in this section sometimes called "obligations"; (b) any provision of any mortgage, indenture, deed of trust, or other instrument pursuant to which any class of its obligations shall have been issued or by which any class of its obligations is secured: *Provided*, That the provisions of this section shall not apply to any equipment-trust certificates in respect of which a carrier is obligated, or to any evidences of indebtedness of a carrier the payment of which is secured in any manner solely by equipment, or to any instrument, whether an agreement, lease, conditional-sale agreement, or otherwise, pursuant to which such equipment-trust certificates or such evidences of indebtedness shall have been issued or by which they are secured.

"(2) Whenever an alteration or modification is proposed under paragraph (1) hereof, the carrier seeking authority therefor shall, pursuant to such rules and regulations as the Commission shall prescribe, present an application to the Commission. The Commission shall set such application for public hearing and the carrier shall give such notice of such hearing in such manner, by advertisement or otherwise, as the Commission may find practicable and may direct, to holders of such of its classes of securities and to such other persons in interest as the Commission shall determine to be appropriate and shall direct. If the Commission, after hearing, in addition to making (in any case where such alteration or modification involves an issuance of securities) the findings required by paragraph (2) of said section 20a, shall find that, subject to such terms and conditions (not constituting alterations or modifications of obligations or securities) and with such amendments (altering or modifying the obligations affected by the alteration or modification proposed by the carrier) as the Commission shall determine to be just and reasonable, the proposed alteration or modification—

"(a) is within the scope of paragraph (1);

"(b) will be in the public interest;

"(c) will be in the best interests of the carrier and of the holders of each class of its obligations affected by such modification or alteration; and

"(d) will not be adverse to the interests of the holders of any other class of the carrier's securities or to the interests of any creditor of the carrier not affected by such modification or alteration,

then (unless the applicant carrier shall withdraw its application) the Commission shall cause the carrier, in such manner as it shall direct, to submit the proposed alteration or modification (with such terms, conditions, and amendments, if any) to the holders of each class of its obligations affected thereby, for acceptance or rejection. If the Commission shall find that as a result of such submission the proposed alteration or modification has been assented to by the holders—

"(i) of at least 66⅔ per centum of the aggregate principal amount outstanding of each class of obligations affected thereby; or

"(ii) of less than 66⅔ per centum but not less than 51 per centum of any particular class or classes of securities affected, and the Commission, after hearing, finds that such reduction in percentage will be just and reasonable and in the public interest; or

"(iii) in any case where 66⅔ per centum thereof is held by fewer than twenty-five holders, of such larger percentage, if any, as the Commission, after hearing, finds will be just and reasonable and in the public interest;

the Commission shall enter an order approving and authorizing the proposed alteration or modification upon the terms and conditions and with the amendments, if any, so determined to be just and reasonable. Such order shall make provision as to the time when such alteration or modification shall become and be binding, which may be upon publication of a declaration to that effect by the carrier, or otherwise, as the Commission may determine. Any alteration or modification which shall become and be binding pursuant to the approval and authority of the Commission hereunder shall be binding upon each holder of any obligation of the carrier of each class affected by such alteration or modification, and upon any trustee or other party to any instrument under which any such class of obligations shall have been issued or by which it is secured, and when any alteration or modification shall become and be binding the rights of each such holder and of any such trustee or other party shall be correspondingly altered or modified.

"(3) For the purposes of this section a class of obligations shall be deemed to be affected by any modification or alteration proposed only (a) if a modification or alteration is proposed as to any provision of such class of obligations, or (b) if any modification or alteration is proposed as to any provision of any instrument pursuant to which such class of obligations shall have been issued or shall be secured: *Provided*, That in any case where more than one class of obligations shall have been issued and be outstanding or shall be secured pursuant to any instrument, any alteration or modification proposed as to any provision of such instrument, which does not relate to all of the classes of obligations issued thereunder, shall be deemed to affect only the class or classes of obligations to which such alteration or modification is related. For the purpose of the finding of the Commission referred to in paragraph (2) of this section as to whether the required percentage of the aggregate principal amount outstanding of each class of obligations affected by any proposed alteration or modification has assented to the making of such alteration or modification, any obligation which secures any evidence or evidences of indebtedness of the carrier or of any company controlling or controlled by the carrier shall be deemed to be outstanding unless the Commission in its discretion determines that the proposed alteration or modification does not materially affect the interests of the holder or holders of the evidence or evidences of indebtedness secured by such obligation. Whenever any such pledged obligation is, for said purposes, to be deemed outstanding, assent in respect of such obligations, as to any proposed alteration or modification, may be given only (any express or implied provision in any mortgage, indenture, deed of trust, note, or other instrument to the contrary notwithstanding) as follows: (a) where such obligation is pledged as security under a mortgage, indenture, deed of trust, or other instrument, pursuant to which any evidences of indebtedness are issued and outstanding, by the holders of a majority in principal amount of such evidences of indebtedness, or (b) where such obligation secures an evidence or evidences of indebtedness not issued pursuant to such a mortgage, indenture, deed of trust, or other instrument, by the holder or holders of such evidence or evidences of indebtedness; and in any such case the Commission, in addition to the submission referred to in paragraph (2) of this section, shall cause the carrier in such manner as it shall direct to submit the proposed alteration or modification (with such terms, conditions, and amendments, if any, as the Commission shall have determined to be just and reasonable) for acceptance or rejection, to the holders of the evidences of indebtedness issued and outstanding pursuant to such mortgage, indenture, deed of trust, or other instrument, or to the holder or holders of such evidence or evidences of indebtedness not so issued, and such proposed alteration or modification need not be submitted to the trustee of any such mortgage, indenture, deed of trust, or other instrument, but assent in respect of any such obligation shall be determined as hereinbefore in this section provided. For the purpose of any such assent the evidences of indebtedness issued and outstanding under any such mortgage, indenture, deed of trust, or other instrument shall be determined by the Commission.

"(4) (a) Any authorization and approval hereunder of any alteration or modification of a provision of any class of obligations of a carrier or of a provision of any instrument pursuant to which a class of obligations has been issued, or by which it is secured, shall be deemed to constitute authorization and approval of a corresponding alteration or modification of the obligation of any other carrier which has assumed liability in respect of such class of obligations as guarantor, endorser, surety, or otherwise: *Provided*, That such other carrier consents in writing to such alteration or modification of such class of obligations in respect of which it has assumed liability or of the instrument pursuant to which such class of obligations has been issued or by which it is secured, and, such consent having been given, any such corresponding alteration or modification shall become effective, without other action, when the alteration or modification of such class of obligations or of such instrument shall become and be binding.

"(b) Any person who is liable or obligated contingently or otherwise on any class or classes of obligations issued by a carrier shall, with respect to such class or classes of obligations, for the purposes of this section, be deemed a carrier.

"(5) The authority conferred by this section shall be exclusive and plenary and any carrier, in respect of any alteration or modification authorized and approved by the Commission hereunder, shall have full power to make any such alteration or modification and to take any actions incidental or appropriate thereto, and may make any such alteration or modification and take any such actions, and any such alteration or modification may be made without securing the approval of the Commission under any other section of the Interstate Commerce Act or other paragraph of this section, and without securing approval of any State authority, and any carrier and its officers and employees and any other persons, participating in the making of an alteration or modification approved and authorized under the provisions of this section or the taking of any such actions, shall be, and they hereby are, relieved from the operation of all restraints, limitations, and prohibitions of law, Federal, State, or municipal, insofar as may be necessary to enable them to make and carry into effect the alteration or modification so approved and authorized, in accordance with the conditions and with the amendments, if any, imposed by the Commission. Any power granted by this section to any carrier shall be deemed to be in addition to and in modification of its powers under its corporate charter or under the laws of any State. The provisions of this section shall not affect in any way the negotiability of any obligation of any carrier or of the obligation of any carrier which has assumed liability in respect thereto.

"(6) The Commission shall require periodical or special reports from each carrier which shall hereafter secure from the Commission approval and authorization of any alteration or modification under this section, which shall show, in such detail as the Commission may require, the action taken by the carrier in the making of such alteration or modification.

"(7) The provisions of this section are permissive and not mandatory and shall not require any carrier to obtain authorization and approval of the Commission hereunder for the making of any alteration or modification of any provision of any of its obligations or of any class thereof or of any provision of any mortgage, indenture, deed of trust, or other instrument, which it may be able lawfully to make in any other manner,

whether by reason of provisions for the making of such alteration or modification in any such mortgage, indenture, deed of trust, or other instrument, or otherwise: *Provided*, That the provisions of paragraph (2) of said section 20a, if applicable to such alteration or modification made otherwise than pursuant to the provisions of this section, shall continue to be so applicable.

"(8) The provisions of paragraph (6) of said section 20a, except the provisions thereof in respect of hearings, shall apply to applications made under this section. In connection with any order entered by the Commission pursuant to paragraph (2) hereof, the Commission may from time to time, for good cause shown, make such supplemental orders in the premises as it may deem necessary or appropriate, and may by any such supplemental order modify the provisions of any such order, subject always to the requirements of said paragraph (2).

"(9) The provisions of subdivision (a) of section 14 of the Securities Exchange Act of 1934 shall not apply to any solicitation in connection with a proposed alteration or modification pursuant to this section.

"(10) The Commission shall have the power to make such rules and regulations appropriate to its administration of the provisions of this section as it shall deem necessary or desirable.

"SEC. 2. (1) All proceedings under section 77 of the Bankruptcy Act, whether before the Interstate Commerce Commission or United States courts, relating to the preparation or effectuation of plans of reorganization of each carrier by railroad as defined in said section 20a (1) whose properties on the effective date of this Act or at any time thereafter are in the custody of the United States courts, shall be forthwith suspended and discontinued as of the effective date of this Act—

"(A) If the gross railway operating revenues of such carrier for any of the calendar years 1942 to 1944, inclusive, were in excess of $50,000,000; or if its gross railway operating revenues were not in excess of such amount, such carrier is a debtor in any such proceeding, or is a party defendant in any proceeding ancillary thereto, with another such carrier whose revenues were so in excess; and

"(B) If, for the period of seven calendar years from 1939 to 1945, inclusive, the total of the income reported to the Commission as income available for fixed charges, plus (a) the total of any amounts so reported as a deficit for fixed charges in any of said seven years to the extent of the total of any amounts reported for Federal income and excess-profits taxes in any of said years, and (b) amounts deducted in any year for amortization of emergency facilities under section 124 of the Internal Revenue Code in excess of 20 per centum of the cost of such facilities, of such carrier, or, on a joint or consolidated basis, of the carriers in the system of which such carrier is a part, or of such carrier and other carriers, directly or indirectly controlled by it, through direct or indirect ownership of at least a majority of their stock, is at least equal to the reported total fixed charges (other than charges on intercompany obligations) of such carrier or carriers for such period.

"(2) Carriers to which paragraph (1) of this section is applicable shall institute proceedings and file application under section 1 of this Act as expeditiously as practicable but in no event later than eighteen months after the effective date of this Act, or such longer period as the Commission, on application, may approve.

"(3) The properties of any carrier specified in paragraph (1) of this section shall continue in the custody of the United States courts having custody of them; except that, the following portions of said section 77 shall not be applicable in any such case:

"(a) The first two paragraphs of subsection (b).

"(b) Subdivision (1) of subsection (c).

"(c) The first five sentences, and the first seven words and the last twenty-two words of the sixth sentence, of subdivision (2) of subsection (c): *Provided*, That for the purposes of this section there shall be substituted for the said last twenty-two words of said sixth sentence, the words 'custody and supervision of the judge'.

"(d) Subsections (d), (e), (f), and (k). In addition to the foregoing exceptions and for the same purpose of applying to such carriers in the cases in which and during the period for which such custody is held under said section 77, and pending the consummation of proceedings under section 1 of this Act, the word 'debtor' shall be substituted for the words 'trustee or trustees' wherever such latter words occur in subdivisions (3), (5), (9), and (10) of subsection (c), and subsections (i) and (o), of said section 77. The provisions of subsection (12) of subsection (c) of said section 77 shall be applicable to proceedings under this Act. The final determination heretofore or hereafter made in the United States courts with respect to the relative priorities as between the respective classes of security holders, the subordination of the interest of a creditor or security holder of the debtor to the interest of other creditors or security holders, or the validity, amount and priority of any claim shall continue in full force and effect. Nothing contained in this Act is intended or shall be construed to modify or rescind any such determination or to prevent or delay the prosecution to final determination of any such issue now pending, and not yet finally determined, in the United States courts. Nothing in this Act shall be deemed to limit, qualify or restrict the right of the debtor (which right of the debtor is hereby confirmed), with the approval of the court (a) to purchase in whole or in part any bond issues or other obligations of the debtor (including bonds or other obligations guaranteed or assumed by the debtor), at a discount or otherwise, provided that the court's approval of the debtor's purchase of any such obligations junior in lien to first lien mortgage bonds shall be granted only if the court finds, after hearing, that such purchase will be for the best interests of the estate of the carrier and will not deprive the holders of obligations senior in lien to the obligations proposed to be purchased, of adequate security and protection; (b) to hold or to retire and cancel any of its bonds or other obligations now held or hereafter acquired by the debtor; and (c) to make voluntary agreements or compromises with any creditor or creditors as to either principal or interest of his or their claims or the security therefor, provided that the court shall find, after hearing, that any such agreement or compromise will be in the best interests of the estate of the carrier and will not unjustly or inequitably affect the claims or security of other creditors.

"(4) The proceedings with respect to any such carrier specified in paragraph (1) of this section under section 77 of the Bankruptcy Act shall be dismissed upon consummation of proceedings affecting such carrier under section 1 of this Act, or upon payment of its matured, unpaid obligations, or the making of other arrangements with reference to such obligations satisfactory to the owners of the claims therefor; and such proceedings may be dismissed under the conditions and in the manner prescribed in subsection (g) of section 77 of the Bankruptcy Act: *Provided*, That in the event there has been a determination by the United States courts with respect to subordination of any claim, or the issue thereon has not been finally determined, the determination of that one issue, and only that issue, shall be continued and prosecuted to completion and shall be binding on the security holders of such company; but such continuance of the determination of that sole issue shall not delay the dismissal of the proceedings in any and every other respect.

"(5) The appointment, term of office, powers, authority, compensation and fees of each trustee appointed by the court, and of each counsel of such trustee, shall be terminated on or before sixty days after the effective date of this Act: *Provided*, That if the board of directors of the carrier shall have been elected, pursuant to the provisions of paragraph (11) of this section, prior to the expiration of the afore-mentioned sixty-day period, the appointment, term of office, powers, authority, compensation and fees of such trustees and counsel shall be terminated forthwith.

"(6) The provisions of this section shall not apply if at the time of filing the petition for reorganization under section 77 of the Bankruptcy Act as amended, more than 95 percent of the outstanding voting stock of the debtor railroad corporation shall have been owned or controlled, directly or indirectly, by voting trust or otherwise, by another railroad corporation not a debtor in the same proceeding under the said section 77 with the said debtor and/or by a corporation owning or controlling more than 95 percent of the outstanding voting stock of another railroad corporation; provided also, that this section shall not apply to a railroad corporation if (1) all of its stock is owned directly or indirectly by an operating railroad corporation, (2) both corporations are in the same proceeding under the said section 77, and (3) pursuant to the provisions in this paragraph, this section does not apply to the said operating railroad corporation which owns all of the stock of the said controlled railroad corporation. The term 'corporation' as used in this paragraph shall be deemed to include its trustees appointed under the aforesaid section 77 of the Bankruptcy Act.

"(7) If the United States of America, or any agency thereof, or any corporation (other than the Reconstruction Finance Corporation) the majority of the stock of which is owned by the United States of America, is a creditor or stockholder of any such carrier, the President of the United States or any officer or agency he may designate, is hereby authorized to act in respect of the interest or claims of the United States or of such agency or other corporation.

"(8) The Commission shall designate one or more qualified members of its staff to serve as mediator or mediators in each of the proceedings under section 1 with respect to carriers specified under paragraph (1) of this section for the purpose of bringing the different classes of creditors and other security holders together, of being available to advise with them, of assisting in the effectuation of changes, compromises, arrangements, negotiations, and dealings with the various classes of creditors and other security holders and with individuals, groups, and committees representing creditors or other security holders, of assisting in expediting all stages of the proceedings and the early termination and the consummation of all transactions hereunder, including all steps requisite for the effectuation thereof.

"(9) In proceedings under section 1 with respect to a carrier specified in paragraph (1) of this section the Commission shall have the power, in its discretion, to submit to holders of obligations, any proposed alteration or modification affecting them which the Commission has caused the carrier to submit to such holders under the provisions of the fourth sentence of paragraph (2) of section 1 hereof; in the event that it is satisfied that such alteration or modification has been accepted by or on behalf of creditors of each class to which submission is required under section 1 holding more than two-thirds in amount of the total of the allowed claims of

such class which have voted on said alteration or modification, the Commission shall enter an order approving and authorizing the proposed alteration or modification as provided in said paragraph (2) of section 1 hereof: *Provided*, That it shall enter such order in any case in which such alteration or modification has not been so accepted by the creditors of any class or classes if it finds, after hearing, that the alteration or modification makes adequate provision for fair and equitable treatment for the claims of those rejecting it; that such rejection is not reasonably justified in the light of the respective rights and interests of those rejecting them and all the relevant facts; and that the alteration or modification is fair and equitable, affords due recognition to the rights of each class of creditors and stockholders, and will conform to the requirements of the law of the land.

"(10) If after having submitted a proposed alteration or modification to holders of affected obligations as provided in paragraph (9), the Commission shall not have entered an order approving and authorizing such proposed alteration or modification within a period of twelve months following the date of the filing of an application in accordance with paragraph (2) of this section, or such extended periods as the Commission on application therefor may approve, then the Commission, after hearings, shall formulate and submit to holders of affected obligations such alteration or modification as in its opinion meets the standards set forth in section 1 above; in applying such standards of section 1 for the purpose of any such alteration or modification under this paragraph, the Commission shall give full effect to all changes, facts, and developments since 1940, including, without limitation, for such period total railway operating revenues, operating expenses and other charges, net earnings, the full effect of amortization deductions on earnings of past and future years, improvements to the property, the effect of the released collateral through past or future payment of loans, cash and net current assets, retirements and purchases of debt, including retirements and purchases at a discount that have been made or that can reasonably be made, adjustment and reduction of interest rates on outstanding debt that may be made including the adjustment and reduction of interest rates for prior years. In the event the Commission is satisfied that such alteration or modification has been accepted by the percentages required for acceptance under the provisions of section 1 or of paragraph (9) of this section it shall enter an order approving and authorizing such alteration or modification, unless it finds that, prior to the entry of such order, the alteration or modification submitted under paragraph (9) has been accepted by the percentages required by the provisions of that paragraph or of section 1, in which event it shall enter an order approving and authorizing such alteration or modification submitted under paragraph (9).

"(11) (a) Every carrier to which paragraph (1) of this section is applicable shall call a meeting of stockholders for the election of directors to be held within sixty days after the effective date of this Act. The present terms of office of all directors and officers of such carrier shall terminate upon the election and qualification of their successors, as herein provided, notwithstanding any provision of the charter or by-laws of such carrier or of any State law to the contrary. The terms of office of all directors elected at such meeting shall be the unexpired terms of present directors.

"(b) No holding company, individual, group, partnership, association, corporation, or other entity (excluding any operating common carrier subject to Part I of the Interstate Commerce Act, but not excluding any holding company or other nonoperating corporation which has been held or which may be held to be a common carrier within the meaning of said Act)—

"(A) which exercises direct or indirect control of one or more railroad corporations the properties of which are not in the custody of a court in proceedings under section 77 of the Bankruptcy Act; and

"(B) which also owns shares of voting stock of any railroad corporation to which this Act is applicable, in sufficient number to enable the owner thereof to control such carrier,

shall, during the period the debtor shall be in possession of its properties and in control of the management and operation thereof under this Act, vote such shares for the election of more than a minority of the directors of any railroad corporation to which this Act is applicable.

"(c) No stock of any common carrier to which paragraph (1) of this section is applicable, which stock is owned or controlled directly or indirectly by, or held for the benefit of, or pledged as security by, any other common carrier to which paragraph (1) of this section is applicable, shall be voted for the election of directors during the proceedings under this Act, unless at the time of filing the petition for reorganization under section 77 of the Bankruptcy Act as amended, the transaction or transactions by which such stock was acquired, and the ownership and control of such stock, had been approved by the Interstate Commerce Commission pursuant to the applicable provisions of section 5 of the Interstate Commerce Act, as amended or unless the two carriers are debtors in the same proceeding under section 77 of the Bankruptcy Act, as amended.

"(d) In the determination of whether a quorum is represented in attendance at any meeting of stockholders of any carrier to which paragraph (1) of this section is applicable, held during the pendency of proceedings under this Act, for the election of directors or for other purposes, all voting stock standing in the name of, or held for the benefit of or pledged or assigned by, or directly or indirectly controlled by, any carrier, holding company, individual, corporation or other entity to which subparagraph (b) or (c) of this paragraph (11) is applicable, which voting stock may be not represented at said meeting shall nevertheless be considered and counted as being represented in attendance at such meeting, notwithstanding any provision of the charter or by-laws of such carrier or the provision of any State law to the contrary.

"(12) Any party having properly filed an application under section 5 of the Interstate Commerce Act to control, or participate in the control of, a carrier to which section 2 of this Act applies, is hereby authorized to intervene generally in and become a party to the proceedings under this Act affecting such carrier.

"(13) No readjustment of financial structure or other proceeding under this Act and no order of the court or Commission in connection therewith shall relieve any carrier from the obligation of any final judgment of any Federal or State court rendered prior to January 1, 1929, against such carrier or against one of its predecessors in title, requiring the maintenance of offices, shops, and roundhouses at any place, where such judgment was rendered on account of the making of a valid contract or contracts by such carrier or one of its predecessors in title.

"(14) In judicial review of any order of the Commission approving or authorizing a proposed alteration or modification entered pursuant to the authority of paragraph (10) of this section 2, the court (and any court on review thereof) shall not be concluded by any determination or finding made by the Commission as to matters either of law or of facts, and the court shall make full and independent reexamination and review of the issues and of the evidence and thereafter shall arrive at a decision in the exercise of its independent judgment based upon such judicial reexamination and review. Any order of the Circuit Court of Appeals relating to any alteration or modification under paragraph (10) of this section 2 shall be reviewed by the Supreme Court of the United States upon appeal made by any person affected by the plan who deems himself aggrieved within sixty days after the entry of such order or decree, pursuant to the applicable provisions of the Judicial Code.

"(15) In the case of any carrier which is under the jurisdiction of the United States Courts on the effective date of this Act, and to which the provisions of paragraph (1) of section 2 of this Act would be applicable if such carrier were in the custody of such courts on such date, and with respect to which carrier, securities under a plan of reorganization approved by the court and Commission had already been issued, a holder of a security of any class which rejected, or was not entitled to vote on, such plan in accordance with subsection (e) of said section 77, may, within ninety days after the date of enactment of this Act, apply to the Commission for amendment of the plan to the extent necessary to permit the issuance, to holders of securities of such class, of options or warrants as described in subsection (b) of said section 77. If the Commission shall find after hearings that the proceeds of the exercise of such options or warrants will be applied in conformance with the requirements of section 20 (a) of the Interstate Commerce Act (including, without limitation, the application of such proceeds to the retirement of outstanding obligations of the carrier), it shall approve such application and shall order the carrier to issue such options or warrants.

"SEC. 3. The provisions of sections 1801, 1802, 3481, and 3482 of the Internal Revenue Code and any amendments thereto, unless specifically providing to the contrary, shall not apply to the issuance, transfer, or exchange of securities or the making or delivery of conveyances to make effective any alteration or modification effected pursuant to section 1 or section 2 of this Act. No income, gain, or profit taxable under any law of the United States or of any State, now in force, or hereafter enacted, shall be deemed to have accrued to or have been realized by such carrier by reason of such an alteration or modification, or by reason of any transaction authorized in the last sentence of paragraph (3) of section 2.

"SEC. 4. If any provisions of this Act, or the application thereof to any person or circumstances, is held invalid, the remainder of this Act and the application of such provision to other persons or circumstances, shall not be affected thereby."

And the House agree to the same.

Amend the title so as to read: "An Act to enable debtor railroad corporations, whose properties during a period of seven years have provided sufficient earnings to pay fixed charges, to effect a readjustment of their financial structures; to alter or modify their financial obligations; and for other purposes."

B. K. WHEELER,
ED C. JOHNSON,
CLYDE REED,
Managers on the Part of the Senate.
HATTON W. SUMNERS,
SAM HOBBS,
MARTIN GORSKI,
CHAUNCEY W. REED,
JOHN W. GWYNNE,
Managers on the Part of the House.

Mr. WHEELER. Mr. President, I ask unanimous consent for the present consideration of the report.

The PRESIDING OFFICER. Is there objection?

There being no objection, the Senate proceeded to consider the report.

Mr. TAFT. Mr. President, I understand that two different bills were passed, one by the Senate and one by the House. I am interested in knowing what the final provision is to be.

Mr. WHEELER. Frankly, Mr. President, the final provision is practically the Senate bill, with the addition of a few clarifications by the House. The Senate bill left out the Denver & Rio Grande Western Railroad, which the House bill had included. The House bill and the Senate bill provided basically the same procedure.

Let me make a brief explanation of the conference report.

As to the Florida East Coast Railroad, it is not included under the terms of the conference report. The Interstate Commerce Commission advised that this railroad was in the group which should be omitted.

Nobody appeared to testify before the Senate Interstate Commerce Committee, to ask that Florida East Coast be included. The committee print of the bill was publicly distributed for a month before the hearings closed.

The House conferees accepted the ICC recommendation.

The Senate passed the bill on June 15, omitting this road.

As to the Chicago, Milwaukee, St. Paul & Pacific Railroad, the House bill, as passed by the House, included this road; the Senate bill did not. The road is now included in the conference agreement, but to a very limited extent. Section 2, paragraph (15), simply gives the ICC additional authority, which it does not now possess, to correct any injustice which may have been done to stockholders and bondholders who were wiped out in that reorganization. The Commission is given authority, in its discretion, to issue warrants to them to buy some stock from the reorganized company. They can buy them on the stock market anyway, so it is not clear that this provision will help them very much. But under the bill the securities already distributed under the reorganization plan are not disturbed, and the transfer of the railroad to the reorganized company is not disturbed.

As to the Denver & Rio Grande & Western Railroad, the Senate passed an amendment on this subject, which is now clarified.

The Senate and House bills provided basically the same procedure for section 1. The House bill proposed the reenactment of chapter XV of the Bankruptcy Act, which is the McLaughlin or Chandler Act. The Senate bill uses the procedure drafted by the ICC, which is generally regarded as an improvement of the chapter XV procedure. The House conferees accepted the ICC procedure, as it appears in the bill passed by the Senate.

The House conferees proposed four clarifying or minor amendments, which were accepted by the Senate conferees, as follows:

As to paragraph (2) of section 1, the report omits one procedural step which would have slowed up the reorganization, clarifies the meaning of the words "terms and conditions" and "amendments", as used in the bill, and omits the sentence about circulars sent to security holders. That is omitted, as surplusage, for the matter is covered in general by the other provisions.

As to paragraph (9) of section 1, the report includes clarifying words suggested by the ICC and the SEC.

As to section 2, paragraph (1), the Senate bill restricted its application to roads on a gross revenue basis, as suggested by the ICC. The House bill restricted it on the basis of net income for 7 years. Both restrictions are in the conference bill.

The Senate bill covers only railroads whose properties are in court custody; the House bill omits the court custody provision.

The conference report accepts the Senate bill's limitation, except that paragraph (15) of section 2 provides a very limited relief for other cases included in the bill passed by the House.

Paragraph (2) of section 2: The Senate bill provided for a period of 6 months, or such longer period as granted by the ICC. The House bill provided 18 months. The conference report accepts the 18 months provision.

Paragraph (3) of section 2: Some clarifying language was suggested by the House, and is included in the conference report, especially the reference to retirement of debt through purchase or voluntary arrangement with creditors.

Paragraph (4) of section 2: Clarifying and limiting language is added, at request of House conferees, for the completion of proceedings already begun to subordinate claims to other claims, if found necessary by the court in accordance with established legal principles.

Paragraph (5) of section 2: The Senate and House bills removed trustees and trustees' counsel. The conference report retains this, but eliminates the provision in the Senate bill permitting the retention of trustees in other capacities.

The Senate bill provided that trustees and their counsel cease in 30 days; the conference report extends the period, in some circumstances, to 60 days.

Paragraph (6) of section 2: This is the same as paragraph (11) of the bill as passed by the Senate, except for clarifying and limiting language.

Paragraphs (7) and (8) of section 2 of the report are the same as in bill passed by Senate.

Paragraph (9) of section 2 of the report is the same as in bill passed by Senate (paragraph (8) in that bill), except for clarifying limitations with respect to Commission's power to authorize a reorganization plan, even if required percentages of approval have not been received. The amendment adds further conditions to the exercise of such power, making it in this respect more like the language in the present section 77 of the Bankruptcy Act.

Paragraph (10) of section 2 of the report is the same as paragraph (9) of bill as passed by Senate, except that at the request of House conferees, the authority to force acceptance of a plan issued by the ICC is limited.

Paragraph (11) of section 2: That is in effect a limitation on paragraph (5) of the bill as it passed the Senate, and is now included in the conference report. It is also a substitution for the language of paragraph (5), which was dropped out in conference. This paragraph, by removing the trustees, in effect turns the properties over to the boards of directors. In the Senate bill this was hedged by the provision permitting the court to require the retention of the trustees in a managerial or other capacity. The latter limitation has now been removed, but in its place the conference report provides that there must be a prompt election of a new board of directors, within the time period when the trustees continue in office. In the same respect the new language, paragraph (11), is a limitation on paragraph (3) of section 2, which also removes control by trustees, and authorizes a return, to the debtor, of the property, subject to court control.

Paragraph (12) of section 2 of the report is a limitation or requirement, as proposed by the House conferees, on the proceedings before the ICC under the Senate bill. This limitation entitles other carriers to intervene in those proceedings under certain conditions, so as to have an opportunity to present their views on reorganizations under consideration.

Paragraph (13) of section 2: This is taken from the House bill. It requires that reorganization plans shall not interfere with contracts requiring the maintenance of shops, under certain conditions.

Paragraph (14) of section 2: This deals with judicial review of Commission reorganization plans prepared under this bill. It is in substance drawn from the House bill, as reported by the House Judiciary Committee, plus an adaptation of an amendment offered on the floor of the House.

Paragraph (15) of section 2: This brings under the bill carriers whose properties are no longer in court custody, but the carriers themselves are still in the jurisdiction of the court on the effective date of this act. It authorizes the ICC to issue warrants or options to security holders wiped out under the reorganization plan.

Section 3: This contains the customary provisions to exempt from profits taxation the exchange of reorganization securities, which do not constitute any actual profit at all. It also deals similarly with the retirement or cancellation of debt. In general, it follows the wording of the provision in the House bill, but more specifically limits it to the exact and specific type of readjustment provided in this bill.

Section 4 is the same as in bill passed by Senate.

The first clause of the title is from the House bill; the other two clauses are from the Senate bill.

Mr. President, I wish to emphasize that the Senate managers are in complete agreement with the statement of the House managers on the subject of judicial review, including their statement concerning the review provisions of chapter XV.

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

Mr. WHEELER. I yield.

Mr. WHITE. What became of the Senate provision with respect to the

Denver & Rio Grande Western Railroad? Is that out?

Mr. WHEELER. That is out. The Senate put it in, but the conference report leaves it out.

Mr. MURDOCK. Mr. President, I should like to propound a question to the Senator from Colorado [Mr. JOHNSON] about the Denver & Rio Grande Western Railroad. Does section 2, paragraph (6), except the Denver & Rio Grande Western system from the operation of this legislation?

Mr. JOHNSON of Colorado. It does.

Mr. MURDOCK. What was the reason for excepting the Denver & Rio Grande Western Railroad from the operation of the measure?

Mr. JOHNSON of Colorado. The conferees decided that there were many good reasons for excepting the D. & R. G. W. from the provisions of this legislation. Among other things, its plan of reorganization has already been approved in an opinion handed down by the United States Supreme Court. No other plan in the other pending section 77 cases has been so approved. As another reason, the plan of reorganization of the D. & R. G. W. Railroad, which has been so approved by the Supreme Court of the United States, provides for a consolidation of the Denver & Salt Lake Railroad with the Denver & Rio Grande Railroad, the stock of which the Denver & Rio Grande acquired at a large expenditure many years ago. The plan of reorganization likewise protects the Denver & Rio Grande Railroad's obligation in connection with the construction of the $17,000,000 Moffat tunnel. Large obligations are still outstanding in payment of this construction. Denver County and other counties adjacent to the tunnel are footing the bill, along with the railroad. If this contract between the railroad and the tunnel district is disturbed—as it might be if the Rio Grande is not excepted from the provisions of this bill—it might be necessary to increase the tax rate in the respective counties that obligated themselves to build the 6-mile Moffat tunnel. Paragraph 6 of this section makes possible the prompt carrying out of the consolidation of all the properties of the Denver & Rio Grande Western system, a consolidation which is in the interest of all the people of Colorado.

I may say further that while this provision does take the Denver, Rio Grande & Western Railroad out, it likewise takes out any other railroad which falls under the provisions of this section.

Mr. MURDOCK. That was my information, and I am glad to have that assurance from the Senator from Colorado.

The PRESIDING OFFICER. The question is on agreeing to the report.

The report was agreed to.

Mr. MOORE subsequently said: Mr. President, while I was out of the Chamber the conference report on Senate bill S. 1253, the railroad reorganization bill, was acted on, I did not intend to detain the Senate by speaking on the conference report, but I wanted to have placed in the RECORD an explanation of the reason why I opposed the report and declined to sign the conference report. I have set forth my views in a letter which I have addressed to those who favor the measure, and I ask that it be printed in the RECORD following the action on the conference report.

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

I have your communication requesting that I support the so-called Wheeler bill (S. 1253) which establishes a procedure for the reorganization of certain railroads. So many letters and telegrams such as yours have been received concerning this legislation that it has been necessary to prepare a form letter in answering them.

It is assumed that your request is made in the belief that it will help put the railroads in a more secure financial position and result in better service to their respective territories and the shippers.

Some form of this bill has been pending in Congress for many months. A similar proposal was originally introduced by Congressman HOBBS (H. R. 37). The bill passed the House and came to the Senate, where hearings were conducted by the Interstate Commerce Committee, but no agreement was reached. Thereafter, S. 1253 was introduced by Senators WHEELER and REED. At about the same time a similar bill was introduced by Representative REED in the House. Long and extensive hearings were conducted. It soon became apparent to me that the bill was discriminatory in that it would result in preferential treatment of special groups and operate as a taking of property from others without due process of law.

At the conclusion of the hearings, a committee substitute bill was reported. The terms of the committee bill are essentially the same as the Wheeler-Reed bill originally introduced in the Senate.

The bill would take from the courts all bankruptcy or receivership proceedings with respect to railroads doing a gross business of more than $50,000,000 per annum for any of the calendar years 1942 to 1944, except the Denver & Rio Grande Western Railroad. The only reason this one carrier, which would otherwise have been included, was exempt was to satisfy certain sources of opposition. There is no more basis on which to exempt this road from the bill than any other of the eight roads affected.

Taking the pending proceedings from the judiciary and transferring them to an administrative body which, under the law, will be vested with judicial powers, is a dangerous precedent. Commissioner Mahaffie of the Interstate Commerce Commission has pointed out the danger of such move. His statement was supported by four other members of the Commission.

Many of the roads affected have practically completed their reorganization plans. In the case of the Frisco, I understand 98 per cent of the security holders have agreed to the plan and judicial approval may be had at an early date. Passage of this bill would mean that these proceedings would necessarily be rehashed by the commission. The delay in getting these roads out of receivership or out of bankruptcy would necessarily entail great additional expense to the detriment of the roads and the general public.

The bill provides that the securities of the road affected may be altered, changed, or adjusted, if owners of two-thirds of the securities agree and the Commission approves. This means one-third of the security holders will be bound by the opinion of two-thirds. This rule of law, insofar as public improvements are concerned, has been sustained by the courts. In cases involving paving, sidewalks, sewers, etc., agreement of two-thirds of the property owners affected has been held sufficient to bind the other one-third. I have been unable, however, to find any case in which this rule has been applied to the ownership of private property such as a railroad bond. On the contrary, the Supreme Court has in two cases held that the approval of a reorganization plan by a majority is not necessarily a measure of what is "fair and equitable."

Personally, I feel it is extremely unsound legislation and possibly violative of the Constitution to require one-third, or any other proportion, of railroad security holders to accept a reorganization plan that might destoy their property rights. The owner or owners of the two-thirds might for various reasons be helped by the plan. It should be remembered that these security holders loaned their money to the stockholders in good faith and were given a lien on the properties by the owners to secure the loan. In many cases, the reduction of the principal amount of the securities and an adjustment of the interest rate would reinvest the debtor stockholders with the full value of their stock at the expense of the creditors. I cannot see the efficacy of the Government establishing such policy by law. It is a taking from one group for the benefit of another. In some cases, two-thirds of the securities are held by small groups of large investors, whereas the one-third is widely distributed in the hands of the public. The owners of the two-thirds may very well, because of an option to purchase all the new securities or other promised benefits, agree to a plan that will be beneficial to them but extremely detrimental to the one-third. It might be the owners of the two-thirds securities have acquired the previously worthless stock at very low cost. You can readily understand why, in these cases, holders of two-thirds of the securities would strongly favor a reduction of the principal debt and a readjustment of the interest. The evidence produced before the committee indicates that this situation actually exists with respect to some of the railroads affected.

Railroad securities have been the backbone of insurance company investments and constitute in a large measure the security behind our individual insurance policies. Endowment funds have been invested in many railroad securities. Many colleges, universities, scientific foundations, and eleemosynary institutions are dependent upon these investments. A law which would permit or encourage jockeying between holders of two-thirds of these securities and stockholders, which might be the same interest, to alter or change existing obligations on which third parties have relied in good faith, would not be in the public interest. No one knows what influence such bill might have on the marketing of future railroad securities.

I realize, of course, that the legislation would greatly benefit the management of some roads and some groups of investors. Both groups have appealed to their customers and friends to support the pending bill. I also realize that many abuses have occurred under the Bankruptcy Act and under receivership proceedings. Exorbitant and unreasonable fees in some cases have been granted to political friends. The way to remedy these evils, however, is not to pass bad legislation.

I feel confident that if you will take the time to further analyze the proposed bill and its implications, you will be hesitant to urge its enactment.

With kind regards, I beg to remain,

Yours very truly,

E. H. MOORE.

MESSAGE FROM THE HOUSE

A message from the House of Representatives, by Mr. Swanson, one of its reading clerks, 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 House to the bill (S. 1253) to enable debtor railroad corporations expeditiously to effectuate reorganizations of their financial structures; to alter or modify their financial obligations; and for other purposes.

THE CALENDAR

The PRESIDING OFFICER. Under the order previously entered, the clerk will proceed to state the measures on the calendar, beginning with Order No. 1908.

NORMAN ABBOTT

The bill (H. R. 2736) for the relief of Norman Abbott was considered, ordered to a third reading, read the third time, and passed.

ESTATE OF OTTO FREDERICK GNOSPELIUS, DECEASED

The bill (H. R. 1357) for the relief of the estate of Otto Frederick Gnospelius, deceased, was considered, ordered to a third reading, read the third time, and passed.

ANDREAS ANDERSEN

The bill (H. R. 935) for the relief of Andreas Andersen was considered, ordered to a third reading, read the third time, and passed.

J. P. KERR AND ROBERT P. KERR

The Senate proceeded to consider the bill (H. R. 2093) for the relief of J. P. Kerr and Robert P. Kerr, which had been reported from the Committee on Claims, with amendments on page 1, in line 5, after the words "sum of", to strike out "$9,618" and insert "$6,600", and on page 1, in line 10, after the words "sum of", to strike out "$9,618", and insert "$6,600".

The amendments were agreed to.

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

The bill was read the third time and passed.

BERTHA LILLIAN ROBBINS AND CHARLES ROBBINS

The bill (H. R. 5469) for the relief of Bertha Lillian Robbins and Charles Robbins was considered, ordered to a third reading, read the third time, and passed.

WARREN M. MILLER

The bill (H. R. 5288) for the relief of Warren M. Willer was considered, ordered to a third reading, read the third time, and passed.

LEGAL GUARDIAN OF SAMUEL ROSCOE THOMPSON, A MINOR

The bill (H. R. 6161) for the relief of the legal guardian of Samuel Roscoe Thompson, a minor, was considered, ordered to a third reading, read the third time, and passed.

HARRY D. KOONS

The bill (H. R. 3619) for the relief of Harry D. Koons was considered, ordered to a third reading, read the third time, and passed.

HIRAM H. WILSON

The bill (H. R. 5463) for the relief of Hiram H. Wilson was considered, ordered to a third reading, read the third time, and passed.

CLARENCE W. OHM

The bill (H. R. 5134) for the relief of Clarence W. Ohm was considered, ordered to a third reading, read the third time, and passed.

ERNEST C. HEINE AND HARRIET W. HEINE

The bill (H. R. 5031) for the relief of Ernest C. Heine and Harriet W. Heine was considered, ordered to a third reading, read the third time, and passed.

RAPHAEL ELDER

The bill (H. R. 5166) for the relief of Raphael Elder was considered, ordered to a third reading, read the third time, and passed.

LIPPERT BROTHERS

The bill (H. R. 6012) for the relief of Lippert Brothers was considered, ordered to a third reading, read the third time, and passed.

WILFORD B. BROWN

The bill (H. R. 5603) for the relief of Wilford B. Brown was considered, ordered to a third reading, read the third time, and passed.

MARGARET DUNN

The bill (H. R. 957) for the relief of Margaret Dunn was considered, ordered to a third reading, read the third time, and passed.

THOMAS L. BRETT

The Senate proceeded to consider the bill (H. R. 6381) for the relief of Thomas L. Brett, which had been reported from the Committee on Claims, with an amendment, on page 1, in line 6, after the words "sum of", to strike out "$2,500" and insert "$1,000."

The amendment was agreed to.

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

The bill was read the third time and passed.

CAESAR HENRY

The Senate proceeded to consider the bill (H. R. 6399) for the relief of Caesar Henry, which had been reported from the Committee on Claims, with an amendment, on page 1, in line 6, after the words "sum of", to strike out "$5,000" and insert "$2,000."

The amendment was agreed to.

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

The bill was read the third time and passed.

RAYMOND CROSBY

The bill (H. R 1633) for the relief of Raymond Crosby was considered, ordered to a third reading, read the third time, and passed.

ARRESTS AND SEARCHES BY EMPLOYEES OF IMMIGRATION AND NATURALIZATION SERVICE

Mr. RUSSELL. Mr. President, on the previous call of the calendar, objection was entered to the consideration of House bill 386, Calendar No. 635. I made a statement in regard to the bill when it was reached during the call of the calendar. But there was a doubt in the minds of some Senators in regard to the bill.

I have discussed this matter with the Senators involved, and I think there is now no objection to it. Therefore, I ask unanimous consent for the present consideration of the bill.

The PRESIDING OFFICER. Is there objection?

Mr. REVERCOMB. Mr. President, this bill deals with the right of search, by the officers and employees of the Immigration and Naturalization Service, of vessels and aircraft within the waters adjacent to the United States; and its purpose is to permit the enforcement of the immigration laws, so as to prevent aliens from unlawfully entering the United States. I am utterly in sympathy with the purpose of the bill.

During the previous call of the calendar objection was made because I thought the right of search provided by the bill was too broad. I am inclined to think so, today. However, I am advised that enactment of this bill is absolutely necessary for the proper enforcement of the immigration laws. For that reason—and expressing at the same time the hope that the measure may later be improved by amendment—I am withdrawing my objection to consideration of the bill.

The PRESIDING OFFICER. The bill will be read by title, for the information of the Senate.

The CHIEF CLERK. A bill (H. R. 386) to amend the law relating to the authority of certain employees of the Immigration and Naturalization Service to make arrests without warrant in certain cases and to search vehicles within certain areas.

The PRESIDING OFFICER. Is there objection to the request for present consideration of the bill?

There being no objection, the bill was considered, ordered to a third reading, read the third time, and passed.

MRS. GRACE A. PHILLIPS

The bill (H. R. 5849) for the relief of Mrs. Grace A. Phillips was considered, ordered to a third reading, read the third time, and passed.

JOSEPH A. BROWN

The bill (H. R. 4924) for the relief of Joseph A. Brown was considered, ordered to a third reading, read the third time, and passed.

THOMAS A. BEDDINGFIELD AND WIFE

The bill (H. R. 6255) for the relief of Thomas A. Beddingfield and his wife, Opal May Beddingfield, was considered, ordered to a third reading, read the third time, and passed.

CLYDE O. PAYNE

The bill (H. R. 3210) for the relief of Clyde O. Payne was considered, ordered to a third reading, read the third time, and passed.

LEGAL GUARDIAN OF ROBERT OLSEN, A MINOR

The Senate proceeded to the consideration of the bill (H. R. 1004) for the relief of the legal guardian of Robert Olsen, a minor.

Mr. O'DANIEL. I offer the amendment which I send to the desk and ask to have stated.

The PRESIDING OFFICER. The amendment will be stated.

The CHIEF CLERK. On page 1, in line 4, after the word "pay", it is proposed to insert:

, out of any money in the Treasury not otherwise appropriated,

The PRESIDING OFFICER. The question is on agreeing to the amendment of the Senator from Texas.

The amendment was agreed to.

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

The bill was read the third time and passed.

The PRESIDING OFFICER. The clerk will state the next measure on the calendar.

MRS. MILLICENT MOORE

The bill (H. R. 5848) for the relief of Mrs. Millicent Moore was considered, ordered to a third reading, read the third time, and passed.

MARTIN A. TUCKER AND EMMA M. TUCKER

The bill (H. R. 3855) for the relief of Martin A. Tucker and Emma M. Tucker was considered, ordered to a third reading, read the third time, and passed.

RUDOLPH K. BARTELS, JR.

The bill (H. R. 4374) for the relief of the legal guardian of Rudolph K. Bartels, Jr., a minor, was considered, ordered to a third reading, read the third time, and passed.

WATSON AIRFOTOS, INC.

The bill (H. R. 5847) for the relief of Watson Airfotos, Inc., was considered, ordered to a third reading, read the third time, and passed.

EDWARD A. MASON

The bill (H. R. 3209) for the relief of Edward A. Mason was considered, ordered to a third reading, read the third time, and passed.

ALBERT WHILDEN

The bill (H. R. 5093) to confer jurisdiction upon the Court of Claims to hear, determine, and render judgment upon the claim of Albert Whilden, was considered, ordered to a third reading, read the third time, and passed.

The title was amended so as to read: "An act for the relief of Albert Whilden."

MRS. CECILE W. McAFEE

The bill (H. R. 5287) for the relief of Mrs. Cecile W. McAfee was considered, ordered to a third reading, read the third time, and passed.

MINNIE P. SHOREY

The bill (H. R. 5050) for the relief of Minnie P. Shorey was considered, ordered to a third reading, read the third time, and passed.

MATERIALS HANDLING MACHINERY CO., INC.

The bill (H. R. 4860) for the relief of Materials Handling Machinery Co., Inc., was considered, ordered to a third reading, read the third time, and passed.

CITY AND COUNTY OF SAN FRANCISCO

The bill (H. R. 3703) for the relief of the city and county of San Francisco was considered, ordered to a third reading, read the third time, and passed.

DISPOSITION OF PROCEEDS OF COINS COMMEMORATING TWO HUNDRED AND FIFTIETH ANNIVERSARY OF ALBANY

The bill (S. 2332) to provide that the unexpended proceeds from the sale of 50-cent pieces coined in commemoration of the two hundred and fiftieth anniversary of the founding of the city of Albany, N. Y., may be paid into the general fund of such city was announced as next in order.

Mr. REVERCOMB. Mr. President, may we have an explanation of the bill? It seems to apply to the sale of commemorative coins.

Mr. WAGNER. Mr. President, the act of June 16, 1936, authorized the coinage of not to exceed 25,000 silver 50-cent pieces within a period of 1 year from that date. The coins were to be issued only upon request of a committee duly authorized by the Mayor of the city of Albany, N. Y., upon payment of the par value of such coins, and were to be disposed of at par or at a premium by said committee, the net proceeds being used to defray the expenses incidental and appropriate to the commemoration of the 250th anniversary of the city. There is about $4,000 involved which is unexpended and is to be transferred to the treasury of the city of Albany, N. Y.

Mr. REVERCOMB. Were the coins issued under an arrangement which would permit a committee in the city of Albany to sell them at par or above par?

Mr. WAGNER. I am sorry, Mr. President, but I did not hear the Senator.

Mr. REVERCOMB. I ask the Senator from New York by what plan, or arrangement were the 50-cent pieces to be issued and permission granted to the city of Albany to sell them at par or above?

Mr. WAGNER. The authority for doing that was granted by the Congress.

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

Mr. WAGNER. I yield.

Mr. TAFT. Senate bill 2332 is one of the commemorative coin bills of which Congress has passed several in the last 10 years. Under the authority which was granted by Congress in connection with this matter, the city of Albany bought, as I understand, a quantity of 50-cent pieces for 50 cents each. They were then sold by the city of Albany for $1 each, we will say, and the profit so realized was intended by the original act to be used in defraying the expenses of the celebration of the two hundred and fiftieth anniversary of the founding of the city of Albany. I assume that the expenses were paid and that $4,000 remains unused. Am I correct?

Mr. WAGNER. The Senator is correct.

Mr. TAFT. The United States Government has been paid for the 50-cent pieces which the city of Albany bought at their face value of 50 cents each. The only question now is whether the $4,000 which remains unused is to be turned over to the United States Government or to the city of Albany.

Mr. WAGNER. That is the problem for the Congress to decide.

Mr. REVERCOMB. Mr. President, the situation which has been explained is now clear to me. The Federal Government has received its full pay for the face value of the coins.

Mr. WAGNER. Yes.

Mr. REVERCOMB. I have no objection.

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

There being no objection, the bill (S. 2332) was considered, ordered to be engrossed for a third reading, read the third time, and passed, as follows:

Be it enacted, etc., That section 2 of the act entitled "An act to authorize the coinage of 50-cent pieces in commemoration of the two hundred and fiftieth anniversary of the founding of the city of Albany, N. Y.," approved June 16, 1936, is amended by adding at the end thereof the following: "Any unexpended proceeds may be paid by such committee to the city of Albany, N. Y., for deposit in the general fund of such city."

CONVEYANCE OF PROPERTY TO ROY C. LAMMERS

The bill (H. R. 5128) to provide for the conveyance of certain real property to Roy C. Lammers, was announced as next in order.

Mr. CORDON. Mr. President, before the bill is considered I wish to inquire of the Senator from Idaho whether the property described in the bill, and authorized by the bill to be conveyed by Roy C. Lammers, and which, according to the bill, was turned over to the United States by Lammers for use as a Civilian Conservation Corps camp, was sold originally by Lammers to the Government, or donated to the Government?

Mr. TAYLOR. It was donated to the Government. Lammers gave the ground to the Government for the purpose of building a CCC camp there with the understanding that when the camp was abandoned the Government would give the land back to Lammers. However, the authorities handling the matter did not provide for the transaction in that way in the contract, and the Federal Department has no authority to give back the land to Lammers. The Department has asked for this bill. The CCC camp has been moved away and the Government desires to give back to the owner the land on which the CCC camp was located.

Mr. CORDON. Mr. President, I find no committee report on the bill. Therefore, no information has been made available to me with regard to the matter. I understand, however, that the land was a donation in the first instance by Lammers to the Government, and that it is now desired to donate the land back to the owner.

Mr. TAYLOR. Yes.

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

There being no objection, the bill (H. R. 5128) to provide for the conveyance of certain real property to Roy C. Lammers, was considered, ordered to a third reading, read the third time, and passed.

CUMBERLAND RIVER BRIDGE AT BURKESVILLE, KY.

The bill (H. R. 7046) to revive and reenact the act entitled "An act granting

the consent of Congress to the State Highway Commission, Commonwealth of Kentucky to construct, maintain, and operate a toll bridge across the Cumberland River at or near Burkesville, Cumberland County, Ky.," approved May 18, 1928, was considered, ordered to a third reading, read the third time, and passed.

DEDICATION DAY

The joint resolution (H. J. Res. 35) designating November 19, 1946, the anniversary of Lincoln's Gettysburg Address, as Dedication Day, was considered, ordered to third reading, read the third time, and passed.

JOINT COMMITTEE TO STUDY AND RECOMMEND LABOR RELATIONS LEGISLATION

The concurrent resolution (H. Con. Res. 148) creating a joint select committee to study and recommend legislation concerning labor relations, was announced as next in order.

Mr. BARKLEY. Mr. President, I believe the matter involved in this concurrent resolution is subject to controversy, and I doubt whether it should be considered on the call of the calendar.

The PRESIDENT pro tempore. Objection is heard. The concurrent resolution will be passed over.

LEASING OF INDIAN LANDS

The bill (H. R. 2586) to authorize the leasing of Indian lands for business, and other purposes, was announced as next in order.

Mr. CORDON. Mr. President, I ask that the bill be passed over. I have not had an opportunity to study it completely. It may be that later I shall withdraw my objection.

The PRESIDING OFFICER. Objection is heard. The bill will be passed over.

Mr. CORDON subsequently said: Mr. President, I interposed temporarily an objection to Calendar No. 1951, House bill 2586. After considering the bill I have no objection, and I withdraw my objection to that bill.

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

There being no objection, the Senate proceeded to consider the bill (H. R. 2586) to authorize the leasing of Indian lands for business, and other purposes, which had been reported from the Committee on Indian Affairs with an amendment on page 1, line 6, after the word "lands", to insert "situated within the State of Washington."

The amendment was agreed to.

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

The bill was read the third time, and passed.

The title was amended so as to read: "An act to authorize the leasing of Indian lands situated within the State of Washington for business and other purposes."

REFUND OF TAXES ILLEGALLY PAID BY INDIANS

The Senate proceeded to consider the bill (S. 1439) to amend section 2 of the act of January 29, 1942 (56 Stat. 21) relating to the refund of taxes illegally paid by Indian citizens, which had been reported from the Committee on Indian Affairs with an amendment on page 2, line 20, after the words "so paid" to strike out "with" and insert "without", and on the same page in line 21, to strike out "at 6 percent from the date such taxes were paid" so as to make the bill read:

Be it enacted, etc., That section 2 of the act of January 29, 1942 (56 Stat. 21), is hereby amended to read as follows:

"SEC. 2. That any person duly enrolled as a member of an Indian tribe who received in pursuance of a tribal treaty or agreement with the United States an allotment of land which, by the terms of said treaty or agreement was exempted from taxation, or restricted against alienation, or which by the terms of section 6 of the act of Congress of May 27, 1908 (35 Stat. 312), was in the manner therein provided continued under the supervision of probate attorneys of the United States as the representatives of the Secretary of the Interior during the minority of such allottee, and from which land the restrictions have or have not been removed, and any such enrolled member of an Indian tribe who prior to April 26, 1931, had restricted money in the custody or control of the United States, and who was required or permitted to pay any Federal income tax on such lands or on the rents, royalties, or other gains arising from such lands during such restricted or tax-exempt period or on income from such restricted funds while in the custody or control of the United States, or on income from any allotment during the minority of the allottee, or any such person who has been erroneously or illegally taxed by reason of not having claimed or received the benefit of any deductions or exemptions permitted by law, and who has filed a claim or claims for such refund at any time or times before January 29, 1944, shall be entitled to and shall be repaid such taxes so paid, without interest, notwithstanding any previous rejection by the Treasury Department of any such claim or claims for refund theretofore filed upon the same or similar ground and notwithstanding any decision of the Treasury Department or of any court, it not being the policy or intention of the Government to invoke or plead a statute of limitations or any other defense to escape the obligations of agreement solemnly entered into with its Indian wards, or prior to April 26, 1931, to exact for its own use and benefit an income tax from them while their property continued under the supervision of the United States or during the minority of any such allottee: *Provided, however*, That in the case of the death of any enrolled member of an Indian tribe any such taxes paid by him or on his account may in like manner be recovered by the person or persons who would have received such money had it constituted a part of his estate at the time of his death.

"That all acts and parts of acts in conflict herewith are modified for the purpose, and only for the purpose, of carrying into effect the provisions hereof."

The amendment was agreed to.

Mr. CORDON. Mr. President, I should like to have an explanation of the bill, particularly inasmuch as it has been indicated that the taxes were illegally paid.

The PRESIDING OFFICER. The Senator from Oklahoma [Mr. THOMAS] reported the bill, but he is not present in the Chamber.

Mr. CORDON. Mr. President, I object at this time to the bill. Perhaps after I receive satisfactory information I shall withdraw my objection.

The PRESIDING OFFICER. The bill will be temporarily passed over.

Mr. THOMAS of Oklahoma subsequently said: Mr. President, the last bill on the calendar, Senate bill 1439, was objected to by the Senator from Oregon [Mr. CORDON]. I have discussed the matter with the Senator and he is now willing to withdraw his objection. The committee amendments have been agreed to. The bill simply provides for the repayment to Indians of income taxes illegally paid by them.

Mr. CORDON. Mr. President, I withdraw my objection to Senate 1439.

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

There being no objection, the bill (S. 1439) was considered, ordered to be engrossed for a third reading, read the third time, and passed.

ADMISSION OF CERTAIN PERSONS TO MERCHANT MARINE ACADEMY

Mr. RADCLIFFE obtained the floor.

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

Mr. RADCLIFFE. I yield.

Mr. BARKLEY. I have four bills from the Committee on the Library. They are not controversial.

Mr. RADCLIFFE. Mr. President, before the Senator from Kentucky proceeds, I wish to state that on the call of the calendar the other day I was under the impression that Calendar No. 1763, House bill 1751, which was one of a series of bills I had reported to the Senate from the Commerce Committee, had been passed. I see that the bill is still on the calendar. I was definitely under the impression that it had been debated on the floor of the Senate and passed.

I ask unanimous consent that the Senate proceed to the consideration of Calendar No. 1763, House bill 1751.

The PRESIDING OFFICER. The bill will be read by title for the information of the Senate.

The CHIEF CLERK. A bill (H. R. 1751) to authorize the course of instruction at the United States Merchant Marine Academy to be given to not exceeding 20 persons at a time from American Republics other than the United States.

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

There being no objection, the Senate proceeded to consider the bill which had been reported from the Committee on Commerce with amendments on page 2, line 2, after the word "than", to strike out "three" and insert "two"; and on the same page, after line 15, to strike out:

SEC. 2. In conformity with the Executive order of February 7, 1942, No. 9054 (7 F. R. 837), the authority conferred upon the Chairman of the United States Maritime Commission by this act shall be vested in and exercised by the Administrator of the War Shipping Administration.

The amendments were agreed to.

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

The bill was read the third time and passed.

The title was amended so as to read: "An act to authorize the course of instruction at the United States Mer-

chant Marine Academy to be given to not exceeding 12 persons at a time from the American Republics, other than the United States."

AMENDMENT OF NATIONAL ARCHIVES ACT

Mr. BARKLEY. Mr. President, I have four bills from the Committee on the Library and I should like, one at a time, to ask for their present consideration. They have been favorably reported to the Senate. I send forward the first bill, and ask that it be stated.

The PRESIDING OFFICER. The clerk will state the bill by its title for the information of the Senate.

The CHIEF CLERK. A bill (H. R. 3243) to amend the act entitled "An act to establish a National Archives of the United States Government, and for other purposes."

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

There being no objection, the Senate proceeded to consider the bill.

Mr. BARKLEY. Mr. President, I will explain the bill. It amends the act establishing the National Archives, and I think I can best explain it by reading a paragraph from a letter which I have received.

This bill passed the House in January. It has been pending in the Senate since then. The administrative secretary of the Archives has sent me the following letter in explaining what the bill would do. The letter reads as follows:

JANUARY 29, 1946.

Hon. ALBEN W. BARKLEY
United States Senate,
Washington, D. C.

MY DEAR SENATOR BARKLEY: Because of the fact that you have always indicated an interest in legislation affecting the National Archives, and because of your willingness to get prompt action by the Senate Library Committee and the Senate on such legislation, I am again taking the liberty of enlisting your valuable assistance.

H. R. 3243, amending the National Archives Act, was recently passed by the House and has been referred to the Senate Library Committee. The primary purpose of this bill is (1) to protect the interest of the Government and the people of the United States by requiring the Archivist of the United States to impose such restrictions on the use of records in his custody as appears to him to be necessary or desirable to the public interest and (2) to facilitate the transfer to the custody of the Archivist of certain collections of permanently valuable records that are no longer needed in conducting the current business of agencies and that are occupying space urgently needed for other purposes. The bill also provides for restrictions placed on records in the custody of the Archivist by the heads of agencies from which they were transferred to remain in force and effect until modified or removed by joint agreement of the Archivist and the respective heads of agencies. Under the present law such restrictions remain in force and effect only during the tenure of office of the head of the agency by whom they were imposed. Some of the amendments in H. R. 3243 will be very helpful during the liquidation of some of the war emergency agencies. Many of those agencies, as well as the regular agencies of the Government, are anxious for H. R. 3243 to be enacted into law as promptly as possible.

The bill has been approved by the National Archives Council, of which you are a member, and so far as is known there is no objection to its enactment into law.

I assure you that anything you may do to expedite action on this bill by the Senate Library Committee and its passage by the Senate will be sincerely appreciated.

Should you desire any additional information about this bill, I will be delighted to do my best to supply it. A copy of the bill as it was referred to the Senate Library Committee and a copy of the House Library Committee's report thereon are enclosed for your information.

Sincerely yours,

THAD PAGE,
Administrative Secretary.

The bill provides in one respect that where restrictions have been placed by the head of an agency upon public documents placed in the Archives, such restrictions shall remain in force until they are modified by joint action of the Archivist and the head of the agency. Under the present law the restrictions remain in force only so long as the head of the agency which imposed them is in office, and when he goes out, the restrictions are lifted. The pending bill retains the restrictions until the Archivist and the head of the agency, whoever he may be, may agree upon lifting them or modifying them.

The bill otherwise undertakes to protect the public interest with respect to these documents which are placed in the custody of the Archivist, and it seems on the whole that the bill is in the interest of the public. It can do harm to nobody, apparently, and I hope it will be enacted.

Mr. TAFT. Mr. President, a parliamentary inquiry.

The PRESIDING OFFICER (Mr. HUFFMAN in the chair). The Senator will state it.

Mr. TAFT. Is this a request for unanimous consent to set aside the pending business temporarily?

Mr. BARKLEY. Yes.

Mr. CORDON. Mr. President, reserving the right to object, the Committee on the Library has had no opportunity to consider the proposed legislation. Although the bill, according to the majority leader, came to the Senate some time in January, I can understand that the distinguished majority leader, the chairman of that committee, has had his hands full, and I am not critical in calling attention to the fact that the committee has not had an opportunity to consider the bill and go into its merits. I merely state that as a fact, and by reason of that fact, I, as a member of the committee, have had no opportunity to consider the bill, or to make certain suggestions which I certainly would have made with reference to it.

I call attention to this language in the bill, which, as I view it, is objectionable—I read on page 1, line 10—

The Archivist shall impose such restrictions on the use or examination of records in his custody as appears to him to be necessary or desirable in the public interest.

Mr. President, that is absolute authority to the Archivist to close to public examination any record which may be delivered to the public Archivist, and which may and should be a public record, open to inspection and examination by the general public.

I call attention to the fact that the term is "such restrictions on the use or examination of records in his custody as appear to him to be necessary or desirable in the public interest."

I feel that the records of the United States Government, after they have served their purpose in the several departments and are delivered to the Archives, are public records, and should be open to public examination, except in extraordinary cases where the national security may dictate that they should not be public. If the bill had provided some method of determination of the necessity of protecting the national security, I should have had no objection to it.

Mr. BARKLEY. Mr. President, I might say that under the National Archives Act the Archivist has the general authority to make regulations and impose restrictions upon the documents which are regarded as sufficiently important to become a part of the Archives of the American Nation. The National Archives Council participates in the deliberations with respect to these matters which are passed upon by the Archivist. There is nothing strange in this particular measure with reference to the particular records which are covered. There is nothing new in the fact that the Archivist would have the authority to make regulations with respect to the inspection of public documents placed under his custody.

I appreciate the Senator's reference to the Committee on the Library. It may be fortunate or unfortunate that I am chairman of that committee, and in the multiplicity of other things and other duties in other committees the Committee on the Library has not been very active, so far as formal meetings are concerned. I plead guilty to an unavoidable negligence in the matter of not calling the committee together more often.

Mr. CORDON. I have not filed the complaint or the indictment.

Mr. BARKLEY. The bill I am reporting is regarded by the Archivist and the National Archives Council, and by some of the agencies which have been consulted about it, as meritorious.

Mr. CORDON. Mr. President, I shall be compelled to make my objection at the moment. If I can have an opportunity to examine into the existing law, I may later withdraw the objection.

Mr. BARKLEY. I report the bill for the calendar. The Senator may look into it.

The PRESIDING OFFICER. The bill will be received and placed on the calendar.

NATIONAL COMMISSION ON INDIVIDUAL WAR MEMORIALS

Mr. BARKLEY. Mr. President, I report favorably from the Committee on the Library Senate Joint Resolution 158, and I ask unanimous consent that the pending business be temporarily laid aside, and that the Senate proceed to the consideration of this joint resolution.

The PRESIDING OFFICER. The joint resolution will be stated by title.

The CHIEF CLERK. A joint resolution (S. J. Res. 158) to provide for the appointment of a National Commission on

Individual War Memorials, and for other purposes.

Mr. BARKLEY. Mr. President, this measure simply provides for the appointment of a Commission on Individual War Memorials. It is to have no power of action. It is to investigate the question of policy, and will report back, so that there is no commitment involved in the mere appointment of the Commission.

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

There being no objection, the joint resolution (S. J. Res. 158) was considered, ordered to be engrossed for a third reading, read the third time, and passed, as follows:

Resolved, etc., That there is hereby established a National Commission on Individual War Memorials to be composed of five members to be appointed by the President of the United States. The members of the Commission shall serve without compensation but traveling, subsistence, and other necessary expenses incurred by them in connection with the work of the Commission may be paid from any funds available for expenditure by the Commission. Such Commission is authorized and directed to prepare an adequate individual historical record of each man or woman who was killed in the military service during World War II. Such records shall be prepared as far as possible in cooperation with the family of the deceased, and placed in metal cases, for presentation to the next of kin of such man or woman as a means of expressing the appreciation of the American people and for the information of generations yet to come.

SEC. 2. The Commission is authorized (1) to appoint such advisory committees as it may deem necessary to advise and consult with it with respect to the composition of such individual memorials; (2) to include among the members of any committee or committees so appointed such representatives of the War Department, the Navy Department, Veterans' Administration, American Red Cross, and such other interested organization as it may deem advisable; and (3) to invite the newspapers of the United States to offer prizes for outstanding poems and pictures for use as memorial expressions in such individual memorials, and to arrange for the exhibition and publication of such materials.

SEC. 3. The Commission is authorized to make such expenditures (including expenditures for personal services and rent at the seat of government and elsewhere, and for printing and binding) as may be necessary to carry out the provisions of this resolution.

SEC. 4. There are hereby authorized to be appropriated such sums as may equal the sum of $20 for each individual war memorial to be prepared under the direction of the Commission.

NATIONAL AIR MUSEUM

Mr. BARKLEY. Mr. President, from the Committee on the Library I report favorably House bill 5144, to establish a national air museum, and for other purposes. I ask unanimous consent that the pending business be laid aside and that the Senate proceed to consider the bill.

Mr. TAFT. Mr. President, I suggest that the bill be read, since it is not on the calendar.

The PRESIDING OFFICER. The clerk will read.

The Chief Clerk read the bill, as follows:

Be it enacted, etc., That (a) there is hereby established under the Smithsonian Institution a bureau to be known as a national air museum, which shall be administered by the Smithsonian Institution with the advice of a board to be composed of the Commanding General of the Army Air Forces, or his successor, the Chief of Naval Operations, or his successor, the Secretary of the Smithsonian Institution, and two citizens of the United States appointed by the President from civilian life who shall serve at the pleasure of the President. The members of the Board shall serve as such members without compensation.

(b) The Secretary of the Smithsonian Institution with the advice of the board may appoint and fix the compensation and duties of the head of a national air museum whose appointment and salary shall not be subject to the civil-service laws or the Classification Act of 1923, as amended. The Smithsonian Institution may employ such other officers and employees as may be necessary for the efficient operation and administration of the museum.

SEC. 2. Said national air museum shall memorialize the national development of aviation; collect, preserve, and display aeronautical equipment of historical interest and significance; serve as a repository for scientific equipment and data pertaining to the development of aviation and provide educational material for the historical study of aviation.

SEC. 3 The Secretary of the Smithsonian Institution with the advice of the advisory board is hereby directed to investigate and survey suitable lands and buildings for selection as a site for said national air museum and to make recommendations to Congress for the acquisition of suitable lands and buildings for said national air museum.

SEC. 4. (a) The board is authorized to adopt an official seal which shall be judicially noticed and to make such bylaws, rules, and regulations as it deems necessary for the administration of its functions. The board may function notwithstanding vacancies and three members of the board shall constitute a quorum for transaction of business.

(b) The Smithsonian Institution shall include in its annual report of its operations to Congress a statement of the operations of said national air museum, including all public and private moneys received aind disbursed.

SEC. 5. (a) The heads of executive departments of the Government are authorized to transfer or loan to said national air museum without charge therefor aircraft, aircraft parts, instruments, engines, or other aeronautical equipment or records for exhibition, historical, or educational purposes.

(b) The Secretary of the Smithsonian Institution, with the advice of the Commission of Fine Arts, is authorized (1) to accept as a gift to the Smithsonian Institution from George H. Stephenson, of Philadelphia, Pa., a statute of Brig. Gen. William L. Mitchell of such character as may be deemed appropriate, and (2) without expense to the United States, to cause such statue to be erected at a suitable location on the grounds of the national air museum.

SEC. 6. There is hereby authorized to be appropriated the sum of $50,000 for the purposes of this act and there are hereby authorized to be appropriated annually hereafter such sums as may be necessary to maintain and administer said national air museum including salaries and all other necessary expenses.

Mr. TAFT. Mr. President, as I understand the bill does not actually authorize the construction of a building. It is to be a matter of later recommendation?

Mr. BARKLEY. That is correct. I might say that the bill has been under consideration for a long time. The House passed it a few days ago unanimously. The Smithsonian Institution is urging its passage.

When the bill was first introduced, the air museum was to be administered by other than the Smithsonian Institution, by either the War Department or the Navy Department. It was worked out, however, at a conference participated in by the parties interested, that the appropriate place for the museum would be under the Smithsonian Institution. All the bill does is to set up a board to make recommendations to Congress for the establishment of an air museum.

BOOKS FOR THE ADULT BLIND

Mr. BARKLEY. Mr. President, from the Committee on the Library I report favorably Senate bill 2430 to amend the act entitled "An act to provide books for the adult blind."

The PRESIDING OFFICER. The bill will be received and placed on the calendar.

Mr. BARKLEY. I now ask that the unfinished business be temporarily laid aside, and that the Senate proceed to consider the bill.

The PRESIDING OFFICER. Is there objection?

There being no objection, the Senate proceeded to consider the bill (S. 2430) to amend the act entitled "An act to provide books for the adult blind," which was read, as follows:

Be it enacted, etc., That the act of June 13, 1944 (58 Stat. 276), is amended to read as follows:

"That there is hereby authorized to be appropriated annually to the Library of Congress, in addition to appropriations otherwise made to said Library, $1,125,000, which sum shall be expended under the direction of the Librarian of Congress to provide books published either in raised characters, on sound-reproduction recordings, or in any other form for the use of the adult blind residents of the United States, including the several States, Territories, insular possessions, and the District of Columbia: *Provided*, That of said annual appropriation of $1,125,000, not exceeding $200,000 thereof shall be expended for books in raised characters and the balance remaining shall be expended for sound-reproduction recordings and for the purchase, maintenance, and replacement of reproducers for these sound-reproduction recordings, all of which books, recordings, and reproducers will remain the property of the Library of Congress but will be loaned to blind readers under regulations prescribed by the Librarian of Congress for this service. In the purchase of books in either raised characters or in sound-reproduction recordings the Librarian of Congress, without reference to section 5 of title 41, United States Code, shall give preference to non-profit-making institutions or agencies whose activities are primarily concerned with the blind, in all cases where the prices or bids submitted by such institutions or agencies are, by said Librarian, under all the circumstances and needs involved, determined to be fair and reasonable.

"SEC. 2. This act shall be applicable with respect to the fiscal year ending June 30, 1947, and for each fiscal year thereafter."

Mr. BARKLEY. Mr. President, the bill simply provides for an additional authorization for the benefit of the adult blind. We have from time to time appropriated money for the purchase of books for the blind. We have never been too liberal in that respect. The bill merely authorizes a million and a quar-

ter dollars more, to be disbursed under the jurisdiction and control of the Librarian of Congress.

The PRESIDING OFFICER. The question is on the engrossment and third reading of the bill.

The bill (S. 2430) was ordered to be engrossed for a third reading, read the third time, and passed.

Mr. BARKLEY subsequently said: Mr. President, a few minutes ago the Senate passed Senate bill 2430, a bill to provide books for the adult blind. The House has just recently sent to the Senate an identical bill, under the number House bill 6455. From the Committee on the Library, I now report the bill without amendment. I ask unanimous consent that the vote by which Senate bill 2430 was passed be reconsidered.

The PRESIDENT pro tempore. Is there objection? Without objection, the votes by which Senate bill 2430 was engrossed, read the third time, and passed are reconsidered; and the bill is now before the Senate.

Mr. BARKLEY. Mr. President, I now ask unanimous consent that House bill 6455 may be substituted for the Senate bill and be considered at this time.

The PRESIDING OFFICER. Without objection, House bill 6455 will be substituted for Senate bill 2430. Is there objection to the request that the Senate proceed to consider House bill 6455?

There being no objection, the bill (H. R. 6455) to amend the act entitled "An act to provide books for the adult blind" was considered, ordered to a third reading, read the third time, and passed.

The PRESIDING OFFICER. Without objection, Senate bill 2430 will be indefinitely postponed.

SELECTION FOR ELIMINATION AND RETIREMENT OF OFFICERS OF THE REGULAR ARMY

Mr. MAYBANK. Mr. President, in view of the fact that I am obliged to attend a meeting of the Appropriations Committee I should like to make a short statement in connection with Senate bill 1974, to provide for the selection for elimination and retirement of officers of the Regular Army, for the equalization of retirement benefits for members of the Army of the United States, and for other purposes. The statement I desire to make is that considerable confusion exists in the minds of many persons connected with the armed forces, by reason of the fact that I introduced Senate bill 1974, which was referred to the Committee on Military Affairs, and was later amended by the committee itself. The bill in its present form is not comparable to the bill which I introduced. On the calendar it is stated that Senate bill 1974 was reported by me from the Committee on Military Affairs. I merely wish to state for the record, so there will be no misunderstanding about the matter, that the statement in connection with Calendar No. 1899, House bill 7063, to provide for the selection for elimination and retirement of officers of the Regular Army, that it is "same as Calendar 1803" is incorrect. The bill which I introduced was practically the same as House bill 7063, which appears under Calendar No. 1899, but Senate bill 1974 was so amended by the committee, that, although it was my bill, it does not now carry the provisions of the original Senate bill 1974.

Mr. President, I make this statement for the record, so there may be no misunderstanding. I hope that before Congress adjourns House bill 7063 will be passed by the Senate, or if not, that Senate bill 1974, if passed, may be sent to conference, and that the differences existing may be resolved. I shall speak on that subject at a later date.

PARKER RIVER NATIONAL WILDLIFE REFUGE, ESSEX COUNTY, MASS.

Mr. WALSH. Mr. President, a few days ago on the call of the calendar, when Calendar No. 1771 was reached, the able Senator from California [Mr. KNOWLAND] objected. The bill is H. R. 4362 to abolish the Parker River National Wildlife Refuge in Essex County, Mass. The Senator from California has since investigated the matter and has authorized me to state to the Senate that his objection is withdrawn. Therefore I ask unanimous consent for the present consideration of the bill.

Mr. REVERCOMB. I must state to the able Senator from Massachusetts that at the request of another Member of the Senate I must object to consideration of the bill.

Mr. TAFT. Mr. President, I may say that the Senator who wished to have objection made in his behalf is not now in Washington. I will communicate with him by telegraph tonight to endeavor to persuade him to withdraw his objection.

I think I can reach him either by telegram or by telephone.

Mr. WALSH. I may say to my distinguished Republican colleague that this has become a political issue. The Democratic candidate has the advantage today because of the protests that have come with respect to this matter from the Republican side.

Mr. TAFT. I have been so informed, and I shall cooperate in obtaining consideration of the measure.

Mr. WALSH. I have received telegrams from Republicans in Massachusetts asking that objection be withdrawn in the next 24 hours.

Mr. REVERCOMB. I may say to the Senator from Massachusetts that his statement urging withdrawal of the objection is very persuasive. The Senator who wished to have his objection noted is not in Washington. As soon as he can be reached, and will relieve me of my obligation in this respect, I shall be very glad to withdraw my objection.

Mr. WALSH. In view of the fact that Republicans in Massachusetts have made objection to this refuge it may be well that objection be withdrawn to the present consideration of the bill in the Senate.

AUTHORIZATION TO REPORT A BILL, AND TO REFER NOMINATIONS

Mr. BARKLEY. Mr. President, I ask unanimous consent that, during the recess of the Senate the Committee on Appropriations may be authorized to report the final deficiency bill, which I think is now under consideration in the committee; and also that the Secretary of the Senate may be authorized, in the event nominations come to the Senate during the recess, to have them properly referred to appropriate committees.

The PRESIDING OFFICER. Without objection, the authorizations requested by the Senator from Kentucky are granted.

ROBERT JUNE

Mr. MORSE. Mr. President, from the Committee on Claims I report favorably House bill 228, for the relief of Robert June, and I submit a report (No. 2452) thereon.

Mr. President, I have conferred with the majority leader and have his approval for the present consideration of the bill. It has been pointed out to me that it will not only save time, but expense if we proceed to act on it today, rather than to wait and have it go to the calendar. I ask unanimous consent for the present consideration of the bill.

The PRESIDING OFFICER. Is there objection?

There being no objection, the bill (H. R. 228) for the relief of Robert June, was considered, ordered to a third reading, read the third time, and passed.

EQUAL PAY FOR EQUAL WORK FOR WOMEN

Mr. PEPPER. Mr. President, I move that the Senate proceed to the consideration of Senate bill 1178, Calendar No. 1610. I should like to make a statement about the bill.

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

The CHIEF CLERK. A bill (S. 1178), providing equal pay for equal work for women, and for other purposes.

Mr. PEPPER. Mr. President, a bill providing equal pay for equal work for women and forbidding discrimination against women in employment has been favorably reported by the Senate Committee on Education and Labor. A similar bill has also been favorably reported to the House by the House Committee on Labor, and is on the House calendar at the present time. I am not sure that there is a chance to have the bill enacted if the Senate passes it, but I believe there is a good chance if the Senate will pass the bill this afternoon.

Mr. President, I do not wish to go into a full debate on the merits of the bill. At the present time nothing of an emergent nature seems to be pending, and I think we might as well take up the bill and dispose of it. After we take it up we can proceed to the consideration of the bill on its merits. I believe that the bill possesses sufficient merit, having the report of the committee and the report of the Labor Department behind it, a companion bill having been reported by the House Committee on Labor, to entitle the bill to the consideration of the Senate. That is the subject of my motion.

Mr. TAFT. Mr. President, it seems to me that it would be improper to take up the bill at this late date. The bill was reported to the Senate on June 21, and no particular attention has been paid to

it. The bill is a sort of FEPC for women. The opening lines of the bill read as follows:

The Congress hereby finds that the existence in industry of differentials based on sex is an inequity in compensation standards which constitutes an unfair wage practice.

Such discrimination is declared to be an unfair wage practice, based upon the Labor Relations Act procedure. I have read the bill only hastily. The Secretary of Labor is authorized to file a complaint and hale into court any employer on the complaint of any woman employee that she is not being treated fairly.

Section 2 of the bill provides that—

It shall be an unfair wage practice for any employer engaged in commerce or in transactions or operations affecting commerce—

(a) to discriminate in any way in the payment of wages as between the sexes.

That certainly is a pretty general prohibition. The application of the act would be turned over to the Secretary of Labor or to some board, to define its provisions more clearly.

(b) to pay wages to any female employee at a rate less than the rate at which he pays or has paid wages to male employees for work of comparable quality or quantity, except where such payment is made pursuant to a seniority or merit increase system which does not discriminate on the basis of sex.

On the complaint of any woman employee the Secretary of Labor would be authorized to go into any industry or office in the United States and investigate the whole question of what kind of work she is doing, whether it is the same as what some man is doing, whether the wage is the same, and whether there is any reason for a difference. The bill would put a new Federal bureau into every business office in the United States, and turn over to it the question of what kind of wages should be paid.

(c) to lay off or discharge or in any other manner discriminate against any employee because such employee has filed any charges or instituted or caused to be instituted any proceeding under or related to this act, or has testified or is about to testify in any such proceeding, or has served or is about to serve on an industry committee.

I have not been able to develop the exact procedure which would follow, but it would be very similar to the procedure under the National Labor Relations Act. We would turn over to a board the question of determining whether an employer had treated his employees fairly, whether he must pay back wages, and whether corrections must be made in the entire scale of salary standards. The bill involves a major interference with the freedom of American industry. Certainly it ought not to come up during the last days of the session. There ought to be plenty of time to debate the fundamental issues involved. I think it would be a great mistake for the Senate to take up the bill today.

Mr. President, I should like to submit a parliamentary inquiry.

The PRESIDING OFFICER. The Senator will state it.

Mr. TAFT. If the pending motion were agreed to, would it have the effect of displacing the poll-tax bill as the unfinished business of the Senate?

The PRESIDING OFFICER. It would.

Mr. TAFT. Mr. President, I strongly urge upon the Senate that it not take up a bill of this importance at this late date in the session.

Mr. PEPPER. Mr. President, let me reply to the Senator from Ohio. I should like to have my motion considered in the nature of a request for unanimous consent, because I would not like to displace the unfinished business before the Senate. From time to time we have been taking up other measures and considering them, allowing the poll-tax bill to remain the unfinished business. That is what we have been doing since Monday, and I see no reason why we could not follow the same course in respect to this bill.

Mr. BALL. Mr. President, if the Senator is making a unanimous-consent request for the consideration of Senate bill 1178, I object.

The PRESIDING OFFICER. Objection is heard.

Mr. PEPPER. Mr. President, I should like to have the record clear that Senators wish to support the practice and principle of discrimination against women, because they are unwilling that the Senate, when it has ample time and opportunity to do so, should proceed to consider this bill.

The Senator from Ohio has said in substance that the bill would establish another board. It would do no such thing. It would place the authority in the Secretary of Labor. The Secretary of Labor would be the one who would be responsible for the enforcement of the law.

Moreover, the Secretary of Labor would not have authority to compel any employer to do anything. He could only go into court and seek authority to enforce an order which he might make.

The bill contains a limitation which I have not found in similar laws. When the Secretary of Labor goes into court and seeks authority to enforce a cease-and-desist order, for example, it is not sufficient, as in ordinary cases, that there be merely some evidence to support the finding of the Secretary. The weight of the evidence must satisfy the court as being on the side of the Secretary. In other words, the court, and not the Secretary of Labor, would enforce the order. If the court should not find that the weight of the evidence was on the side of the Secretary, it would not grant the authority necessary to enforce the order or decree of the Secretary of Labor.

So the bill would not establish a board with authority to coerce employers into some policy or practice. The Secretary of Labor would cause an investigation to be made in the Department of Labor to determine whether or not there was a prima facie case; and if he found a prima facie case he could issue a cease-and-desist order. If the order were not obeyed by the employer, and if the employer persisted in discrimination against women on the ground of sex, the Secretary of Labor could apply to the court and obtain a decree for the enforcement of his order, provided the court should find that the weight of the evidence was on the side of the prima facie finding made by the Secretary of Labor.

If the Senator from Minnesota and the Senator from Ohio are going to withhold their assent to the consideration of the bill in the same way that we have considered other measures, I invite attention to the fact that we considered the social security bill under a unanimous-consent agreement, and we have been considering bills all day today by unanimous consent. I am indeed sorry that the Senator from Minnesota and the Senator from Ohio are not willing to give the women of this country fair consideration in respect to legislation which would eliminate discriminatory employment practices based exclusively on sex. I am sorry that Senators choose to place themselves on record as favoring the continuation of such practices and resisting an effort to correct them.

The PRESIDING OFFICER. Objection has been made.

Mr. BALL. Mr. President, I take exception to the statement of the Senator from Florida that objection to the consideration of the bill at this time labels the Senator making the objection as being in favor of discrimination between the sexes in employment. It does no such thing. The Senator from Minnesota believes that the enactment of the bill would be a terrible mistake, because it would establish in the Department of Labor an agency headed by one man who would be prosecutor, judge, and jury, to determine whether an employer was discriminating in rates of pay, hours, or anything else, as between men and women in his employment doing substantially the same work. The situation would be exactly the same as under the Wagner Act, except that instead of being administered by a quasi-judicial independent board, the act would be administered by the Secretary of Labor, who is a partisan of labor, and cannot be impartial in such a position. Furthermore, he would have complete power of subpena. The bill would establish one more agency in this time of reconversion, when, Heaven knows, employers are having enough difficulties with OPA, CPA, and other agencies, without being further harassed in their efforts to produce for civilian consumption. I am very happy that my objection can prevent this bill from having any chance to become law.

RACE DISORDERS AT COLUMBIA, TENN.

Mr. STEWART. Mr. President, a few days ago the Senator from California [Mr. KNOWLAND] placed in the RECORD a newspaper report of a very unfortunate incident which occurred in the State of Georgia, namely, the slaying of four colored people. That matter was discussed for some time on the floor of the Senate, and reference was made to other occasions when similar trouble occurred in the South. I might add here that I hope the guilty will be apprehended and duly punished.

That prompts me to call the attention of the Senate to the so-called Columbia, Tenn., race disorder. I am doing this for one purpose, to wit, to point out that the affair at Columbia, Tenn., was investigated by the Federal Bureau of Investigation over a period of weeks, and a Federal grand jury was impaneled

at Columbia by a Federal judge, Judge Davies, of Nashville, who holds court at Columbia. After scores of witnesses had been examined in an investigation which was conducted before that grand jury for a period of 6 or 8 weeks, as I recall, it was found that no Federal rights had been violated at Columbia, in Maury County. The report of the grand jury was printed in full in the June 14 issue of the Nashville Banner, an old and well-established daily newspaper published at Nashville, Tenn. In order to avoid taking the time of the Senate to read the entire article and the grand jury report, I ask unanimous consent that they may be printed in full at this point in the RECORD, as a part of my remarks.

There being no objection, the newspaper article and grand jury report were ordered to be printed in the RECORD, as follows:

JURY FINDS NO RIGHTS VIOLATED IN MAURY—INCENDIARY ARTICLES BY COMMUNIST PRESS HIT

Reporting today on its investigation of the Columbia race disorders, the Federal grand jury declared it found no evidence of civil-rights violations, and assailed "Nation-wide misrepresentations" through the circulation of pamphlets dealing with the incident of last February.

The report declared these pamphlets constituted malicious intent to incite racial discord and intolerance.

The jurors said the Communist press had been especially active, having carried a series of inflammatory articles on the racial disturbances.

Federal Judge Elmer Davies ordered the investigation by the grand jury after it had been asked for by United States Attorney General Tom Clark.

In its findings the jury commended the quick action of Gov. Jim McCord, said the prompt arrival and deployment of State forces (the State guard under Brig. Gen. J. M. Dickinson and the State highway patrol under Chief Lynn Bomar) "in our opinion prevented a bloody race war which threatened to arise out of the heat of excitement following the wounding of a number of officers of the law."

The work of Columbia and Maury County law enforcement was likewise commended. The report said these officers had been impartial in their actions.

The report said there had been unnecessary destruction of property, but went on to declare that after an exhaustive investigation "it has proved wholly impossible to determine the identity" of the persons responsible.

Agents of the Federal Bureau of Investigation were highly praised for the assistance they had given the grand jury.

JURY CONGRATULATED

In a brief statement to the jury after its report had been read by Assistant United States District Attorney A. O. Denning, Judge Davies congratulated the members for rendering "a distinct public service" and charged that persons who "persist in circulating false and malicious rumors * * * render a distinct disservice to both races."

Judge Davies said that "It is apparent from this report that you have made a most exhaustive inquiry of this unfortunate incident. It is obvious that you have been very careful to ascertain the true facts of the matter and I am satisfied that the evidence upon which you have acted will fully sustain the correctness of your report.

"Your official action," he continued, "should put an end to the irresponsible and scurrilous rumors that have been so freely circulated over the entire country, and should be a reassurance to those of both the white and the Negro races who sincerely desire to live in peace and harmony. Any person who hereafter persists in circulating false and malicious rumors will render a distinct disservice to both races in the opinion of this court and cannot possibly have the best interests of this country at heart."

Judge Davies then told the grand jury that he wished he could discharge its members but that "unfortunately other matters have arisen which may make it necessary to call you back in session before the end of the term." He then dismissed the jury until further notice.

Later Judge Davies stated that he could not elaborate upon the matters referred to at this time.

JURORS LISTED

J. F. Richardson, of Hohenwald, was chairman of the grand jury. The other members were Ed Bradley, of Pleasant View; L. V. Brooks, Hartsville; W. C. Jones, Hohenwald; Alex Holt, Byrdstown; W. R. Webb, Waverly; Berry O. Carter, Lebanon; William I. Rogers, Waverly; Jack H. Bradshaw, Lebanon; W. G. Masters, Celina; Joe Cooksey, Nashville; Fred Sawyer, Clarksville; Prince Fishburn, Lafayette; Clyde Jameson, Bradyville; Tom W. Thompson, Lebanon; T. S. Evans, Lebanon; John S. Ledbetter, Nashville, Floyd Gregg, Algood; Fred Clark, Byrdstown; Lester Higgins, Woodbury; Ed Climer, Lebanon; and Herman Webb, Cumberland City.

Discussing the handling of the early stages of the situation by Columbia and Maury County officers, the report said:

In doing so, they acted impartially and with an evident desire to uphold the law and to prevent violence. When the four policemen were shot, the sheriff immediately called on the Governor of the State for assistance, and the Governor's prompt action in getting the State patrol and the State guard to Columbia is to be commended, as is the action of the State forces in sealing off the Mink Slide area, and in preventing any clash between white and Negro citizens. The prompt arrival and deployment of State forces, in our opinion, prevented a bloody race war which threatened to arise out of the heat of excitement following the wounding of a number of officers of the law, who, it is evident, were acting solely in an effort to preserve the peace and to fulfill their sworn duties.

There have been lurid and inflammatory stories published and circulated to the effect that large numbers of people were killed during the racial disorder at Columbia. Two Negroes were killed at the jail, as heretofore set out, and we have found that they were the only Negroes who lost their lives. During the disturbance two Negroes were wounded, one seriously. Two white civilians were wounded, and seven white officers were wounded, one seriously. These are the actual figures concerning the number killed and wounded during the action following the initial trouble on February 25, 1946.

We have found during the course of our investigation that the events transpiring at Columbia have been the subject of Nation-wide misrepresentation. It has been charged that scores of Negroes were killed, that Negro women were raped, that armed mobs roamed the streets of Columbia seeking a victim, and that police officers acted with indescribable brutality. Many of such accounts concerning these events are wholly lacking in factual foundation, and the conclusion is inescapable that they have been manufactured and circulated with the malicious intent and desire to incite racial discord and intolerance and to cause further racial strife.

We have explored the possibility of returning presentments against those sending such pamphlets through the mails, but to our regret, we are advised that the mailing of such pamphlets does not constitute a violation of any Federal statute.

In disseminating such propaganda the avowed Communist press of the country has been especially active, having carried a series of inflammatory articles on the racial disturbances at Columbia. This technique is characteristic and dangerous, and manifestly is designed to foster racial hatred and to array class against class.

In concluding our report we wish to sound a warning that the good citizens of both races be on their guard against insidious and false propaganda. In the opinion of this grand jury nothing is so likely to erode and ultimately destroy peaceful and friendly relations between the races as the dissemination of half-truths and falsehoods such as have been so freely circulated in relation to the events occurring at Columbia.

The report follows:

We, the regular grand jury for the middle district of Tennessee, were convened on April 8, 1946, and charged by Your Honor to make a "full, complete, fair and impartial investigation" into the racial disturbance at Columbia, Tenn., occurring during the week of February 25, 1946, and especially as to the invasion of civil rights in violation of Federal law alleged to have occurred in connection therewith.

Our inquiry has been facilitated by the several reports submitted by the Federal Bureau of Investigation, reflecting an exhaustive and painstaking investigation by that agency in connection with which 390 persons were interviewed for the purpose of securing all facts relating to the disturbance in question.

We have had before us and have examined under oath all persons, both white and colored, who were substantially connected with the disturbance or who were known or believed to be in possession of factual information pertinent and material to this investigation, and we have concluded after careful consideration that there is no evidence before us that would justify an indictment or presentment for the violation of any Federal statute.

Now, in keeping with Your Honor's charge, we further report as follows:

On Monday, February 25, 1946, at about 10 a. m., following a disagreement concerning repairs to a radio a fight occurred in front of a department store located on the public square in Columbia, between two Negroes, Gladys Stephenson and her son, James, and William Fleming, a white employee of the radio section of the department store, and a white passerby.

Police, in response to a call made during the altercation, arrived on the scene and arrested the Stephensons. At the time of the arrests Fleming was inside the store receiving first aid and the arresting officers were not at that time informed that anyone else had participated in the affair.

Reports have circulated in pamphlets and press that the fight was started inside the store by Fleming, by his striking or kicking Gladys Stephenson, and that thereupon James Stephenson came to the defense of his mother. Such reports have no foundation in fact. The undisputed testimony before us shows that the fight commenced between James Stephenson and William Fleming on the street in front of the store. Thereupon the mother, Gladys Stephenson entered the affray in aid of her son. At this stage the above-mentioned passer-by came to the aid of Fleming and engaged in a fight with Mrs. Stephenson. Blows were struck by all parties.

At the outset of the fighting Fleming was propelled through the glass front of the store and received a gash in his leg as a result. From the statements of witnesses situated within the department store, it appears that during the course of the fight Gladys Stephenson seized a piece of glass that had fallen from the shattered window and struck Fleming with the same, at about which time she

was assaulted by the white passer-by hereinbefore mentioned.

Both the Stephensons and the city police officers responsible for their arrest have appeared before us and have testified fully, under oath, concerning the circumstances thereof. It is undisputed that in the course of arresting Gladys Stephenson a city police officer struck her with a night stick. From all of the evidence before us, it appears that the force used by the arresting officer in this respect was neither brutal nor wanton but was reasonably necessitated in the course of overcoming resistance to the arrest. It is undisputed that James Stephenson was not struck or harmed during the course of the arrest and that neither he nor his mother was subjected to any physical mistreatment throughout the period of their incarceration. At the city jail the Stephensons were charged with a breach of the peace before the city magistrate; on their pleas of guilty they were each fined $50.

While the Stephensons were still in custody warrants charging them with assault with intent to commit murder, sworn out by the father of William Fleming, were served on them and they were thereupon transported to the county jail.

After receiving first aid Fleming was transported to the hospital where he remained until the following day. The identity of the white passer-by, who engaged in the fight, was and remains unascertained. It is our considered opinion that the responsibility for aggression in this assault is not determinable in view of the direct conflict in testimony supplied by the known participants in this connection. The evidence before us establishes that the Stephensons were the only persons arrested in connection with this disturbance of the peace although police officers, subsequent to the arrest, learned of the part played in the affair by Fleming and the passer-by who assisted him.

As is not unusual in the world of men, it is abundantly evident that throughout the day, in recounting the circumstances of the fight and the ensuing events, fact and fancy were freely intermingled in the accounts of white as well as colored citizens—especially among the less stable elements of both races. Among the group of white people attracted by the fight, indignation at the occurrence was expressed, and the matter was discussed on the streets of Columbia thereafter during the day. In the Negro districts of Columbia a rumor was circulated to the effect that a white man had bought a rope, stating that he intended to hang a Negro with it.

A thorough investigation involving inquiry at all Columbia business establishments engaged in the sale of rope has failed to lend any factual reality to the occurrence thus rumored, and diligent inquiry among the Negro citizens of Columbia has likewise failed to lend the slightest substantiation thereto.

Throughout the afternoon following the Stephenson-Fleming fight, small groups of white individuals gathered from time to time on the public square and in the streets nearby. The sheriff and his deputies and the chief of police and his force moved freely among such groups and dispersed them without difficulty. These groups, the majority of which were composed of teen-aged youths were unarmed and were responsive to orders. To city and county officials there appeared to be no manifestation of mob spirit and no organized leadership was evident among the persons thus assembled.

At approximately 5 p. m. the Stephensons were released from custody on bond. Following their release the mother was first driven to her home in Columbia, and thereafter James Stephenson was driven to "Mink Slide," a Negro district devoted exclusively to business and located one block south of the public square, on East Eighth Street, between South Main and Woodland Streets.

At the time of James Stephenson's arrival in "Mink Slide," armed and unarmed Negroes had gathered and were continuing to gather in the area, having come from other sections of Columbia and the surrounding countryside. By the evidence of several Negro witnesses it appears that such witnesses, activated by the rumor of a possible lynching, armed themselves and assembled in the "Mink Slide" area for the purpose of protecting James Stephenson from mob violence. Evidence supplied by several other Negro witnesses establishes that said witnesses circulated throughout the "Mink Slide" area during Monday afternoon and evening with no genuine apprehension of impending trouble, having discounted the rumor as baseless in fact, which it has since proved to be. By the testimony of these latter witnesses it is apparent that many of the Negroes then assembled in "Mink Slide" were not appreciably alarmed over the safety of James Stephenson or the likelihood of any serious outbreak between white and Negro citizens. The evidence is undisputed that following his release on bond upon his arrival at the "Mink Slide" area at approximately 5:30 p. m., James Stephenson mingled freely and openly with other Negroes on the street in front of, and within several business establishments, and that at approximately 6 p. m. he entered the barber shop of Sol Blair and casually procured a haircut and shoe shine. The evidence is likewise undisputed that at approximately 6:30 p. m., James Stephenson drove his girl friend from the "Mink Slide" area to her home in the colored residential section of Columbia, passing en route around the city square without molestation in any form, returned to the "Mink Slide" section and entered Patton's residence where he had some drinks. That after leaving Patton's restaurant he again entered Sol Blair's barber shop, secured a rifle from a stack of weapons there assembled and in company with approximately 25 other armed Negroes climbed to the roof of the building and maintained a lookout, without incident, in the direction of South Main Street. The evidence is likewise undisputed that some time between 7:30 and 8 p. m., James Stephenson descended from the roof and in company with three other Negroes entered an automobile which was then parked on East Eighth Street and, thereafter, without molestation, drove to Nashville, Tenn., where he boarded a train for Chicago, Ill.

At 6 p. m., after receiving information of the situation in "Mink Slide," the sheriff of Maury County went to that area and found there over 100 Negroes, a third of whom were openly bearing arms, on the street. He walked among the Negroes, told them there would be no trouble from the white people, and asked them to disarm and return to their homes.

Some 30 minutes after leaving "Mink Slide," or about 6:30 p. m., the sheriff called James Morton, a prominent Negro, at his funeral establishment in "Mink Slide," and asked him if the Negroes were still armed and on the street. Being informed that they were, the sheriff asked Morton to tell the Negroes that if they did not disband he would enter the area with sufficient force to arrest those under arms. At approximately 7 p. m. city policemen went to "Mink Slide" and told the Negroes there congregated that there would be no violence done them by the white people, that the white people were completely under control, and ordered the Negroes to disarm and disperse. Other Negroes armed and unarmed continued to arrive in "Mink Slide." Evidence as to the total number of Negroes congregated in the block-long business section ranged from two to four hundred. Shortly after darkness fell the Negroes extinguished all light in "Mink Slide." The evidence is undisputed that certain armed Negroes made demand upon proprietors of several colored business establishments to extinguish their lights and upon refusal shot such light out with gunfire. As a Negro undertaker (not James Morton) drove through the area on business, his car was fired upon. The car of a tourist from California who lost his way and drove through the area was also fired upon.

At about 8:30 p. m., a group of 20 to 30 white persons, the majority of whom were teen-age boys, went to the county jail and demanded to know the whereabout of the Stephensons. The sheriff, machine gun in hand, answered their demand by arresting two drunken white men who appeared to be the leaders of the group, and dispersed the remainder, who appeared to be unarmed.

At about 9 p. m., the chief of police, with three of his uniformed officers, decided to enter the "Mink Slide" area and to investigate and put a stop to the shooting which was intermittently occurring in that area. The officers crossed the lighted intersection of East Eighth Street with South Main Street, and proceeded into "Mink Slide" for a distance of approximately 75 feet. At this point they were met by aimed shotgun fire. All four officers were struck, and one of them was critically wounded. The officers did not return the fire or draw their guns, but taking cover as best they could they withdraw from the scene and sought medical aid.

In certain pamphlets and press articles which have come to our attention it has been asserted that when the city police officers proceeded into the "Mink Slide" area they were accompanied by a crowd of armed white men. We have found no evidence whatsoever that tends to substantiate such assertion. However, as word of the assault on the officers spread, armed white people began to assemble on the public square and on South Main Street near the entrance to "Mink Slide."

With one exception, the evidence is undisputed that no white citizen, saving local officials, were observed to be bearing arms until after the shooting of the policeman. The exception noted appears in the testimony of one Negro, who stated that at approximately 6:30 p. m., while driving around the public square, he observed three armed white men but that he didn't notice what kind of guns they carried.

Realizing that violence threatened, the sheriff called the Governor of Tennessee and asked for assistance. This call was made at about 9:30 p. m., and immediately thereafter elements of the Tennessee State Guard, and the State highway patrol were alerted and ordered to proceed to Columbia at once. Elements of these organizations headed by Brig. Gen. J. M. Dickinson and Commissioner of Safety Lynn Bomar (head of the highway patrol) began arriving in Columbia within an hour.

While it is now clear from all of the evidence that many of the Negroes congregated in "Mink Slide" left the area following the shooting of the city police officers, State and county officials were unaware of the number of armed men barricaded in the business establishments throughout the night. General Dickinson and Commissioner Bomar conferred with the sheriff on their arrival in Columbia, decided to seal off and isolate the "Mink Slide" area, and to attempt no entrance into the area until daybreak. As fast as they arrived and were available for guard duty, highway patrolmen were stationed at the several street intersections encompassing the "Mink Slide" section in keeping with the course of action decided upon.

Intermittent gunfire was heard in the "Mink Slide" area throughout the balance of the night. Two white men attempted to enter the area and were wounded slightly by shotgun fire. Two armed Negroes were arrested as they attempted to enter "Mink Slide." At about 3 a. m. Tuesday, February 26, 1946, officers entered the home of

James Morton, located on the corner of East Eighth and Woodland Streets but a few feet distant from a guard-post which had been maintained by the State guard and highway patrol throughout the night. The officers there arrested 12 Negroes and seized a quantity of arms and ammunition.

Shortly after daybreak the highway patrolmen stationed at the intersections of Woodland and South Main Streets with East Eighth Street accompanied by the Sheriff, advanced into "Mink Slide." As they advanced they announced that no person surrendering would be harmed. As the officers came abreast of Sol Blair's barber shop they were met by shotgun fire from within, three of the officers being slightly wounded as a result. Members of the Highway Patrol, armed with machine guns, rifles and shotguns, thereupon opened fire directing the same toward the interior of the barber shop. Continuing to voice the demand that the occupants surrender peaceably the officers forced an entrance into the barber shop and arrested its two Negro occupants, who were wholly unharmed despite the gunfire preceding the arrest. The officers then proceeded as before; they came to a building containing a lodge hall on its second floor, the entrance to which was padlocked. Despite gunfire emanating from the building, a group of highway patrolmen forced an entrance and proceeded upstairs, where they arrested a number of Negroes. It was at this point that a Negro, John Black, was struck on the head with a gun butt by a highway patrolman. The blow knocked him down and he was seriously injured. The testimony with respect to the circumstances surrounding this incident is in conflict. The Negro witnesses state that Blackwell was not armed. Highway patrol officers making these arrests have testified that Blackwell emerged from an ante room and aimed a shotgun at them and that he was struck on the head as a measure of self defense. Following their arrest at the lodge hall all Negroes in the building were removed. Blackwell, whose picture (as he lay in the street before the entrance to the lodge hall) has been widely reproduced, was taken to the hospital by an officer of the State Guard. He was subsequently removed to the jail where he was separately confined, and later was transferred to a hospital in Nashville.

Approximately 30 Negroes were arrested, and a quantity of arms and ammunition seized, in the "Mink Slide" area. As a result of the gunfire one Negro was wounded in the arm. On information obtained from the Negroes under arrest as to those present in "Mink Slide" when the officers were fired upon, further arrests were made, bringing the total apprehended to approximately 100.

After conferring with the Governor of Tennessee and the State attorney general, and at their direction, the sheriff, aided by some 60 members of the State guard, conducted a search of the territory immediately adjacent to the "Mink Slide" area. During this search approximately 250 guns of various descriptions were seized. The search was indiscriminate; weapons were taken from Negro and white citizens alike.

Paul P. Bumpus, district attorney general for Maury and other counties, with the assistance of the few other local officials at hand, began an investigation of the assault on the police officers immediately after the arrests of February 26, questioning all Negroes in confinement. Of the number arrested, approximately 40 were released after questioning without charges being placed against them, and without being required to make bond.

On Thursday, February 28, 1946, three Negroes, James "Digger" Johnson, Willie Gordon, and Napoleon Stewart, were questioned, informed that they would be permitted to make bond in nominal sums, and thereafter be released. Pending execution of their bonds these three Negroes were placed in the sheriff's office, located on the first floor of the Maury County jail. A large quantity of guns seized during the arrests and the search heretofore mentioned were stored in the office. Two deputy sheriffs were in the room with the Negroes, one of them, Deputy Darnell, was in the act of telephoning. The other, Deputy Pennington, was lying across a bed. A newspaper photographer was likewise in the room and was then engaged in loading his camera. At this point Johnson and Gordon were observed to seize guns from a group of weapons stored against the wall. Deputy Darnell dropped the telephone and seized the gun in the hands of Gordon. At the same moment Johnson fired, wounding Darnell in the arm. Hearing shots, highway patrolmen outside the office rushed to the doorway, saw Gordon aiming his gun in their direction, and began firing at the Negroes. The officers continued firing until both Gordon and Johnson fell. During the firing the third Negro, Napoleon Stewart, backed into a corner and stood there with his hands raised. Commissioner Bomar obtained an ambulance by which Johnson and Gordon were removed to the hospital, where they received treatment. On the advice of attendant physicians, the Negroes were rushed by ambulance to Nashville. Both Negroes died en route.

After the shooting of these Negroes, 40 of the confined Negroes were transferred to the county jail at Nashville, Tenn. They were returned to Columbia on the following day. As the questioning and investigation proceeded, bonds were fixed, and upon execution the Negroes questioned were released from custody.

After the arrest of the Negroes found in "Mink Slide" on Tuesday, various business establishments, the fixtures therein, and certain personal property located in "Mink Slide" and particularly the properties of James Morton, Sol Blair, and Julius Blair, were found to be in a wrecked and damaged condition. The proprietors of several of the business establishments assert that merchandise and other valuable items of personal property were carried away from their premises during the course of the disturbance.

The evidence before us establishes that a portion of the damage was done by the Negroes occupying the premises throughout the night and prior to their arrest, and that extensive damage also resulted from gunfire immediately preceding and during the course of the arrests. It is likewise clear that much of the damage was wantonly committed after the arrest of the Negroes, and while the area was under the control of the highway patrol and members of the Tennessee State Guard.

It is manifest from the evidence of willful destruction of property that during the confusion and excitement arising in connection with the extensive gunfire and the ensuing arrests that an efficient and adequate guard was not maintained throughout the "Mink Slide" area for a period of several hours thereafter. Throughout this period divers civilians, including newspaper reporters and photographers and many members of the Tennessee State Guard entered the "Mink Slide" area and several business establishments situated therein. During, and for some hours following the arrests, divers highway patrolmen likewise entered and re-entered the buildings in this area. By dint of the most painstaking investigation all persons known to have been present in the "Mink Slide" section throughout the period in question have been interrogated searchingly and at length and we have diligently examined all witnesses before us in an effort to ascertain the identity of the person or persons committing these acts of vandalism.

As recently announced by the foremen in open court it was the desire of this grand jury to remain in session and to continue our efforts to fasten responsibility for such property destruction. Despite the fact that we have exhausted every reasonable avenue of inquiry it has proved wholly impossible to determine the identity of such person or persons or to elicit facts upon which to predicate an indictment in this respect.

We have also particularly considered certain other matters, and have carefully viewed the action of the law enforcement officers with respect thereto to the end that any officer depriving an inhabitant of Columbia during this disturbance, of a right secured to him by the Constitution, laws of the United States, or decisions interpreting them, be made to answer an indictment of his conduct. Among these matters are widely circulated charges that the Negroes of Columbia were subjected to mass and indiscriminate arrests, that their homes were subjected to unreasonable search and their weapons to unjustifiable seizure, that excessive force was used in making the arrests; that prisoners were subjected to brutality while in confinement, were denied the right to counsel, were made to incriminate themselves, and were confined for unreasonable lengths of time, being denied the right to bail.

The police officers, when shot, were in full uniform and were fired upon immediately after crossing a lighted intersection. Negro witnesses in "Mink Slide" at the time testified that uniforms were clearly distinguishable in the light at the intersection. The felonious assault was committed by unknown persons in a general area and probable cause therefore existed to believe that those in the area had participated in the assault, were accessories thereto, or were in possession of knowledge concerning the same. The arrests made on account of the assault were therefore lawful. Arrests made for the lawful purpose of preserving the peace and security of society are in violation of no man's civil rights.

There is evidence before us that during the course of the arrests certain Negroes were struck by the arresting officers. The evidence establishes that such incidents occurred as a result of a failure to comply with orders of the arresting officers. The Negroes appearing before us from that group arrested in "Mink Slide," have testified that some of their number were unnecessarily struck during the course of such arrests. They have sworn that after their arrest they were not subjected to physical abuse. Considering the basis of the arrests and the tense and dangerous atmosphere under which the arrests were accomplished, it is the considered judgment of this body that the force shown to have been used was not unreasonable.

We consider the killing of the Negroes Johnson and Gordon justifiable homicide. The testimony of eyewitnesses, including Napoleon Stewart, admits of no other interpretation.

In the evidence before us, it affirmatively appears that during their confinement the prisoners were not subjected to brutality or denied the right to counsel. The testimony before us establishes that before they were questioned all prisoners were advised of their constitutional right not to incriminate themselves. In the light of all of the circumstances prevailing prisoners were allowed to make bond and were released from custody without unreasonable delay. The searches and the seizure of weapons in the homes adjacent to the "Mink Slide" area were made at the direction of the Governor of Tennessee, and were not, in our opinion, unreasonable.

During the late afternoon and evening of February 25, 1946, the Sheriff of Maury County and the Chief of Police at Columbia were confronted with a grave and menacing situation. They made every effort to disperse the crowds and to prevent any clashes between the races. In doing so, they acted impartially and with an evident desire to uphold the law and to prevent violence.

When the four policemen were shot, the sheriff immediately called on the Governor of the State for assistance, and the Governor's prompt action in getting the State Patrol and the State Guard to Columbia is to be commended, as is the action of the State forces in sealing off the "Mink Slide" area, and in preventing any clash between white and Negro citizens. The prompt arrival and deployment of State forces, in our opinion, prevented a bloody race war which threatened to arise out of the heat of excitement following the wounding of a number of officers of the law, who, it is evident, were acting solely in an effort to preserve the peace and to fulfill their sworn duties.

There have been lurid and inflammatory stories published and circulated to the effect that large numbers of people were killed during the racial disorder at Columbia. Two Negroes were killed at the jail, as heretofore set out, and we have found that they were the only Negroes who lost their lives. During the disturbance two Negroes were wounded, one seriously. Two white civilians were wounded, and seven white officers were wounded, one seriously. These are the actual figures concerning the number killed and wounded during the action following the initial trouble on February 25, 1946.

We have found during the course of our investigation that the events transpiring at Columbia have been the subject of Nation-wide misrepresentation. Falsehoods and half-truths have been widely publicized by letter and pamphlet under the sponsorship of various organizations. It has been charged that scores of Negroes were killed, that Negro women were raped, that armed mobs roamed the streets of Columbia seeking a victim and that police officers acted with indescribable brutality. Many of such accounts concerning these events are wholly lacking in factual foundation, and the conclusion is inescapable that they have been manufactured and circulated with the malicious intent and desire to incite racial discord and intolerance and to cause further racial strife.

We have explored the possibility of returning presentments against those sending such pamphlets through the mails, but to our regret, we are advised that the mailing of such pamphlets does not constitute a violation of any Federal statute.

In disseminating such propaganda the avowed Communist press of the country has been especially active, having carried a series of inflammatory articles on the racial disturbances at Columbia. This technique is characteristic and dangerous, and manifestly is designed to foster racial hatred and to array class against class.

In concluding our report we wish to sound a warning that the good citizens of both races be on their guard against insidious and false propaganda. In the opinion of this grand jury nothing is so likely to erode and ultimately destroy peaceful and friendly relations between the races as the dissemination of half-truths and falsehoods such as have been so freely circulated in relation to the events occurring at Columbia.

Mr. STEWART. Mr. President, I should like to refer now to several of the highlights of the report. I wish this report to be given as much publicity as possible, because of the fact, as I stated at the outset, that it shows that after many weeks of careful investigation by a constitutionally authorized body, a grand jury appointed by a court, it was found that no Federal rights were involved or violated in the unfortunate affair, which arose over a more or less trivial incident—a fight between a white boy and a colored boy.

As I have said, I wish as much publicity as possible to be given to the findings of the grand jury, and it is important to do this, in view of the fact that many irresponsible reports have been made concerning the trouble. Much loose talk was passed from mouth to mouth, and several different stories, utterly misrepresenting the situation there, were carried in various publications, both newspapers and magazines, throughout the country.

I repeat, Mr. President, the report of the grand jury comes as the result of a very painstaking, very careful, and apparently quite exhaustive investigation which was made with the help and the aid of agents of the Federal Bureau of Investigation, of the United States Government.

At this point, I should like to read a few excerpts from the report and the newspaper comment on it. I read first from the newspaper comment, as follows:

Reporting today on its investigation of the Columbia race disorders, the Federal grand jury declared it found no evidence of civil rights violations, and assailed "nation-wide misrepresentations" through the circulation of pamphlets dealing with the incident of last February.

The report declared these pamphlets constituted malicious intent to incite racial discord and intolerance.

The jurors said the Communist press had been especially active, having carried a series of inflammatory articles on the racial disturbances.

Federal Judge Elmer Davies ordered the investigation by the grand jury after it had been asked for by United States Attorney General Tom Clark.

In its findings the jury commended the quick action of Gov. Jim McCord, said the prompt arrival and deployment of State forces—the State Guard under Brig. Gen. J. M. Dickinson and the State highway patrol under Chief Lynn Bomar—"in our opinion prevented a bloody race war which threatened to arise out of the heat of excitement following the wounding of a number of officers of the law."

Mr. President, the grand jury report was commented upon by the Federal judge, Judge Davies, in these words:

It is apparent from this report that you have made a most exhaustive inquiry of this unfortunate incident. It is obvious that you have been very careful to ascertain the true facts of the matter and I am satisfied that the evidence upon which you have acted will fully sustain the correctness of your report.

Your official action should put an end to the irresponsible and scurrilous rumors that have been so freely circulated over the entire country, and should be a reassurance to those of both the white and the Negro races who sincerely desire to live in peace and harmony. Any person who hereafter persists in circulating false and malicious rumors will render a distinct disservice to both races, and in the opinion of this court cannot possibly have the best interests of this country at heart.

At the completion of its report, the grand jury states the following:

In concluding our report we wish to sound a warning that the good citizens of both races be on their guard against insidious and false propaganda. In the opinion of this grand jury nothing is so likely to erode and ultimately destroy peaceful and friendly relations between the races as the dissemination of half-truths and falsehoods such as have been so freely circulated in relation to the events occurring at Columbia.

Mr. President, the incident at Columbia involved a fight which occurred between a colored boy and a white boy. However, one thing brought on another; and, before long, various rumblings which were circulated about the town indicated that the trouble might spread and cause a race riot. The Governor of Tennessee, Governor Jim McCord, was notified by the sheriff of Maury County, and Governor McCord immediately sent State patrolmen to the scene. They held the situation well in hand, without any great difficulty, until a group of National Guardsmen came there to relieve them, having been summoned, likewise, by the Governor of the State, Governor McCord.

The grand jury report, as indicated by the portion which I read a moment ago, commends the Governor of Tennessee for his quick action in this matter.

Mr. President, race questions are sometimes very serious and extremely dangerous. The population of every State in the Union—not only of the Southern States, but of all the States—is composed of members of various races. It is the earnest desire of most well-thinking people to have the members of the various races continue to live in this country, and to continue on a peaceful basis. Indeed, it is the earnest desire of all the people of the United States that peace continue to reign, especially in the relationship between the white man and the black man.

Mr. President, for the past 25 years wonderful progress in the South has been made in bringing about better feelings between the white man and the black man. The progress which has been made in Tennessee and other Southern States is indeed remarkable. There are very few communities in Tennessee at least—and I believe the same is true of almost all other sections of the South—where great improvements have not been made within the past 25 years. The greatest improvements for colored people are perhaps with respect to the schools. Schools which have been established for the use of the colored students are as good as those which have been established for the use of white students. They are comfortable, sanitary, and colored teachers are paid on the same basis as are the teachers who serve in the white schools. Conditions have improved rapidly, too. Twenty-five years is a short span of time when compared with the number of years which our Government has existed.

Mr. President, when the incident to which I have referred occurred at Columbia, the press of the country, including certain types of magazines and newspapers, carried stories relating to the occurrence which were utterly untrue. Pictures and pamphlets were circulated throughout the country with the intention of inflaming the black man against the white man. Irresponsible newspaper reporters wrote articles which were not true, and some of them were published in important daily publications throughout the country. But I have not seen very much prominence given to the report of the grand jury which I have had inserted in the CONGRESSIONAL RECORD.

An article was carried in the Washington Post concerning the investigation

by Mrs. Meyer, who visited Columbia, she said, during the investigation. That report appeared in the May 20 issue of the Washington Post. The article was very critical of the people of the South. Her story dealt disparagingly with the poor whites, as she called them, as well as with other kinds of white persons whom we are supposed to have in Tennessee. I was told by the Governor of Tennessee, who responded so promptly to the call which was made at the time the riot began, that Mrs. Meyer called his office in Nashville and talked with him about the part he had played in calling out the troops in suppressing the insurrection. He asked Mrs. Meyer to remain in Tennessee as the guest of the State, and to go to some of the colored sections in Davidson County, or in any other part of the State which she might desire to visit, in an automobile which he would furnish her to be driven by a chauffeur which he would also furnish. He stated to her that he would be glad to accompany her on such an inspection trip. He wanted especially to have her see the fine colored schools. Mrs. Meyer was in a hurry, however, and did not make the investigation. She had an opportunity to view a picture which she should have looked at before undertaking blindly to criticise—however there are none so blind as those who will not see.

Mr. President, we are called upon to exercise tolerance. It should be exercised by everyone. But the application of the rule of tolerance should be as much to one side of the line as to the other.

Racial questions are always touchy and always will be. We in the South have worked to solve problems between races. But they will never be solved so long as there are persons who desire to prevent a solution, and who continue to stir up strife and discord, and to publish untrue articles about things which have not occurred.

Mr. President, I hope that the report of the grand jury which investigated the unfortunate incident at Columbia, Tenn., will be read by every Member of the Senate. I hope also that many other persons will read it, and that it will be pointed to and consulted as being a report which was made as a result of an honest effort on the part of honest people who do not want race prejudice to occur and who want both black and white people treated equally and fairly before the law. Mr. President, I do not condone what occurred in Georgia the other day, and neither does any other Senator. It was most unfortunate and the guilty should be punished. The people of the South desire to see that peace is maintained between the white man and the black man, and if left alone and not disturbed by agitators and others who have no honest desire for peace in their hearts, such as those of the communistic type referred to in the report, we will all get along.

Incidentally, Columbia, Tenn., is in the heart of one of the finest sections of my State. It is the home of a former President of the United States, James K. Polk. His home stands there today as a shrine, and it is visited daily by people from all sections of the country.

Mr. President, I am sorry that this subject has been heretofore reported on so unfairly by persons who have not seemed to want to make an investigation to the end that the truth might be learned before undertaking to report upon it.

It is the outside agitator, the Communist, that we have most to fear.

ACCEPTANCE OF COMPULSORY JURISDICTION OF INTERNATIONAL COURT OF JUSTICE

Mr. MORSE. Mr. President, I move that the Senate proceed to the consideration of Senate Resolution 196, and, as a parliamentary inquiry, I should like to know, first, whether my motion is in order; second, if it is in order, whether the effect of the adoption of the motion would be to displace the anti-poll-tax bill; and, third, whether or not the motion is debatable, so as to permit me to make an explanation as to why I make the motion at this time.

Mr. STEWART. Mr. President, I did not understand the statement of the Senator.

The PRESIDING OFFICER. The motion is debatable. If the motion is agreed to, it will displace the pending business.

Mr. MORSE. I wish to make a very brief statement in explanation of why I think it of vital importance——

Mr. CONNALLY. Is the Senator now making the motion, or not?

Mr. MORSE. I have made the motion.

Mr. CONNALLY. If the motion is carried, it will displace the poll-tax bill.

The PRESIDING OFFICER. The Senator's statement is correct.

Mr. BARKLEY. I was hoping the Senator from Oregon would wait until the senior Senator from Utah [Mr. THOMAS] arrived in the Chamber. The Senator from Utah was chairman of the subcommittee of the Committee on Foreign Relations which handled this matter. The whole committee is supporting the Senator from Utah, and we expected that he would be the one to call it up before the Senate.

Mr. MILLIKIN. Mr. President, a parliamentary inquiry.

The PRESIDING OFFICER. The Senator will state it.

Mr. MILLIKIN. What is before the Senate?

The PRESIDING OFFICER. The clerk will state the resolution.

The CHIEF CLERK. A resolution (S. Res. 196) proposing acceptance of compulsory jurisdiction of International Court of Justice, by United States Government.

The PRESIDING OFFICER. A motion to consider the resolution is pending.

Mr. MILLIKIN. Does it take unanimous consent to consider the resolution?

The PRESIDING OFFICER. The Senator from Oregon made a motion to consider it.

Mr. MORSE. Mr. President, by way of explanation——

Mr. BARKLEY. May I ask the Senator from Oregon if he wants to proceed with the motion at this time?

Mr. MORSE. I wonder if the majority leader would listen to my speech, because in the course of the explanation, I want to suggest, if it can be worked out, that we have an understanding to proceed with the resolution tomorrow, at least making it unnecessary for me to suggest the absence of a quorum tonight.

Mr. BARKLEY. I may have misunderstood the Senator when he came to me privately about this matter. I got the impression that he intended to make the motion tomorrow. I may have misunderstood him.

Mr. MORSE. I assure the Senator from Kentucky that he completely misunderstood me, that there was not anything I said that would be subject to such an interpretation, so far as my intent was concerned.

Mr. BARKLEY. I am supporting the resolution for the world court, voted for it in the committee, and it does not matter to me whether it is voted on this afternoon or tomorrow; but I did get the other impression.

Mr. MORSE. The impression I got from the majority leader was that not only was there a great possibility but that in all probability such a motion would not be made unless the Senator from Oregon made it.

Mr. BARKLEY. I did not get such an impression as that, because when the Senate first met today the Senator from Utah was here and ready to make the motion, and wanted to make the motion, but on account of the parliamentary situation at that time, he did not do so.

Mr. MORSE. I am sorry the Senator from Utah is not present, but he can read this statement in the RECORD tomorrow morning, and I am sure he will verify the facts stated, because the junior Senator from Oregon has talked to the Senator from Utah, and the Senator from Utah has no objection to the Senator from Oregon making this motion, but the Senator from Utah did not suggest that the Senator from Oregon make it.

Mr. BARKLEY. I am not suggesting that the Senator from Utah did; but the Senator from Utah was here and wanted to make the motion, and it was not possible, under the conditions at the time he was interested in making it, for it to be considered. It is immaterial to me who makes the motion. I am for the motion, no matter who makes it.

Mr. MORSE. I have no intention of calling for a vote on the motion in the absence of the Senator from Utah, but I am going to make my motion, and I should like to make an explanation as to why I think it important that the motion be made.

Mr. CONNALLY. Mr. President, I make the point of order that this resolution should properly go to the Executive Calendar instead of the Legislative Calendar, because it expresses the concurrence and advice of the Senate to the President; so it has no place on the Legislative Calendar.

The PRESIDING OFFICER. The resolution was reported as a legislative proposition. The Chair is of the opinion it is in order.

Mr. CONNALLY. If the Chair will read the resolution, he will find it is not joined in by the House of Representatives at all. It calls for action only by the Senate.

Mr. BARKLEY. The Senator from Texas suggested the same thing to me,

and it occurred to me at first that it should be on the Executive Calendar, but on second thought it is not a treaty, to be put on the Executive Calendar in the same sense an ordinary treaty would be, to be considered in executive session. Therefore I must take the position that being a resolution of approval, an endorsement, a committal, and not being a treaty between this country and some other country, probably it is properly on the Legislative Calendar.

The PRESIDING OFFICER. The majority leader sustains the Chair.

Mr. MURDOCK. Mr. President——

The PRESIDING OFFICER. Does the Senator from Oregon yield to the Senator from Utah?

Mr. MORSE. For what purpose?

Mr. MURDOCK. Has the Chair ruled on the point of order made by the Senator from Texas?

The PRESIDING OFFICER. The Chair has ruled on the point of order.

Mr. MURDOCK. I should like to make the observation that if this involves legislation, and is a legislative matter, it is beyond the comprehension of the Senator from Utah how the Senate can possibly take exclusive action without referring it to the House of Representatives and then to the President. Certainly the Constitution provides that any legislative matter, any resolution or any bill proposing legislation, must, if passed by the Senate, be sent to the House, and the House must concur in it and send it to the President of the United States.

Notwithstanding the ruling of the Chair, and with all due respect to the present occupant of the chair, it seems to me that to hold that this is a legislative matter, and still hold that it does not need to go to the House, is certainly contrary to the Constitution of the United States, whether or not it conforms to the rules of the Senate.

Mr. BARKLEY. Mr. President, this resolution is based upon the agreement of the United States heretofore entered into when it became a member of the United Nations. It is a part of the United Nations set-up. The resolution itself starts by saying "That the Senate," and in the United Nations Charter, as I recall, provision is made that this International Court shall be approved by the Senate of the United States, not by the Congress.

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

Mr. BARKLEY. I yield.

Mr. AUSTIN. I dislike very much to have the Senate proceed on the theory that it is a provision in the treaty, for it is not. The statute of the Court is made an integral part of the treaty, and the statute of the Court, provides that any member may signify, by a declaration, its recognition of the ipso facto jurisdiction of the Court. Therefore the only question that arises is, How does a state signify its adherence to that provision? The matter came up in the subcommittee of the Senate Committee on Foreign Relations, and was very thoroughly studied. We had before us, representing the American Bar Association and representing the State Department, lawyers who would be especially qualified to speak on this subject. It was their opinion that there were two methods by which the Government of the United States could make its declaration. One was by a bill, to be passed by both Houses, but the other seemed preferable, and it was the method of getting the advice and consent of the Senate, as in the case of adherence to a treaty. That requires a two-thirds vote of the Senate.

Mr. BARKLEY. That is true.

Mr. AUSTIN. That is the way the resolution adopted at the San Francisco Conference is set up. But the statute of the Court does not say that the Senate may make the declaration. It does not undertake to decide that question. Each country must for itself decide the question.

Mr. BARKLEY. Under its own constitutional processes.

Mr. AUSTIN Yes.

Mr. BARKLEY. That does not controvert the statement that the Court of International Justice is a part of the set-up of the United Nations.

Mr. AUSTIN. That is correct.

Mr. BARKLEY. It comes about by virtue of it; and that the statute which has been adopted for the Court is a part of the general program under the United Nations. I think I am correct about that.

Mr. AUSTIN. That is correct, it is an integral part.

Mr. BARKLEY. An integral part. So that the Committee on Foreign Relations, having a choice as between a resolution, to be adopted by two-thirds of the Senate, and a joint resolution or bill, to be passed on by both Houses by a majority, either one of which courses could have been pursued, has decided that the resolution formula is the course we should pursue, and in this case a two-thirds vote will be required, instead of a majority.

Mr. CONNALLY. Mr. President, will the Senator yield to me?

Mr. MORSE. I yield.

Mr. CONNALLY. Section 2 of article 36 of the Charter of the United Nations reads as follows:

> The states parties to the present statute may at any time declare that they recognize as compulsory ipso facto and without special agreement, in relation to any other state accepting the same obligation, the jurisdiction of the Court in all legal disputes concerning:

And then it gives a category of causes that it may act upon.

Mr. President, the Charter says "the states party to the present statute." I confess that my own predilection is that this is a matter that can very properly be acted upon by both the Senate and the House since the article contains the word "states." Certainly the states can give consent, through their constitutional processes, by enactment of a statute saying that they give consent.

The House of Representatives has pending before it a resolution contemplating action by both bodies. But, as suggested by the Senator from Vermonth [Mr. AUSTIN] the Senate committee, after considering the matter quite thoroughly, came to the conclusion that it could be done properly by either method just as efficaciously, the one giving the consent of the Senate in the form of advice and consent to the President, and that the President should then file notice with the United Nations Organization that the United States adheres to the compulsory jurisdiction clause.

Mr. AUSTIN. Mr. President, will the Senator from Oregon yield for one more matter?

Mr. MORSE. Yes.

Mr. AUSTIN. I should like to read into the RECORD at this point from the report of the committee on page 10:

> Inasmuch as the declaration would involve important new obligations for the United States, the committee was of the opinion that it should be approved by the treaty process, with two-thirds of the Senators present concurring. The force and effect of the declaration is that of a treaty, binding the United States with respect to those states which have or which may in the future deposit similar declarations. Moreover, under our constitutional system the peaceful settlement of disputes through arbitration or judicial settlement has always been considered a proper subject for the use of the treaty procedure. While the declaration can hardly be considered a treaty in the strict sense of that term, the nature of the obligations assumed by the contracting parties are such that no action less solemn or less formal than that required for treaties should be contemplated.

Mr. MORSE. Mr. President, I shall not repeat the remarks I made earlier this afternoon. I only wish to say that every intuitive cell in my body convinces me that it is of the utmost importance that the Senate of the United States vote upon this resolution before it adjourns. As I indicated earlier this afternoon, I know of no responsibility more grave resting upon our shoulders than to demonstrate by action to the peoples of the world that we believe that international disputes within the boundaries of international law, and in accordance with the terms of this resolution, should be settled by way of the World Court. I do not see how we can possibly go home with the world upset and torn as it is without adopting this resolution. I have talked about it to a great many Members of this body. I am absolutely convinced that if it can be brought to a vote there is no question that the resolution will be adopted. Support for this resolution throughout the United States is so overwhelming, so well founded in fact and logic, that I know the Members of this body are not going to escape the inevitable conclusion that they must reach—namely, that there is no valid reason for not adopting the resolution at this time.

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

Mr. MORSE. I yield.

Mr. MILLIKIN. We cannot reach that conclusion, I will suggest to the Senator from Oregon, until we have full debate of the subject. I do not know of anything more important we can do, but I think we may be a little profligate in rushing this through in the closing hours of the session.

Mr. MORSE. I am certainly not in favor of rushing it through. I am in favor, if it takes longer than the junior Senator from Oregon now thinks it may take, to stay here and take the time

necessary, because I believe it is clearly our responsibility to adopt this resolution.

Mr. MILLIKIN. Mr. President, will the Senator again yield?

Mr. MORSE. I yield.

Mr. MILLIKIN. Considering its importance, if it be considered that as a matter of national exigency we should adopt the resolution, then I, too, would be willing to stay. I certainly would not be willing that the resolution be rushed through the Senate in the closing hours of this session without the fullest debate.

Mr. MORSE. I want the fullest debate.

Mr. MILLIKIN. Because I cannot think of anything more important from an international standpoint. Personally, I should like to see something brought before the Senate that would enable me to vote for adherence, but I want to know what I am voting for.

Mr. MORSE. I want the Senator from Colorado to know what he is voting for before he votes. That is why I want the fullest debate. When the Senator talks about the international importance of the resolution, I say, yes, it is of great international importance, it is of tremendous world importance, and I think that now that we have practically reached the end of our calendar we ought to take the time necessary to give full and fair consideration to this resolution and proceed to adopt it.

Mr. GEORGE rose.

Mr. MORSE. I should like to finish my explanatory statement before I yield further, Mr. President.

Mr. GEORGE. I simply wish to make an inquiry. Do I correctly understand that the Senator is now making a motion to take up the resolution for consideration?

Mr. MORSE. I have made the motion. I am now debating the motion.

Mr. GEORGE. Does the Senator wish to press for a vote on that motion this afternoon?

Mr. MORSE. That is what I want to discuss in the course of my explanation.

Mr. President, I now make the motion because of the great importance, in my judgment, of the resolution for the establishment of international justice through law. I make it also, Mr. President—and I do not want to embarrass the Senator from Vermont—I make it also out of the greatest of respect for a great record of public service which one of the great statesmen of this body has made with respect to international law. I refer to the great and distinguished Senator from Vermont [Mr. AUSTIN], who is about to leave this body in order to assume great responsibility as the representative of this Nation on the Security Council. I certainly think that it would be a fitting tribute to pay to that distinguished American citizen whose public service in my judgment—and I speak out of the depths of my heart, and the CONGRESSIONAL RECORD supports my statement—demonstrates that he is undoubtedly as able in the field of international law as any international lawyer ever produced by the United States. Through the years he has given unstinted devotion to the ideal of establishing an international order in which and through which and by which the nations of the world will settle their differences by rules of reason and by judicial processes, and thereby destroy the cause of war. What more fitting tribute could this body pay to the Senator from Vermont, than, as we send him forth to greater tasks, to demonstrate that we are back of him and intend to give him all the support we can as he pleads, as I know he will plead, in the councils of the world for the peaceful settlement of disputes by way of the World Court?

Mr. President, I have made the motion for the reason, among others, that I think the great Secretary of State, as he sits in Paris ought to be able to give a clear demonstration to the representatives of other nations participating in that peace conference that the United States of America means to keep faith with the San Francisco Charter and live up to the resolution which was adopted at the plenary session to the effect that as soon as possible the signatories to the treaty would file their declaration, accepting the compulsory jurisdiction of the World Court. I shall continue to await throughout this debate to hear any sound reason why now should not be the time for the filing of the declaration by the United States. What better evidence of support to the concept of international justice through law could we give to the nations sitting in Paris at the peace conference than the adoption of this resolution? It is the epitome, it seems to me, Mr. President, of our intent and our purpose so far as living up to the objectives of the San Francisco Charter are concerned.

Mr. President, I am well aware that my motion will displace H. R. 7. I am perfectly willing to assume the responsibility of displacing H. R. 7, because I think it has been demonstrated as clearly as it can ever be demonstrated that H. R. 7 has no chance whatsoever of passing at this session of Congress. Heretofore I have set forth my reasons for believing that it has no chance, because of the parliamentary situation in which we find ourselves. Therefore I offer no apology for making a motion which would displace House bill 7, particularly in view of the fact that my motion seeks to secure the passage through the Senate of the United States of a resolution which would give to the peoples of the world assurance that our country stands ready and wiling now to settle its disputes within the terms of the resolution through the medium of a world court.

Mr. President, I have made the motion with great hesitation. In private conversations with other Members of this body I have tried to determine whether there would be opportunity for the consideration of the resolution through a motion made by some other Member of the Senate. I have reached the conclusion that if this motion is to be made and if the resolution is to be considered at this session of Congress, it is necessary for the junior Senator from Oregon to make the motion.

I have given a great deal of time and attention to the problems involved in the resolution. I have worked with the leaders of the American Bar Association. I have worked with the outstanding international lawyers of this country. I have had conferences with representatives of the State Department. I have satisfied myself, from his own public statements, that the President of the United States is for the principle of the resolution, and I am satisfied that the Secretary of State is for the principle of the resolution. I have satisfied myself that those in the best position to know consider the resolution sound from the standpoint of international law. It should be adopted by the Senate of the United States before it adjourns. Hence I make the motion. If possible I should like to have an understanding that my motion to take up the resolution will not be voted upon tonight, thus making it unnecessary for me to suggest the absence of a quorum. If I may have the understanding that upon the convening of the Senate tomorrow my motion to proceed to the consideration of Senate Resolution 196 will be the first order of business, that arrangement will be perfectly satisfactory to me. If I cannot have such an understanding I must suggest the absence of a quorum, because I do not wish to have my motion considered with only a portion of the Members of the Senate present. The resolution is too important to the future peace of the world for us to vote on the motion at this late hour tonight without a quorum.

The PRESIDING OFFICER. The question is on agreeing to the motion of the Senator from Oregon [Mr. MORSE] to proceed to the consideration of Senate Resolution 196.

Mr. GEORGE. Mr. President, if the motion is to be pressed tonight I must suggest the absence of a quorum. I do not believe that the motion ought to be pressed tonight. I am perfectly willing to have the motion remain pending and be the unfinished business when the Senate convenes tomorrow.

Mr. MORSE. I make that unanimous consent request.

Mr. BARKLEY. Mr. President, it is not necessary to make a unanimous consent request. If we do not pass on the motion tonight it will be the pending question when we convene tomorrow following a recess.

Mr. MURDOCK. Mr. President, a parliamentary inquiry.

The PRESIDING OFFICER. The Senator will state it.

Mr. MURDOCK. If the unanimous-consent request is agreed to, is it too late to appeal from the ruling of the Chair on the question whether Senate Resolution 196 is a legislative matter or an executive matter? I cannot forget the fact that we are operating in the Senate under the Constitution of the United States; and I cannot for the life of me understand how the Senate can act on what is so obviously an executive matter without going into executive session. If any Member of the Senate can point out to me how the Senate can act on legislative matters without such matters being referred to the House of Representatives, and why such matters require a two-thirds majority, I should like to have it pointed out. If there is any

provision of the Constitution which provides for legislative matters being considered by the Senate exclusively, and determined by a two-thirds vote, I should like to have any lawyer in the Senate point it out to me. I may be mistaken. There may be such a provision in the Constitution, but up to this time I have found none. I am not aware of such a provision.

The PRESIDING OFFICER. The Chair is of the opinion that the two-thirds vote required does not make necessary the consideration of the resolution in executive session.

Mr. MURDOCK. The resolution itself provides—

> Two-thirds of the Senators present concurring therein—

Whether it was so intended or not, the resolution itself makes the subject one to be considered as a treaty. It provides for the procedure prescribed by the Constitution for considering a treaty.

Under the Constitution all legislative powers are vested in the Congress, consisting of a Senate and a House of Representatives. I am as anxious as is the Senator from Oregon to proceed to the consideration of the resolution, but I must insist, if we take it up, that we take it up under the Constitution. The resolution itself makes it an executive matter. It gives it the dignity of a treaty. So if the resolution so provides, then certainly the Senate should go into executive session for its consideration, and proceed with it as a treaty. In my opinion that is exactly what it is.

So far as the unanimous consent request is concerned, I reserve the right to appeal from the decision of the Chair on the question whether the Senate must resolve itself into executive session to consider this subject.

Mr. BARKLEY. Mr. President, I wish merely to observe that there is nothing in the Constitution with reference to the legislative calendar or the executive calendar. For the convenience of the Senate, in making up the calendars executive business is placed on the executive calendar. Formerly an executive session was a closed session for the consideration of executive business. That is how it got its name. Treaties and nominations were formerly considered in closed sessions. The Senate later amended its rules. It pursued the custom of requiring an executive session for the consideration of executive business, but executive business is now considered in open executive session.

There is nothing in the Constitution which says anything about whether we should have one calendar or two calendars. We could place all the business on the same calendar. We could go into executive session to consider nominations and treaties, as we do. I do not think there is anything unconstitutional about the procedure in connection with a subject requiring a two-thirds vote. It does not make any difference whether it is considered in legislative session or executive session. Under the Constitution we are not required to go into executive session in order to pass upon a question which requires a two-thirds majority.

Mr. MURDOCK. Mr. President, if the Senator wishes to take the position that at this late date, the Senate having for many years acted on treaties in executive session and on legislative matters in legislative session, the Senate may now with propriety absolutely disregard its customs and rules and may now handle executive business in legislative session, then, of course, I agree with him that so far as the Constitution is concerned that is probably in order. But it seems to me that it would be very irregular for the Senate to take the position that we can handle executive business such as this, a subject having the dignity of a treaty, without following the rules of the Senate and going into executive session.

Mr. BARKLEY. The question of having an executive session does not depend upon whether the proposal requires a two-thirds majority. We confirm nominations by a bare majority, in executive session. We ratify treaties by a two-thirds majority in executive session. The Senate might have started from the beginning without having what we call executive sessions, but that would not modify the constitutional provision that a treaty must be ratified by a two-thirds vote.

It is immaterial to me whether we do this in executive session or legislative session. In my judgment it would not disrupt the rules to consider the resolution in legislative session.

The PRESIDING OFFICER. It is immaterial to the Chair; but the Senator from Kentucky has stated the situation as the Chair understands it.

Mr. MURDOCK. Mr. President, does the Senator from Kentucky take the position that this is a legislative matter?

Mr. BARKLEY. To be perfectly frank, it partakes of the nature of both executive and legislative. Under the statute which has been referred to by the Senator from Vermont [Mr. AUSTIN], which is a part of the United Nations program, it is provided that the statute may be adhered to under the constitutional processes of the various States which deal with it. In a sense it is legislative. In a sense it may be executive. It makes no difference whether we regard it as an executive or legislative matter. The resolution itself requires a two-thirds majority. If the Senate is to act upon it as if it were a treaty—not because it is a treaty, but as if it were a treaty—the two-thirds rule would apply, whether it were considered in executive session or in legislative session.

Mr. MURDOCK. If the majority leader wishes to take the position that the rules of the Senate with regard to executive business, as distinguished from legislative business, are so inconsequential that we should not observe them and that we can handle an executive matter in legislative session without paying any attention to the Senate rules, while I hesitate to do so, I disagree with him.

Mr. BARKLEY. I do not take that position.

Mr. MURDOCK. It seems to me that the Senator does.

Mr. BARKLEY. In a sense, this is a mixture. It is not exactly a treaty between this country and another country with regard to a particular subject. It is a question of adhering to an organization which has been established under a statute of the United Nations. As the Senator from Vermont has pointed out, adherence to the statute could be accomplished by an act of both Houses, which would be signed by the President; or it could be accomplished by Senate ratification, as if it were a treaty, which would require a two-thirds vote. The committee decided to pursue that course.

Mr. MURDOCK. I have noticed a tendency in the Senate, especially in the past several years, to treat lightly our treaty-making powers. We have been willing to forget all about what the Constitution says with regard to treaties.

And now it seems, on the ground of convenience and expediency, we are willing to consider as legislation matters which, in my opinion, should never be treated as anything but treaties, and to adopt a procedure whereby an executive agreement may be ratified by means of a simple Senate resolution.

Mr. President, it seems to me that what we now have before us certainly has the dignity of a treaty. It has the effect and the result of a treaty. I am unwilling to throw the rules of the Senate to the winds and to consider the matter as a mixture of executive and legislative business.

In my judgment we should draw the line between what is executive business and what is legislative business; and when we have an executive matter, we should follow the rules of the Senate relative to executive procedure.

Mr. MORSE. Mr. President, a parliamentary inquiry.

The PRESIDING OFFICER. The Senator will state it.

Mr. MORSE. I wish to make two points in connection with my statement of the parliamentary inquiry. In the first place, I understand that the Chair has ruled that my motion is in order. In the second place, I understand that the majority leader has stated that my motion will be in order at the beginning of the session tomorrow, if we take a recess tonight and if it remains, at the time of the taking of the recess, the pending business; and that, therefore, unanimous consent will not be required in order to make it the pending business at the beginning of the session tomorrow. Is that correct?

The PRESIDING OFFICER. The statement of the Senator from Oregon is correct.

Mr. MORSE. If that be so, then I say to my good friend, the Senator from Utah [Mr. MURDOCK], that the discussion in which he is participating now is a discussion of the merits of my motion, and I respectfully suggest we should proceed with it tomorrow afternoon when we can have a full attendance of the Members of the Senate rather than take it up at this time.

The PRESIDING OFFICER. The Chair will state to the Senator from Utah that, no business having been transacted, an appeal from the ruling of the Chair will still be in order.

Mr. MURDOCK. Mr. President, did I correctly understand the Chair to state that an appeal from the ruling of the Chair will be in order?

The PRESIDING OFFICER. That is correct.

Mr. GEORGE. Mr. President, will the Senator yield to me?

Mr. MURDOCK. I yield.

Mr. GEORGE. I wish to say that unless this resolution is advice and consent of the Senate for the President to take a highly important act, it is nothing. It can be only that. I do not think it material whether the resolution appears on the Executive Calendar, although that has been our custom, or whether it appears on the Legislative Calendar. But what it is—and it is that or nothing—is the advice and consent of the Senate of the United States for the President of the United States to consent to the compulsory jurisdiction of the International Court. I take issue flatly and squarely with the distinguished Senator from Texas [Mr. CONNALLY] when he says that this matter might be handled by a simple concurrent resolution to be adopted by the two Houses. I do not think so. Not only is it a treaty, but it is a treaty of the highest importance. This resolution raises definitely and distinctly the question which the Senate should consider, and which I shall insist that it consider; namely, whether this International Court, itself, by the acceptance of compulsory jurisdiction upon our part, acquires the function of determining whether a question is essentially a domestic question or whether the Court itself has the final right to say whether any juridical matter submitted to it involves a domestic question. Let me say that if I can define what is going on in this country and what has been going on, it is that a large number of Americans think that by adopting resolutions and hastily entering into international agreements, we can make certain and steadfast the peace of the earth. I am as strongly in favor of any step which looks to the peace as any man who has ever occupied a seat in this body has been or can be; but we are not going to obtain peace by the mere passage of laws. We are not going to put an end to war by the mere passage of laws or the adoption of resolutions, or by adhering to every type and kind of international agreement which anyone in the State Department or elsewhere can think of. It is high time that the American people know what they are agreeing to and what they are committing themselves to, and that they have a firm conviction about it, because only in the firm conviction and in the high resolve to carry through from day to day and from year to year is there any possible hope for peace, through anything that we have done thus far or through anything that is now being proposed.

I have no moral doubt that this resolution is but one thing, namely, the advance advice and consent of the Senate for the President to perform an act which will for a stipulated period commit us to an international agreement which is of the utmost importance to the American people.

Therefore, I am glad that the Senator is not going to press for a vote on his motion that the Senate consider the resolution, and that he will not endeavor to have the Senate take it up until tomorrow. I shall have no objection to having the Senate consider it, let me say.

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

Mr. GEORGE. I yield.

Mr. MORSE. I simply wish to say to the distinguished Senator from Georgia that I am in complete concurrence with his remarks. I feel as he does.

Mr. GEORGE. Mr. President, as I have said, I shall have no objection to having the Senate take up the resolution, but I do not think we should stumble blindly into such a situation that a mere majority vote of the Senate can commit us to the compulsory jurisdiction of a court on which we probably shall have a representative, but on which we need not actually have anything like an influential voice.

Mr. CONNALLY. Mr. President, I wish to respond to one thing the Senator from Oregon has said. The Senator from Oregon said that he became convinced that this motion never would be offered in the Senate unless he offered it. Let me say that the Senator from Utah [Mr. THOMAS], the chairman of the subcommittee of the Committee on Foreign Relations, held hearings and gave this matter very careful and serious attention. He happens to be temporarily absent, at the moment, but during the day he conferred with me several times. He is anxious to have the resolution taken up and considered by the Senate. He had every intention of trying to bring it up either this afternoon or tomorrow.

Mr. MURDOCK. Mr. President, will the Senator yield to me?

Mr. CONNALLY. I yield.

Mr. MURDOCK. I have talked to my colleague today about the matter, and he deplored the fact that the resolution was not before the Senate. I am sure there is no Senator who is more anxious than he to have it considered, and I am sure it was his intention to endeavor to bring it up.

Mr. CONNALLY. Mr. President, let me say that, as chairman of the Foreign Relations Committee, I deferred to the Senator from Utah. I could have presented the matter to the Senate; but the Senator from Utah had done so much work on it, that I deferred to him, and I recommended that he handle it. He has conferred with me a number of times, not later than this morning; and he was very anxious and indeed insistent that he be given an opportunity to call up the resolution.

I say that, in response to the suggestion made by the Senator from Oregon that he, the Senator from Oregon, was the only person who was qualified to bring up the resolution.

Mr. MILLIKIN. Mr. President, a parliamentary inquiry.

The PRESIDING OFFICER. The Senator will state it.

Mr. MILLIKIN. Is this matter before the Senate as a legislative matter or as a treaty?

The PRESIDING OFFICER. That question probably will be determined tomorrow morning.

Mr. MILLIKIN. It has not as yet been determined. Is that correct?

The PRESIDING OFFICER. It has not as yet been determined.

Mr. MILLIKIN. Do I correctly understand that that is not implicit in the ruling which the Chair has already made?

The PRESIDING OFFICER. The Chair has ruled that there is still the right of appeal from the ruling of the Chair.

Mr. MILLIKIN. May I ask the Chair to be kind enough to state what is the ruling which bears on the question whether this matter is a treaty or is a legislative matter?

The PRESIDING OFFICER. The ruling was that the matter is legislative, and does not require consideration in executive session.

Mr. MILLIKIN. Mr. President, a further parliamentary inquiry.

The PRESIDING OFFICER. The Senator will state it.

Mr. MILLIKIN. Has an appeal been taken from the ruling of the Chair?

The PRESIDING OFFICER. The Chair understands that the Senator from Utah [Mr. MURDOCK] took an appeal from the ruling of the Chair.

Mr. MURDOCK. Mr. President, let me say that I reserved the right to appeal tomorrow from the decision of the Chair, when the matter comes before the Senate.

Mr. MORSE. Mr. President, I wish the record to be perfectly clear in regard to the position taken by the senior Senator from Utah. Of course, he can speak for himself, tomorrow, when he is on the floor. Let me say now that just before the senior Senator from Utah left the floor this afternoon, I had a conference with him. I talked to him about the possibility of having the resolution presented. He indicated very clearly to me, as I think he himself will testify tomorrow, that it was not his expectation to bring up the resolution. I said to him, "Under those circumstances, then, do you have any objection if I make the motion?" He said, "None whatsoever." Furthermore, he said to me that if I did make the motion, he would support it.

That is the substance of a conversation which I had with the senior Senator from Utah within 5 minutes of the time when he left the floor this afternoon.

Mr. President, insofar as I am concerned, I have no pride of authorship in this matter. I am not interested in who gets credit for any parliamentary move which is made on the floor of the Senate in connection with the resolution; but I am devoted to the great principles which it involves. I am perfectly willing to yield to any other Senator who may desire to make the motion. I only say, Mr. President, let us go ahead tomorrow and debate this resolution on its merits, and proceed to give the American people a decision as to the position of the Senate of the United States in regard to the question whether the United States should accept the compulsory jurisdiction of the world court.

TRANSACTION OF EXECUTIVE BUSINESS

Mr. BARKLEY. Mr. President, I am compelled to leave the Chamber. I wish to have the nominations on the Executive Calendar confirmed. They will take but only a moment of the Senate's time.

I ask unanimous consent, as in executive session, that the Senate consider the nominations on the Executive Calendar.

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

EXECUTIVE MESSAGES REFERRED

As in executive session,

The Presiding Officer (Mr. HUFFMAN in the chair) laid before the Senate messages from the President of the United States submitting sundry nominations, which were referred to the appropriate committees.

(For nominations this day received, see the end of Senate proceedings.)

EXECUTIVE REPORTS OF COMMITTEES

As in executive session,

The following favorable reports of nominations and a treaty were submitted:

By Mr. OVERTON, from the Committee on Commerce:

Commodore Ellis Reed-Hill, United States Coast Guard, to be a rear admiral for temporary service to rank as such from the 1st day of August 1946; and

The following two Coast Guard officers to be professors in the United States Coast Guard:

Commander Henry S. Sharp, United States Coast Guard with rank of lieutenant, with date of rank as lieutenant from May 15, 1935; and

Lt. Robert E. Reed-Hill, United States Coast Guard, with the rank of lieutenant (junior grade).

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

Admiral Jonas H. Ingram, United States Navy, to be an admiral in the Navy, for temporary service, to rank from the 15th day of November 1944;

Rear Adm. Herbert G. Hopwood, United States Navy, to be Director of Budget and Reports in the Department of the Navy, with the rank of rear admiral, for a term of 3 years; and

Pay Director Walter A. Buck to be Paymaster General and Chief of the Bureau of Supplies and Accounts in the Department of the Navy, with the rank of rear admiral, for a term of 4 years.

By Mr. WAGNER, from the Committee on Banking and Currency:

Dillon S. Myer, of Ohio, to be Administrator of the United States Housing Authority in the National Housing Agency.

By Mr. GEORGE, from the Committee on Finance:

Sundry candidates for promotions in the Regular Corps of the United States Public Health Service.

By Mr. CONNALLY, from the Committee on Foreign Relations:

Louis G. Dreyfus, Jr., of California, now Envoy Extraordinary and Minister Plenipotentiary to Iceland, to be Envoy Extraordinary and Minister Plenipotentiary to Sweden; and

The following-named persons to be Foreign Service officers, unclassified, vice consuls of career, and secretaries in the diplomatic service:

John M. Kavanaugh, of Louisiana;

Stephen A. Koczak, of New Jersey;

David J. S. Manbey, of California; and

David E. Mark, of New York.

Executive J, Seventy-ninth Congress, second session, a treaty of general relations and protocol between the United States of America and the Republic of the Philippines, signed at Manila on July 4, 1946; without amendment (Ex. Rept. No. 10).

The PRESIDING OFFICER. If there be no further reports of committees, as in executive session, the clerk will state the nominations on the calendar.

FOREIGN SERVICE

The legislative clerk read the nomination of Louis G. Dreyfus, Jr., of California, to be envoy extraordinary and minister plenipotentiary of the United States of America to Sweden.

The PRESIDING OFFICER. Without objection, the nomination is confirmed.

The legislative clerk read the nomination of John M. Kavanaugh, of Louisiana, to be Foreign Service officer, unclassified, vice consul of career, and secretary in the Diplomatic Service of the United States of America.

The PRESIDING OFFICER. Without objection, the nomination is confirmed.

The legislative clerk read the nomination of Stephen A. Koczak, of New Jersey, to be Foreign Service officer, unclassified, vice consul of career, and secretary in the Diplomatic Service of the United States of America.

The PRESIDING OFFICER. Without objection, the nomination is confirmed.

The legislative clerk read the nomination of David J. S. Manbey, of California, be Foreign Service officer, unclassified, vice consul of career, and secretary in the diplomatic service of the United States.

The PRESIDING OFFICER. Without objection, the nomination is confirmed.

The legislative clerk read the nomination of David E. Mark, of New York, to be Foreign Service officer, unclassified, vice consul of career, and secretary in the diplomatic service of the United States of America.

The PRESIDING OFFICER. Without objection, the nomination is confirmed.

GOVERNOR OF PUERTO RICO

The legislative clerk read the nomination of JESÚS T. PIÑERO, of Puerto Rico, to be Governor of Puerto Rico.

The PRESIDING OFFICER. Without objection, the nomination is confirmed.

POSTMASTERS

The legislative clerk proceeded to read sundry nominations of postmasters.

Mr. BARKLEY. Mr. President, I ask unanimous consent that the nominations of postmaster be confirmed en bloc.

The PRESIDING OFFICER. Without objection, the nominations of postmasters are confirmed en bloc.

THE NAVY

The legislative clerk proceeded to read sundry nominations in the Navy.

Mr. BARKLEY. I ask unanimous consent that the nominations in the Navy be confirmed en bloc.

The PRESIDING OFFICER. Without objection, the nominations in the Navy are confirmed en bloc.

Mr. BARKLEY. I ask unanimous consent that the President be notified of all nominations confirmed today.

The PRESIDING OFFICER. Without objection, the President will be notified forthwith.

That concludes the calendar.

ORDER OF RECESS

Mr. BARKLEY. Mr. President, I ask unanimous consent that when the Senate concludes its deliberations today, it stand in recess until 11 o'clock tomorrow.

The PRESIDING OFFICER. Without objection, it is so ordered.

TREATY OF GENERAL RELATIONS AND PROTOCOL WITH THE PHILIPPINE REPUBLIC

Mr. CONNALLY. Mr. President, as in executive session I ask unanimous consent for the present consideration of Executive J (79th Cong., 2d sess.) being a treaty of general relations and protocol with the Republic of the Philippines.

The PRESIDING OFFICER. Is there objection?

There being no objection, the Senate, as in Committee of the Whole, proceeded to consider the treaty and protocol, Executive J (79th Cong., 2d sess.), a treaty of general relations and protocol with the Republic of the Philippines, signed at Manila on July 4, 1946, which was read the second time, as follows:

TREATY OF GENERAL RELATIONS BETWEEN THE UNITED STATES OF AMERICA AND THE REPUBLIC OF THE PHILIPPINES

The United States of America and the Republic of the Philippines being animated by the desire to cement the relations of close and long friendship existing between the two countries, and to provide for the recognition of the independence of the Republic of the Philippines as of July 4, 1946 and the relinquishment of American sovereignty over the Philippine Islands, have agreed upon the following articles:

ARTICLE I

The United States of America agrees to withdraw and surrender, and does hereby withdraw and surrender, all right of possession, supervision, jurisdiction, control or sovereignty existing and exercised by the United States of America in and over the territory and the people of the Philippine Islands, except the use of such bases, necessary appurtenances to such bases, and the rights incident thereto, as the United States of America, by agreement with the Republic of the Philippines, may deem necessary to retain for the mutual protection of the United States of America and of the Republic of the Philippines. The United States of America further agrees to recognize, and does hereby recognize, the independence of the Republic of the Philippines as a separate self-governing nation and to acknowledge, and does hereby acknowledge, the authority and control over the same of the Government instituted by the people thereof, under the Constitution of the Republic of the Philippines.

ARTICLE II

The diplomatic representatives of each country shall enjoy in the territories of the other the privileges and immunities derived from generally recognized international law and usage. The consular representatives of each country, duly provided with exequatur, will be permitted to reside in the territories of the other in the places wherein consular representatives are by local laws permitted to reside; they shall enjoy the honorary privileges and the immunities accorded to such officers by general international usage; and they shall not be treated in a manner less favorable than similar officers of any other foreign country.

ARTICLE III

Pending the final establishment of the requisite Philippine Foreign Service establishments abroad, the United States of America and the Republic of the Philippines agree that at the request of the Republic of the Philippines the United States of America will endeavor, in so far as it may be practicable, to represent through its Foreign Service

the interests of the Republic of the Philippines in countries where there is no Philippine representation. The two countries further agree that any such arrangements are to be subject to termination when in the judgment of either country such arrangements are no longer necessary.

ARTICLE IV

The Republic of the Philippines agrees to assume, and does hereby assume, all the debts and liabilities of the Philippine Islands, its provinces, cities, municipalities and instrumentalities, which shall be valid and subsisting on the date hereof. The Republic of the Philippines will make adequate provision for the necessary funds for the payment of interest on and principal of bonds issued prior to May 1, 1934 under authority of an Act of Congress of the United States of America by the Philippine Islands, or any province, city or municipality therein, and such obligations shall be a first lien on the taxes collected in the Philippines.

ARTICLE V

The United States of America and the Republic of the Philippines agree that all cases at law concerning the Government and people of the Philippines which, in accordance with Section 7 (6) of the Independence Act of 1934, are pending before the Supreme Court of the United States of America at the date of the granting of the independence of the Republic of the Philippines shall continue to be subject to the review of the Supreme Court of the United States of America for such period of time after independence as may be necessary to effectuate the disposition of the cases at hand. The contracting parties also agree that following the disposition of such cases the Supreme Court of the United States of America will cease to have the right of review of cases originating in the Philippine Islands.

ARTICLE VI

In so far as they are not covered by existing legislation, all claims of the Government of the United States of America or its nationals against the Government of the Republic of the Philippines and all claims of the Government of the Republic of the Philippines and its nationals against the Government of the United States of America shall be promptly adjusted and settled. The property rights of the United States of America and the Republic of the Philippines shall be promptly adjusted and settled by mutual agreement, and all existing property rights of citizens and corporations of the United States of America in the Republic of the Philippines and of citizens and corporations of the Republic of the Philippines in the United States of America shall be acknowledged, respected and safeguarded to the same extent as property rights of citizens and corporations of the Republic of the Philippines and of the United States of America respectively. Both Governments shall designate representatives who may in concert agree on measures best calculated to effect a satisfactory and expeditious disposal of such claims as may not be covered by existing legislation.

ARTICLE VII

The Republic of the Philippines agrees to assume all continuing obligations assumed by the United States of America under the Treaty of Peace between the United States of America and Spain concluded at Paris on the 10th day of December, 1898, by which the Philippine Islands were ceded to the United States of America, and under the Treaty between the United States of America and Spain concluded at Washington on the 7th day of November, 1900.

ARTICLE VIII

This Treaty shall enter into force on the exchange of instruments of ratification.

This Treaty shall be submitted for ratification in accordance with the constitutional procedures of the United States of America and of the Republic of the Philippines; and instruments of ratification shall be exchanged and deposited at Manila.

Signed at Manila this fourth day of July, one thousand nine hundred forty-six.

For the Government of the United States of America:

PAUL V. McNUTT

For the Government of the Republic of the Philippines:

MANUEL ROXAS

PROTOCOL TO ACCOMPANY THE TREATY OF GENERAL RELATIONS BETWEEN THE UNITED STATES OF AMERICA AND THE REPUBLIC OF THE PHILIPPINES, SIGNED AT MANILA ON THE FOURTH DAY OF JULY 1946

It is understood and agreed by the High Contracting Parties that this Treaty is for the purpose of recognizing the independence of the Republic of the Philippines and for the maintenance of close and harmonious relations between the two Governments:

It is understood and agreed that this Treaty does not attempt to regulate the details of arrangements between the two Governments for their mutual defense; for the establishment, termination or regulation of the rights and duties of the two countries, each with respect to the other, in the settlement of claims, as to the ownership or control of real or personal property, or as to the carrying out of provisions of law of either country; or for the settlement of rights or claims of citizens or corporations of either country with respect to or against the other.

It is understood and agreed that the conclusion and entrance into force of this Treaty is not exclusive of further treaties and executive agreements providing for the specific regulation or matters broadly covered herein.

It is understood and agreed that pending final ratification of this Treaty, the provisions of Articles II and III shall be observed by executive agreement.

Signed at Manila this fourth day of July, one thousand nine hundred forty-six.

For the Government of the United States of America:

PAUL V. McNUTT

For the Government of the Republic of the Philippines:

MANUEL ROXAS

Mr. CONNALLY. Mr. President, this is more or less of an interim treaty with the Philippines, and it is dated July 4, 1946, the day the Philippines attained a status of a republic. It is contemplated that later a treaty will be entered into which will be more comprehensive and in greater detail. The Committee on Foreign Relations considered this treaty and protocol and had the State Department represented before it. I think it is desirable that the Senate give its approval.

The PRESIDING OFFICER. The treaty and protocol is open to amendment. If there be no amendment to be proposed, the treaty and protocol will be reported to the Senate.

The treaty and protocol was reported to the Senate without amendment.

The PRESIDING OFFICER. The resolution of ratification will be read.

The legislative clerk read as follows:

Resolved (two-thirds of the Senators present concurring therein), That the Senate advise and consent to the ratification of Executive J, Seventy-ninth Congress, second session, the treaty of general relations and protocol between the United States of America and the Republic of the Philippines, signed at Manila on July 4, 1946.

The PRESIDING OFFICER. The question is on agreeing to the resolution of ratification. [Putting the question.] Two-thirds of the Senators present concurring therein, the resolution of ratification is agreed to, and the treaty and protocol is ratified.

PROHIBITION OF POLL TAX IN FEDERAL ELECTIONS

Mr. MORSE. Mr. President, I ask unanimous consent to have printed in the body of the RECORD a letter which I have received from Edgar G. Brown, director of National Negro Council.

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

NATIONAL NEGRO COUNCIL,
Washington, D. C., July 30, 1946.

Senator WAYNE MORSE,
Senate Building, Washington, D. C.

MY DEAR SENATOR MORSE: As director of the National Negro Council, I wish to emphatically assure you that our organization, representing a major part of the 13,000,000 colored Americans in this country, 1,000,000 of whose sons and daughters served this country in the military services during World War II, are unequivocally in agreement with your pointed observation delivered Monday on the floor of the Senate. The so-called friends of the anti-poll-tax legislation turned out to be our bitterest enemies. The present prearranged and signed cloture petition, set 2 days in advance of any debate which could be characterized as a filibuster by even professional jokers under the guise of a "gentleman's" agreement, must be dismissed as puerile and unfortunate. The unholy deal was cheap politics that will fool no one, but those who entered into it in the final outcome.

It amounts to a parliamentary lynching of the anti-poll-tax legislation no less saddening to the decent thinking people and those Americans who seek to gain the same voting rights for the 10,000,000 disfranchised in the seven poll-tax States of the South as enjoyed by those of the 41 other States and as guaranteed by the Constitution to all regardless of race, class, color, or religion.

The National Negro Council therefore is compelled to insist that you, as a true friend, defer indefinitely, this obvious plan to ditch the anti-poll-tax legislation with this gesture, proposed in another cloture vote already set in advance. We call upon you in keeping with your consistent and honest leadership, to resort to your same strategy of statesmanship and justice to assure 10,000,000 disfranchised Americans, equal rights in the poll-tax States, if it means keeping the Senate in session all summer, cloture or no cloture. The unholy alliance of minority southern Senators can and must be broken. Let them talk themselves politically to death, rather than let them crucify the Constitution in denying the majority of the Senators the right to vote for or against the anti-poll-tax legislation.

Will you see that the anti-poll-tax bill gets something better than funny treatment such as proposing the rightness of the cart before the horse. Such parliamentary tactics will never work political charms upon an alerted electorate next November nor subsequently. We commend you and your heartening leadership and statesmanship.

Very sincerely yours,

EDGAR G. BROWN,
Director.

ALLEGED DISHONESTY AND CORRUPTION IN CONNECTION WITH WAR CONTRACTS

Mr. MITCHELL. Mr. President, the wartime contracts of the Erie Basin Metal Products Co., Batavia Metal Products Co., and allied companies have been the subject of careful investigation by

the Special Committee Investigating the National Defense Program. Being privileged to serve on this committee, I consider it my duty to make certain observations concerning the activities of persons associated with the munitions combine which have had the calculated intent or the necessary effect of corrupting or influencing public officials, both high and low, in the execution of their public trust.

I do not propose to relate here all the facts which have been developed in the hearings or to anticipate the committee's conclusions, which will be reported in due time as a formal committee report. In my opinion, particular matters should be brought officially to the notice of the Senate before it adjourns and that is my purpose in speaking today.

The hearings have shown conclusively certain financial manipulations involving public funds which most people would have thought fantastic and impossible. A $3,000,000 contract was awarded to a company not then in existence, headed by a man without demonstrated experience as a manufacturer and a producer, and whose moral and financial responsibility, if investigated, would have been disclosed to be questionable. Nearly a million dollars of public funds were advanced on that contract to a corporation organized without tangible assets, which advance is now shown to have been wholly unsecured by a valid obligation of a financially responsible organization. A million dollars of public funds were overpaid on the termination of a contract with Batavia Metal Products Co. Huge sums of money were expended for administrative salaries, traveling expenses and other expenses, such as propaganda and entertainment, and for the renovation and improvement of physical properties in which the war contractors expending those sums had only a tenant's interest expiring at the end of the war.

These are some of the financial manipulations to which I have referred. The question in my mind is how such fantastic operations could have been possible unless sanctioned by Government officials who failed in their high duty of protecting the public interest and safeguarding the public funds.

One obvious answer is that officials down the line had been persuaded to give special consideration and special favors to these contractors. The conclusion is also inescapable that those favors were not merely in the nature of courtesies, or more prompt attention to the various matters which, were handled for the contractors, but that they involved outright corruption. My belief in this matter is strengthened by the crass and shameful attempts to buy off a member of the committee and of the staff in the vain hope that we would be dissuaded from continuing the investigation. If this is the technique employed against a committee of the Senate, how many attempts were made to influence Government officials to act against the interests of the Government and in favor of these contractors?

Perhaps that question will never be fully answered. The committee has been unable so far to obtain the full facts because no records were kept by these contractors which would disclose such activities. Of course some company officials, and also Mr. Benjamin Franklin Fields, who has a mysterious and unexplained relationship to them, have not made their knowledge available to the committee. Both Mr. Fields and Dr. Henry Garsson refused to testify before the committee on the ground that their answers might tend to incriminate or degrade them. Mr. Murray Garsson saw fit to remain in Cuba for his health.

The committee has traced a number of the attempts to corrupt and improperly influence Government officials. I hope that one outcome of the committee's labors will be to make the Nation's Capital an unprofitable and unhealthful place for men of the Benjamin F. Fields stripe, who prey upon the Government and seek to buy influence with money, parties, gifts, and favors. The available evidence, though incomplete, in my opinion warrants the severest condemnation of these practices. For example, the renegotiation officials testified that they had disallowed as an improper expense $19,213 sought to be charged by these companies to the Government for gifts. This sum was itemized as follows:

25 gold pen sets	$437
6 pen and pencil sets	720
2 cigarette lighters	376
Liquor and liquor baskets	255
17 cases of bourbon and 14 liquor baskets	823
9 cases of rum	1,399
10 gold pen and pencil sets	918
Do	918
100 cases of liquor	5,363
Gifts and liquor	2,812
Do	3,080
Do	2,112
Total	19,213

It should be noted that this expenditure of $19,213 by Erie Basin Metal Products Co. was for 1 year only, 1943. The committee has not obtained as yet the details on similar expenditures made by this company for the years 1944 and 1945. I propose to urge that the committee seek the full facts concerning such expenditures and others made on behalf of the Batavia Metals Products Co. I also believe the committee should inquire into the expenditures made in connection with a wedding party on January 2, 1944, by Murray Garsson and ascertain whether or not they were charged directly or indirectly to the war contracts of any of these companies, and allowed as costs of performance on Government contracts. I will urge further that the committee obtain the detailed breakdown of the following expenses:

First. Expenditures by Murray Garsson for entertainment and propaganda expenses in the amount of $13,000 in 1943.

Second. Expenditures by Joseph Freeman for travel expenses in the amount of $15,290 in 1944.

Third. Expenditures by Murray Garsson for travel expenses in the amount of $9,978 in 1944.

Fourth. Expenditures by Dr. Henry Garsson for "Travel expenses" in the amount of $9,472 in 1944.

Fifth. Similar expenses for other years and for other companies where the funds of such companies or rather the funds of the Government allocated to these companies for the making of munitions were used not only to obtain privileges and favors from Government officials in the higher and lower echelons, but also to obtain special consideration from suppliers.

If the committee is not able to obtain all of that information, possibly it may be obtained by the Department of Justice in its investigation of the affairs of these companies. The Department of Justice should give special attention to expenditures of the sort I have described, and if it finds that such expenditures are violative of Federal criminal statutes, I urge that it prosecute violation relentlessly. Only by enforcement of statutes designed to punish those who corrupt public officials can confidence in the handling of public affairs and public funds be restored.

The honesty of public officials is a basic pillar of democracy. Without trustworthy public servants our form of government is sure to crumble and collapse. It should be remembered that the Mead committee has found other cases where public funds were loosely, carelessly, or corruptly handled and where wrongdoers escaped detection and punishment for their unfaithful handling of a public trust. The committee has heard the fantastic story of Commander Blodgett who appropriated 1,500 pounds of Government meat and 500 pounds of Government butter to his own use, and upon a whitewash investigation by the Navy, was acquitted at a court martial. The committee has heard of the wholesale diversion of public funds in the submarine ship stores and the civilian housing areas at Pearl Harbor, and of the misspending of public funds by high-ranking officials in the Navy and the misappropriation of Government property at San Juan, P. R.

The Erie Basin investigation is the first case of war profiteering publicly heard by the committee after the termination of hostilities. Other instances of corruption and improper influencing of Government officials undoubtedly will be uncovered before the committee completes its war-profiteering investigations.

When the evidence is finally gathered, the Congress should give it due attention and adopt appropriate preventive measures for the future. A bill at the present time would be somewhat premature, and of course on the eve of adjournment the Congress cannot do justice to far-reaching legislation even if the full facts were available. I direct attention to this matter now so that it may be given consideration and thought by the Senators, and also for the purpose of urging them to cooperate with the Mead committee by referring to it instances of corruption and improper influence which may come to their notice from time to time.

Mr. President, no one can condone the activities of these contractors in illegally and improperly influencing Government officials or officials of suppliers by resorting to gifts and favors. The claim has been made that this was done to further the war effort. It is an insult to Government workers and to the reputable suppliers of these companies to say that unless they were paid to "expedite" the

performance of their functions, the war effort would have been retarded. In this instance, as it appears to me, an allegedly desirable end cannot justify clearly reprehensible means.

However, the activities of the contractors, corrupt and improper as they may have been, do not rate so low as the conduct of Government officials, some of them in military uniform, who have taken an oath to protect and preserve the Government which employs them, and which has entrusted sacred public funds to their care. The contractors' activities can be partially explained because of their natural self-interest. The activities of public employees stand without any such qualifying explanation. Stripped of niceties in wording, such conduct was, at the very least, disloyalty to a principle. To the extent that it hampered and interfered with the war effort, although such result may not have been intended, it approached traitorous conduct. When the Nation is fighting for its very existence, there should be no room for thought of individual self-interest. In my opinion, true patriotism guided the work of the great majority of our public officials, military and civilian. It is unjust to them that a few individuals in time of crisis put their personal interest and advantage above that of their country.

I cite as an example of reprehensible conduct the case of Albert W. Jacobson. The evidence shows that time and again he appeared to have had an important, if somewhat obscure, part in repeated episodes throughout the course of the Chemical Warfare Service's relationships with these contractors, in many of which episodes the Government lost and the contractors gained improperly. Jacobson was sent to investigate these companies when allegations of improper business methods were made, and he returned to report that such allegations were without foundation. He had important duties to perform with respect to a bond to secure the Government in the advance of nearly one million dollars of public funds which, it now appears, was never a valid obligation on the part of a responsible surety. He handled the legal phases of various contracts between the Erie Basin and Batavia companies and the Chemical Warfare Service. He went to Elgin to "assist" renegotiation officials in connection with difficulties that were being experienced with these contractors. He was assigned to assemble material in response to this Committee's request. He prepared the report and included certain statements which, if relied upon by the Committee, would have wholly misled the Committee as to these contractors' activities. He is reported to have made recommendations concerning the handling of the overpayment of nearly one million dollars to Batavia, which, if followed, would have been to the detriment of the Government and to the benefit of the contractor. Repeatedly and continuously before the Committee he avoided frank and open admissions, and so confused his own testimony as to make it unreliable as a basis for Committee conclusions.

No less than three times Jacobson swore under oath that he had never been present at the Washington office of Erie Basin and Batavia, but subsequently and conveniently his memory was refreshed after a witness had been unsuccessfully prompted to be "hazy" about her recollection of his presence at those offices. Jacobson was reported by another witness to be receiving $20,000 a year from these companies. He rose from a $1,500 a year clerk to a $9,975 head of a legal section during the time when he was so solicitous of the contractors' interest and so unfaithful to the interests of the Government, his employer. It was Jacobson who obtained from Congressman MAY, who he stated was only casually known to him, a glowing recommendation for his reinstatement to the bar.

This man Jacobson should not be permitted to remain 1 hour longer in the employ of the Government in the face of all the evidence which brands him as an unfaithful public servant. Recently the press carried a report of his suspension by the War Department, but prior to that reported action Gen. A. H. Waitt, Chief of the Chemical Warfare Service, informed the committee that Jacobson was on "sick leave" and offered the opinion that separation from the Government would be "rather drastic" action. This is a startling conclusion, and it does not speak well for the general, who must accept the responsibility for his continued employment.

To say that such action would be "drastic" when American soldiers fought and died around the world is a terrible commentary on the conduct of officials in this branch of the War Department. The committee proposes to look further into the affairs of the Chemical Warfare Service. High-ranking officers of this Service danced and cavorted at wedding parties and had their hotel and food bills paid by Garsson & Co.

The American people, who fought and toiled with all their might to defeat a savage enemy, will be interested to learn that on or about the day when Murray Garsson's daughter was to be wed, the War Department found it "necessary in the military service" that these officers be ordered to New York City. By singular coincidence, New York required simultaneously the presence of Maj. Gen. William N. Porter for temporary duty in connection with chemical warfare training, Brig. Gen. Paul X. English for temporary duty in connection with chemical warfare procurement, Col. Lowell A. Elliott for temporary duty in connection with chemical warfare administration, Lt. Col. Gordon B. Kaufmann for temporary duty in connection with chemical warfare administration, Brig. Gen. Alden H. Waitt for temporary duty in connection with chemical warfare research and development, and Mr. Albert W. Jacobson for temporary duty in connection with chemical warfare procurement. These individuals attended the Garsson wedding and were given per diem or travel allowances by the Government. Following the committee's disclosures, the General Accounting Office has disallowed these travel expenses in an effort to recover them for the Government.

General Waitt, who found himself so busily occupied with "chemical warfare research and development" the day after the wedding, described his visit to New York as a "mission" to speed the construction of a poison gas plant by giving a "pep talk". He was impressed with the salutary influence on the war effort exerted by the presence of his rank and uniform. When the Committee inquired whether he had made a report on the outcome of his "mission", he replied "I didn't have any report to make but to myself." This appears to me an exhibition of unbridled military arrogance if not utter irresponsibility as a public servant.

I call attention to the fact that General Waitt in a report to the Under Secretary of War, attempted to discredit the Inspector General's report which showed an overpayment of one million dollars by the Chemical Warfare Service to the Batavia Metal Products Co. General Waitt asserted that the Inspector General's report was unsupported by the evidence, but he admitted on oath that he had never read the supporting evidence.

If General Waitt carries his responsibilities so lightly in dealing with dollars, what shall we conclude when he deals with lives—the lives of American soldiers who were killed because of defective munitions? General Waitt was quick to maintain that the 4.2-inch motar shells produced by the Erie Basin companies were excellent in quality, but at the same time he did not know who produced shells which burst in the mortar barrel or at the muzzle, killing and maiming our own men.

The committee was told that mortar shells were produced under the direction of the Chemical Warfare Service since 1942, and yet 3 years later in the Battle of the Bulge the mortar was rendered almost useless for a time because of defective shells. As a precaution against barrel and muzzle bursts from defective shells, it was necessary to fire the mortar with a lanyard, reducing the rate of fire from 20 shells per minute to 2 shells per minute.

How many American soldiers were killed by defective 4.2-inch mortar shells? General Waitt did not know. Who had manufactured these defective shells? General Waitt did not know. Had the existence of these defective shells been previously known to the Chemical Warfare Service? General Waitt could not answer. Had mortar shells been tested under weather conditions similar to those of the ETO? General Waitt could not answer.

The general suggested that the fault of the shells lay in the design rather than in the production and admitted that he still does not know completely what was wrong with these shells. And while, in his own words, he "sweated blood" to find the answers, he did not find them, but found time to go to fancy parties, even as American boys spilled blood because somebody fell down on the job back home.

In a second appearance before the committee, General Waitt repudiated part of his previous testimony as erroneous, offering the explanation that he had been confused and fatigued.

The errors and contradictions in this testimony are so patent as to raise a legitimate question about the general's technical competence for his job, let alone his moral caliber. The committee received a report, tentative and incomplete, of 47 incidents resulting from defective 4.2-inch mortar shells, which brought death to 29 men and injury to 83. The committee insists that full information on this matter be provided by the War Department, and accordingly General Waitt's report has been referred back for revision and amplification.

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

Mr. MITCHELL. I yield.

Mr. FERGUSON. I assume that this is not a final report respecting defective shells; that the committee has not had a final report so far as such shells are concerned? Is that correct?

Mr. MITCHELL. The Senator's statement is correct. The committee has insisted upon a real report. The Senator from Michigan has made that very clear in his requests to the generals who have appeared before the committee.

Mr. FERGUSON. I simply wish to say to the Senator that I received information last evening in a letter from Texas which would indicate that a certain explosion occurred there, and I should like to have the generals complete an investigation of that matter. As yet I am sure they have not completed that investigation. I make that statement so that the record may be clear that what has been said up to date is not a complete record of these analyses.

Mr. MITCHELL. That is correct.

Pursuing the tangled threads of the Garsson tie-up with the Chemical Warfare Service, the Commiittee discovered that General Waitt had undertaken to carry by his own hand a letter from Congressman MAY to General Eisenhower, soliciting the intervention of the Supreme Commander in court martial proceedings which involved Captain Joseph H. Garsson, the son of Murray Garsson. General Waitt testified that he traveled under secret orders but was unable to explain how Congressman MAY knew of his intention to go to Europe. In fact, General Waitt could not recall at first how MAY's letter came in his possession, but subsequently he mentioned that "the chairman of the Military Affairs Committee had given me a letter."

There were 12 chemical mortar battalions stationed in Europe, but General Waitt had time to visit only two or three, including the one that held Captain Garsson in custody. Garsson, who had been court martialed for flat refusal to carry out a battle order of the regimental commander, was restored to duty and received a Bronze Star for previous meritorious action, which, incidentally, General Waitt pinned on his breast.

Mr. FERGUSON. May I interrupt the Senator?

Mr. MITCHELL. I am glad to yield.

Mr. FERGUSON. Was that bronze star bestowed here in America or in Europe?

Mr. MITCHELL. It was bestowed in Europe.

Mr. FERGUSON. At the time that General Waitt was over there and had carried the message?

Mr. MITCHELL. Yes; at the time General Waitt was over there and had carried the message; when he was being solicitous about Captain Garsson's court martial.

Mr. FERGUSON. I thank the Senator.

Mr. MITCHELL. Without wishing to pass judgment on the merits of the court-martial proceeding, I may note that General Waitt saw nothing unusual in making this case a special part of his business in Europe. His intercession in Garsson's behalf he described as "a perfectly natural and normal thing" and his role in carrying MAY's letter to General Eisenhower he depicted as that of "a messenger, pure and simple." This, I may say, was a new role for General Waitt. Whereas formerly he thought the presence of his rank and uniform in New York would speed the building of a war plant, now he could detect no influence that his presence might exert in the disposition of the Garsson case. His concern for Garsson he put down as the ordinary concern for the welfare of officers in his branch of the service. When the committee elicited the testimony that he had never looked into any other court-martial proceeding, the general described his intercession as accidental. Finally, he acknowledged that influence was used in this case and that the use of such influence was unfortunate.

Before I complete my remarks, I wish to call attention to one other aspect of Captain Garsson's case which demonstrated a serious defect in military administration, and a possible factor in undermining the morale of military personnel. Garsson was promoted from lieutenant to captain ahead of other, more deserving candidates, and transferred to the Chemical Warfare Service upon the signed recommendation of General Porter, then Chief of the Service. General Porter, who was a guest at both the Garsson and Freeman weddings, disclaimed responsibility for making the recommendation of promotion and transfer, dismissing lightly the matter of his signature as routine business. General Porter emphasized in his testimony that this was merely one of hundreds of items that passed over his desk every day. He admitted that all promotions were made that way, and that any name could be slipped into a paper for his signature. I deem the signing of papers without knowing what action is involved or without accepting responsibility therefor as a dangerous kind of indifference to the requirements of public service. If responsibility does not attach to the signature, then what purpose does it serve? Administrative responsibility demands that the man who is authorized to make a decision must stand behind it with his signature, without having this authority dispersed and distributed by useless ceremonial inscriptions of top elements in the military hierarchy.

The military departments of Government have an immediate obligation to put their houses in order. They must take appropriate punitive measures against officers who are easy in morals and careless in administration. The military uniform, in too many instances, has been changed from a cloak of honor and duty to a cloak of convenience and irresponsibility. Unless their officers are invested with a new sense of austerity, dignity, and responsibility, the military will lose the confidence of the people. America today is faced with a moral crisis in which the integrity of Government is at stake. The military must do its share to insure the maintenance of honest, efficient, democratic government.

Mr. President, I have spoken longer than I intended, and many things still are left unsaid. But I wanted the Senate to be informed before its recess about the existence of these conditions in the War Department and elsewhere which have been disclosed by the Mead committee's hearings of the past 3 weeks. It is my sincere hope that when the next Congress convenes, it will address itself to the all-important matter of corrective legislation. It is also my hope that the Mead committee will have the support of the Members of Congress in its investigation of war profiteering during the recess.

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

Mr. MITCHELL. I yield.

Mr. FERGUSON. In order that the record may be clear, is it not a fact that the committee has not completed its investigation of this subject, and that the investigation is still in progress?

Mr. MITCHELL. That is a correct statement. I made that statement at the opening of my remarks.

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

Mr. MITCHELL. I yield.

Mr. MAGNUSON. As both my colleague from Washington and the Senator from Michigan know, we all heartily approve of what the committee is doing, and hope that it may continue its work. I have pointed out time and again on this floor that I believed that a proper subject of investigation would be the arrogance of another Army officer during war, another head of a bureau in the War Department, namely, General Somervell. I hope the committee will proceed to investigate that subject at the proper time. Our experience with that officer was the same type of experience which I think the committee felt certain persons had with the generals. My colleague from Washington has made general reference to the subject.

In connection with the Alaskan Highway and the Canol project, in my opinion the Quartermaster General squandered practically $300,000,000 of American money with supreme arrogance, building a highway at a time when there was an Alaskan International Highway Commission in existence, without even consulting the Canadian Commission or the American Commission, and building the Canol project at a time when it was so secret that no Member of the American Congress could inquire about it, but the Canadian press could discuss it any time it wished to do so. I hope that before

the committee concludes its hearings it will deal with that question.

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

Mr. MITCHELL. I yield.

Mr. FERGUSON. I have raised my voice on this floor in relation to the Canol project and the highway project. I think it would be worth while to continue our investigation along that line. As I understand, the committee intends to take up the Wyman case. The case, in a way, was referred to us by the Pearl Harbor Committee, which failed to go into it. It was material in that case, but it is still material to the American people. I believe that the trail of Mr. Wyman will reach up into Canada, over into Hawaii, and various other places. I am sure that the committee will complete that investigation as soon as possible.

Mr. MAGNUSON. I thank the Senator. I know that he has been most cooperative. I know that he feels as I feel on that subject. I know that the committee has many things to do, but I hope the time will come when it will go into that subject.

Mr. FERGUSON. I hope the Senate will understand that the committee is doing all it can with the force at its command. Naturally it wishes to do a thorough job on each project; and if we do not reach a given case in a short time, that does not mean that the committee will not deal with these important subjects. However, time is required for such investigations.

CONFIRMATION OF JUDICIAL NOMINATIONS

Mr. LANGER. Mr. President, as in executive session I ask unanimous consent to report from the Committee on the Judiciary two nominations of United States district judges.

The PRESIDING OFFICER. Is there objection?

Mr. WHITE. Let me inquire whether the nominations come to the Senate with the approval of the Committee on the Judiciary.

Mr. LANGER. They come with the approval of a majority of the Judiciary Committee. The committee was polled and a majority of the committee favored confirmation of the nominations.

The PRESIDING OFFICER. Is there objection? The Chair hears none, and the nominations will be stated.

UNITED STATES DISTRICT JUDGES

The legislative clerk read the nomination of James P. McGranery, of Pennsylvania, to be United States district judge for the eastern district of Pennsylvania.

Mr. LANGER. I ask unanimous consent that the nomination be confirmed.

The PRESIDING OFFICER. Without objection, the nomination is confirmed.

The legislative clerk read the nomination of Frederick V. Follmer, of Pennsylvania, to be United States district judge for the eastern, middle, and western districts of Pennsylvania.

Mr. LANGER. I ask unanimous consent that the nomination be confirmed.

The PRESIDING OFFICER. Without objection, the nomination is confirmed.

Mr. LANGER. I now ask unanimous consent that the President be immediately notified of the confirmation of the nominations.

The PRESIDING OFFICER. Without objection, the President will be notified forthwith.

Mr. LANGER. Let me say that I have taken this action on behalf of the Senators from Pennsylvania [Mr. GUFFEY and Mr. MYERS], who have been called away from the Senate on official business in Pennsylvania.

RECESS

Mr. STEWART. Mr. President, under the order previously entered, I move that the Senate now take a recess until 11 o'clock a. m. tomorrow.

The motion was agreed to; and (at 6 o'clock and 35 minutes p. m.) the Senate took a recess, the recess being, under the order previously entered, until tomorrow, Thursday, August 1, 1946, at 11 o'clock a. m.

NOMINATIONS

Executive nominations received by the Senate July 31 (legislative day of July 29), 1946:

DIPLOMATIC AND FOREIGN SERVICE

John G. Erhardt, of New York, now a Foreign Service officer of class 1, to be Envoy Extraordinary and Minister Plenipotentiary of the United States of America to Austria.

The following-named persons to be Foreign Service officers, unclassified, vice consuls of career, and secretaries in the diplomatic service of the United States of America:

Donald P. Downs, of Nevada.
Lawrence J. Legere, Jr., of Massachusetts.
Daniel W. Montenegro, of New York.

UNITED STATES DISTRICT JUDGES

James P. McGranery, of Pennsylvania, to be United States district judge for the eastern district of Pennsylvania vice Harry E. Kalodner, elevated.

Frederick V. Follmer, of Pennsylvania, to be United States district judge for the eastern, middle, and western districts of Pennsylvania. (New position.)

UNITED STATES PUBLIC HEALTH SERVICE

The following-named candidates for appointments in the Regular Corps of the United States Public Health Service:

TO BE JUNIOR ASSISTANT NURSE OFFICERS, EFFECTIVE DATE OF OATH OF OFFICE

Morrise J. Brockey	Rose Kaplan
Eugenie Sampson	Eva M. Hakkola
M. Martha Crews	M. Ruth Phillips
Anne Woudema	Mary L. Putnam
C. Vistula Lancaster	

TO BE ASSISTANT NURSE OFFICERS, EFFECTIVE DATE OF OATH OF OFFICE

Pauline Savage	Virginia B. McDavid
Mary Matthews	Beatrice L. Zingle
Josephine Keough	Elizabeth C. Laczko
Katherine L. Tucker	Helen A. Gentilman

TO BE SENIOR ASSISTANT NURSE OFFICERS, EFFECTIVE DATE OF OATH OF OFFICE

Tabitha Wilson Rossetter	Esther A. Garrison
	M. Constance Long
Alice E. Herzig	Gertrude E. Mehner
Jane E. Taylor	Rosalie C. Giacomo
Ruth L. Johnson	Madeline Pershing
Mary Ann L. Garrigan	Louise O. Waagen
Ellwynne M. Vreeland	Walborg S. Wayne
Marjorie W. Spaulding	Esther Kaufman
Zella Bryant	Eva B. Hunter
Elsie T. Berdan	Mabel E. Emge
Lila A. Anderson	Stella Goodman
Helen Cameron	Catherine M. Sullivan
Kharis B. Mayers	

IN THE MARINE CORPS

The following-named officers for appointment as commissioned warrant officers in the United States Marine Corps:

William H. Abbott	Thomas B. Lenhart
Lawrence Betts	Clyde H. Long
Roy H. Bley	Arthur W. Lord
Harold C. Borth	James E. Lovin, Jr.
Oscar A. Bosma	Albert F. Marcott
Charles C. Bucek	Clarence R. Martin
Carl J. Buschena	James J. McCullough
Byron B. Cain	Michael A. Miksa
George V. Clark	John A. Miller
Edwin C. Clarke	Porter F. Millican
George E. Dillman	Roy W. Moran
Leander E. Dorey	Joseph V. Murray
William A. Easterling	Ralph C. Oakes
Grammer G. Edwards	Oscar P. Olson
Robert A. Engesser	Herman A. Papen
Albert L. Evans	Perez W. Pottgether
Frank W. Ferguson	Estes N. Ratliffe
Vernet R. Fitzgerald	Joseph J. Reardon
John E. Foster	John F. Ricard
Joseph R. Foster	Lewis M. Schaller
Carl E G. Franson	Earle G. Shaw
Harvey W. Gagner	Frank C. Sheppard
Alexander Gagyi	John H. Slusser
Calvin R. Glanzer	Charlie G. Smith
Eugene M. Gordenev	Marion E. Smith
Dudley J. Hagen	William D. Smith
Hilton Hamilton	LeRoy A. Stjeor
William J. Hamilton	Edward F. Taylor
Harry D. Hargrave	Harold M. Tupper
Willard T. Henry	John C. Turner
Milton D. Hill	Oris D. Walbrown
Arnold C. Hofstetter	Robert P. Warner
John C. Hudock	Charles M. Whitley
Joe A. English	Frederick J. Widman
Arthur L. Jackson	Robert L. Williams
Merle B. Johnson	Nero M. Winchester
George Jones	Roland A. Wright
Arthur O. Kindt, Jr.	Emanuel Yalowitz
Pierce S. Knapp	Andrew M. Young
Ernest W. Kraay	George A. Young

POSTMASTERS

The following-named persons to be postmasters:

CALIFORNIA

Hugo Celeri, Fort Bragg, Calif., in place of R. E. Ware, resigned.

George R. Saunders, Perris, Calif., in place of M. B. Mosgrove, resigned.

COLORADO

Martha E. Williams, Redcliff, Colo., in place of L. M. Kesecker, resigned.

GEORGIA

Lee J. Flowers, Adel, Ga., in place of D. F. Bruton, resigned.

IOWA

Charles E. Brandt, Toledo, Iowa, in place of J. N. Lichty, retired.

KANSAS

John F. Younger, Marienthal, Kans. Office became Presidential July 1, 1945.

LOUISIANA

George Sanford Hebert Brusly, La. Office became Presidential July 1, 1945.

MAINE

Harold A. Freeman, Robbinston, Maine. Office became Presidential July 1, 1945.

MINNESOTA

Gregory E. Arens, Dundee, Minn., in place of L. A. Schmidt, deceased.

NEBRASKA

Harry C. Hagedorn, Royal, Nebr. Office became Presidential July 1, 1945.

NEW JERSEY

Murray Kreutner, Clarksburg, N. J. Office became Presidential July 1, 1946.

NEW MEXICO

Annie L. Haddow, Eagle Nest, N. Mex. Office became Presidential July 1, 1946.

NORTH CAROLINA

Charles T. Hagood, Culberson, N. C. Office became Presidential July 1, 1944.

Albert C. Hall, Jr., Wallace, N. C., in place of E. J. Johnson, resigned.

OHIO

Grace E. M. Allen, Portland, Ohio, in place of E. J. Jividen, resigned.

OKLAHOMA

Ralph Ownby, Durant, Okla., in place of Ralph Ownby. Incumbent's commission expired March 13, 1941.

Ivan E. Armstrong, Medford, Okla., in place of Ruth Gordon, transferred.

OREGON

William L. Hollen, Condon, Oreg., in place of A. E. O'Rourke, deceased.

PENNSYLVANIA

Imo F. White, Pleasant Unity, Pa. Office became Presidential July 1, 1944.

Ben J. Lukas, Shenandoah, Pa., in place of J. D. Creary. Incumbent's commission expired June 23, 1942.

UTAH

Paulie T. Boothe, Honeyville, Utah. Office became Presidential July 1, 1946.

WASHINGTON

Sibyl O. Brady, Parker, Wash. Office became Presidential July 1, 1946.

CONFIRMATIONS

Executive nominations confirmed by the Senate July 31 (legislative day of July 29), 1946:

FOREIGN SERVICE

Louis G. Dreyfus, Jr., to be Envoy Extraordinary and Minister Plenipotentiary of the United States of America to Sweden.

The following-named persons to be Foreign Service officers, unclassified, vice consuls of career, and secretaries in the diplomatic service of the United States of America:

John M. Kavanaugh — David J. S. Manbey
Stephen A. Koczak — David E. Mark

PUERTO RICO

Jesús T. Piñero, to be Governor of Puerto Rico.

UNITED STATES DISTRICT JUDGES

Frederick V. Follmer to be United States district judge for the eastern, middle, and western districts of Pennsylvania. (A new position.)

James P. McGranery to be United States district judge for the eastern district of Pennsylvania.

IN THE NAVY

APPOINTMENTS IN THE UNITED STATES NAVY

The nominations of Eugene T. Aldridge and 937 other officers, which were transmitted to the Senate on July 27, 1946, and which appear in full in the Senate proceedings of that date, under the caption "Nominations," beginning with the name of Eugene T. Aldridge on page 10281 and ending with the name of Nicholas N. White on page 10283.

POSTMASTERS

ARIZONA

James N. Caretto, Bisbee.
James E. Collins, Sr., Marana.

ARKANSAS

Gratia M. Vinson, Armorel.

CALIFORNIA

Esther R. Globin, Al Tahoe.
Cora A. Richardson, Camp Richardson.
Maudelene M. Cleveland, Camptonville
Dorothy M. Barnes, Cazadero.
Bettie B. Malcom, Cedar Glen.
Hazel E. Gill, Costa Mesa.
Stella Sprague, Fulton.
Mae L. Nowlan, Marshall.
Gertrude A. Reilly, Philo.

COLORADO

Ethel Dunn, Hesperus.
Minnie H. McCullough, Ouray.

CONNECTICUT

Herman W. Smith, Redding.

FLORIDA

Theron J. Griffin, Bronson.
James C. Russell, Islamorada.
Lova B. Barrier, Lake Helen.
Lena R. Estell, Lady Lake.
Jennie D. White, Rattlesnake.

GEORGIA

Emma L. Johnson, Allentown.
Helen W. Johnson, Denton.
Effie L. Joines, Hartsfield.

IDAHO

Hugh E. Detwiler, Stites.

INDIANA

James A. Shrack, Dunkirk.
Carl C. King, Nabb.

KANSAS

Lee S. VanMeter, Ada.
Joe Wierenga, Cawker City.
Anna L. Chappell, Monument.
Clara Blake, Oakhill.

KENTUCKY

Lina M. Miller, Bethany.
Grace S. Garvey, Chaplin.
Jane D. Miller, Harned.

LOUISIANA

Stella B. Wells, Benson.
Esther S. Mistric, Leonville.

MAINE

Blanche D. Lizotte, Fort Kent Mills.
Donald L. Needham, Hebron.
Herbert H. Hanscom, Ocean Park.
Hilda M. Bishop, St. Albans.
Archie J. Laliberte, Stillwater.
Jessie F. Greenleaf, West Boothbay Harbor.

MARYLAND

Clara L. Liddell, Colora.

MINNESOTA

Ralph F. Gorenflo, Cass Lake.
Earl L. Dibb, Lester Prairie.
Walter F. Groenveld, Pease.

MISSISSIPPI

Etta M. Huttenlocher, Fayette.
Harvey D. Wooten, Nesbitt.

MISSOURI

Cue W. Butler, Blue Eye.
Gizella B. Homolos, Ilasco.
Lorraine A. Luesse, Portage Des Sioux.
James F. Dent, Salem.
Rosa L. Miller, Trimble.

NEBRASKA

Forrest G. Pool, Colon.

NEVADA

Helen C. Thrasher, Gerlach.
Helen Barnum, Logandale.

NEW JERSEY

Anna E. Meyer, Augusta.
Norma E. Emmans, Ledgewood.
Naomi P. Maurer, New Gretna.
Joseph J. Polonko, Pluckemin.
Mary M. Thorp, South Seaville.
Eva Case, Three Bridges.

NEW YORK

Marcus D. Sternberg, Depauville.
Mildred E. Colegrove, Leonardsville.
Harry J. Pimstein, Loon Lake.
Ernest Beesmer, Olivebridge.
Betsy Vonder Osten, Shokan.
May A. Cupernall, Thousand Island Park.

OHIO

John F. Shell, Basil.
William E. Curran, Grand River.
Ethel B. Knight, Ostrander.
Worth P. Bean, Peninsula.
Anna L. Ward, Richmond Dale.
Mabel F. Robinson, South Park.
Pearl Guillozet, Yorkshire.

OKLAHOMA

Bess Douglas, Ketchum.
Carroll C. Hughes, Reed.
Cornell R. Grimmett, Taft.

OREGON

Edith Dica Smith, Elmira.

PUERTO RICO

Leonor V. Santini, Florida.
Higinia F. Matos, Loiza.

RHODE ISLAND

Clifford T. Barber, Potter Hill.

SOUTH CAROLINA

Ray C. Page, Sellers.

VERMONT

Hazel P. Cole, Hancock.

WASHINGTON

Minnie S. Willms, Bridgeport.
Anna M. Stone, Dishman.
June M. Kincaid, Elk.
Mary J. Vanhoy, Glenwood.

WEST VIRGINIA

Carl A. Lyon, Hepzibah.
Curtis M. Stewart, Lillybrook.
Elsie Williamson, Milburn.
Rheuben H. Auldridge, Mill Point.
Rosebelle T. Jarrell, Naoma.
Harry C. Livesay, Williamsburg.

WYOMING

Mary M. Stanga, Diamondville.
Alice E. Marlatt, Hawk Springs.

HOUSE OF REPRESENTATIVES

WEDNESDAY, JULY 31, 1946

The House met at 12 o'clock noon.

Rev. Bernard Braskamp, D. D., pastor of the Gunton Temple Memorial Presbyterian Church, offered the following prayer:

Almighty God, in this moment of prayer, wilt Thou touch our hearts with a searching and reassuring sense of Thy nearness, Thy peace, and Thy power.

We pray that when we are challenged by difficult problems, hard tasks, and complicated situations, we may not dodge them with doubt and despair. May we not run away from them or rave and rail against them. May we never be numbered among those who drift into complacency or the cynical who become desperate with bitterness and hardness of spirit.

Help us as men of vision and valor to face all of life's experiences with forthright candor, high courage, and gallant faith. Inspire us to affirm and champion the good and to trust it. Show us how we may appropriate and apply the great ideals and principles of our blessed Lord, whereby we may achieve for ourselves and all mankind mastery in the midst of weakness, confidence in the midst of confusion, and peace in the midst of turmoil.

Hear us in His name. Amen.

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

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

a joint resolution of the House of the following titles:

On July 29, 1946:

H. R. 3484. An act for the relief of the Poultry Producers of Central California;

H. R. 4616. An act for the relief of the Maryland Sanitary Manufacturing Corp., of Baltimore, Md.;

H. R. 5053. An act for the relief of the estate of Jasper A. Mealer; and

H. R. 6324. An act to amend and supplement the Federal-Aid Road Act of July 11, 1916, as amended and supplemented, to provide for the design and construction of dams so that they will serve as foundations for highway bridges, to provide for the design and construction of highway bridges upon and across such dams, to authorize the granting of easements and rights-of-way in connection therewith, and for other purposes.

On July 30, 1946:

H. R. 1151. An act for the relief of the legal guardian of James Lemuel Muzzell, a minor;

H. R. 2192. An act for the relief of Andre Dacharry;

H. R. 4486. An act to abolish the Santa Rosa Island National Monument and to provide for the conveyance to Escambia County, State of Florida, of that portion of Santa Rosa Island which is under the jurisdiction of the Department of the Interior;

H. R. 6983. An act conferring jurisdiction upon the Court of Claims to hear, examine, adjudicate, and render judgment in any and all claims which the Confederated Salish and Kootenai Tribes of Indians of the Flathead Reservation in Montana, or any tribe or band thereof, may have against the United States, and for other purposes; and

H. J. Res. 305. Joint resolution providing for membership and participation by the United States in the United Nations Educational, Scientific, and Cultural Organization, and authorizing an appropriation therefor.

MESSAGE FROM THE SENATE

A message from the Senate, by Mr. Frazier, its legislative clerk, announced that the Senate had passed without amendment bills of the House of the following titles:

H. R. 1860. An act to authorize the Secretary of the Interior to issue a duplicate of Porterfield scrip certificate No. 53 to the Muskegon Trust Co., Muskegon, Mich., as trustee of the John Torrent trust;

H. R. 3973. An act to amend the act entitled "An act to provide reemployment rights for persons who leave their positions to serve in the merchant marine, and for other purposes," approved June 23, 1943 (57 Stat. 162), and for other purposes;

H. R. 6057. An act to amend the act of July 11, 1919 (41 Stat. 132), relating to the interchange of property between the Army and the Navy, so as to include the Coast Guard within its provision;

H. R. 6896. An act to grant to the city of Miles City, State of Montana, certain land in Custer County, Mont., for industrial and recreational purposes and as a museum site;

H. R. 7020. An act to provide for the acquisition by exchange of non-Federal property within the Glacier National Park; and

H. R. 7126. An act to amend section 2 of the act of July 16, 1946 (Public Law 514, 79th Cong.), relating to the establishment and operation in the District of Columbia of nurseries and nursery schools, so as to permit payment of compensation for services rendered after June 30, 1946, and prior to the enactment of such act.

The message also announced that the Senate had passed, with amendments in which the concurrence of the House is requested, bills of the House of the following titles:

H. R. 4435. An act to establish the Theodore Roosevelt National Park; to erect a monument in memory of Theodore Roosevelt in the village of Medora, N. Dak.; and for other purposes; and

H. R. 7039. An act to further amend section 304 of the Naval Reserve Act of 1938, as amended, so as to grant certain benefits to naval personnel engaged in training duty prior to official termination of World War II.

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

S. 1250. An act for the relief of certain claimants who suffered losses and sustained damages as the result of the campaign carried out by the Federal Government for the eradication of the Mediterranean fruitfly in the State of Florida;

S. 2000. An act to amend the Civil Service Retirement Act, approved May 29, 1930, as amended, so as to make such act applicable to officers and employees of the Columbia Institute for the Deaf; and

S. 2236. An act providing for a medal for service in the merchant marine during the present war.

The message also announced that the Senate agrees to the amendment of the House to a bill of the Senate of the following title:

S. 881. An act authorizing the President of the United States to award posthumously in the name of Congress a Medal of Honor to William Mitchell.

The message also announced that the Senate insists upon its amendments to the bill (H. R. 5560) entitled "An act to fix the rate of postage on domestic air mail, and for other purposes," disagreed to by the House; agrees to the conference asked by the House on the disagreeing votes of the two Houses thereon, and appoints Mr. CHAVEZ, Mr. MCKELLAR, Mr. HAYDEN, Mr. BAILEY, Mr. ELLENDER, Mr. REED, Mr. LANGER, and Mr. BUCK to be the conferees on the part of the Senate.

PROCEEDINGS AGAINST GEORGE MARSHALL

Mr. RANKIN, from the Committee on Un-American Activities, submitted the following report on the proceedings against George Marshall, which was referred to the House Calendar and ordered to be printed:

The Committee on Un-American Activities, as created and authorized by the House of Representatives by House Resolution 5 of the Seventy-ninth Congress, caused to be issued a subpena to George Marshall, chairman of the National Federation for Constitutional Liberties, with offices at 205 East Forty-second Street, New York, N. Y. The said subpena required the said person to produce books, papers, and records of the organization for the inspection of your committee. The subpena is set forth as follows:

"To the SERGEANT AT ARMS OR HIS SPECIAL MESSENGER:

"You are hereby commanded to summon Mr. George Marshall, chairman, National Federation for Constitutional Liberties, 205 East Forty-second Street, room 1613, New York City, to be and appear before the Un-American Activities Committee of the House of Representatives of the United States, of which the Honorable JOHN S. WOOD is chairman, and to bring with you all books, records, documents, and correspondence pertaining to the National Federation for Constitutional Liberties relating to the solicitation and disbursement of funds with a list of all contributors, in their chamber in the city of Washington, on February 20, 1946, at the hour of inquiry committed to said committee; and he is not to depart without leave of said committee.

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

"Witness my hand and the seal of the House of Representatives of the United States at the city of Washington this 23d day of January 1946.

"JOHN S. WOOD,
"Chairman.

"Attest:

"JOHN W. CARRINGTON,
"Clerk."

The said subpena was duly served, as appears by the return made thereon by George V. McDavitt, an investigator for your committee:

"Served R. Shaftel, secretary to George Marshall, who contacted Mr. George Marshall by phone. R. Shaftel read the original subpena to Mr. Marshall over the phone and Mr. Marshall informed his secretary (R. Shaftel) to accept same. Miss Shaftel was served at 4:30 p. m. on February 5, 1946, at the private offices of George Marshall located on the twelfth floor, at 38 East Fifty-seventh Street, Borough of Manhattan, city of New York.

"GEORGE V. MCDAVITT,
"Investigator."

In response to the said subpena the said George Marshall appeared before your committee on April 11, 1946, and your committee then and there demanded the production of the said books, papers, and records, and the said Marshall refused to produce as required by the said subpena. The said Marshall was duly sworn by the chairman and gave his testimony under oath and refused to answer certain pertinent questions. The material parts of his testimony follow:

"The CHAIRMAN. No; the question now is whether he will answer the question that was asked him, whether or not he has any connection with the organization known as the Marshall Foundation, and if so, what it is.

"Mr. MARSHALL. Well, I do really wish to state why I feel that this committee——

"The CHAIRMAN (interposing). Mr. Marshall, speaking for myself, you have stated your objection. I am not concerned about the various reasons. What I want to know is do you object to answering the question for any reason? Are there any reasons that impel you to refuse to answer the question? First, I would like to know whether or not you refuse to answer it?

"Mr. MARSHALL. I would like to advise you, sir, that that is beyond the scope of this inquiry, as to how you can judge this without hearing what my objections are.

"The CHAIRMAN. It might be open to that line of reasoning if you first tell us whether you are going to answer it or not. If you answer it, your reasons for not answering it are not material.

"Mr. MARSHALL. But I think you would withdraw your question if you would hear what my reasons are.

"The CHAIRMAN. First I would like to hear your answer, whether you do answer it or do not. Then if you want to give reasons for it, all right.

"Mr. MARSHALL. I would like for you to rule on that before I have to answer, but I don't see how you can rule on it unless you hear what my reasons are.

"The CHAIRMAN. I can't rule on it at all.

"Mr. MARSHALL. Well, this seems to me to be putting me in a very difficult position. I am, in a sense, being possibly put into some sort of jeopardy here in the ordinary legal sense, and myself performing the functions that a judge in a court proceeding would perform in ruling as to whether or not this is a pertinent question.

"The CHAIRMAN. Do you think it would put you in jeopardy to say whether you are going to answer that question or not?

"Mr. MARSHALL. Well, I don't know whether I really would. It is a matter that

is really pretty well known, but it seems to me that that question, as well as others are outside the scope of this inquiry, and I am taking the principal position, sir—I don't see the point.

"Mr. RANKIN. Don't see what point?

"The CHAIRMAN. I am trying to be patient about the matter and asking the witness a very simple question. If the witness desires to answer the question he may do so; if not, let him say he is not going to answer it. Which do you do?

"Mr. MARSHALL. I want to explain, sir——

"Mr. RANKIN (interposing). I demand, Mr. Chairman, that the witness is in contempt already.

"The CHAIRMAN. Just answer the question.

"Mr. RANKIN. I demand that he answer the question now and quit trying to argue with the chairman.

"The CHAIRMAN. I am trying my best to get him to do that.

"Mr. MARSHALL. I have it here, the Constitution itself [indicating].

"Mr. RANKIN. We know the Constitution of the United States, too. We have all read it. Mr. Chairman, I demand that this witness quit treating this committee with contempt and answer this question or refuse to answer it.

"The CHAIRMAN. Mr. Rankin, I am trying my best to get him to do that.

"Mr. RANKIN. I am just telling him what I think he ought to do.

"The CHAIRMAN. What is your answer, Mr. Marshall? Do you answer it or not?

"Mr. MARSHALL. I would like to state the ingredients of principle——

"The CHAIRMAN (interposing). Just answer the question if you want to answer it; if not, say you are not going to answer it. Which do you do?

"Mr. MARSHALL. I would answer the question after I have the opportunity of stating why I feel that it is an improper question for this particular inquiry.

"The CHAIRMAN. Suppose you answer it. Then if you have some reasons to give for it that are pertinent, I will be glad to put them in the record. Suppose you answer the question or refuse to answer it.

"Mr. MARSHALL. But isn't the point, sir, that I assume that if I can persuade you of the reasonableness and correctness of my position you would not pursue this question?

"The CHAIRMAN. I thought you said you would answer it.

"Mr. MARSHALL. If you rule, after hearing my objections that you still feel I must answer it.

"The CHAIRMAN. The question was asked you by a member of the committee, Mr. Thomas. You have the privilege of saying that you decline to answer, if you want to, or of answering it. Now, do one or the other without further quibbling. Let us get along. We have got other things to do.

* * * * * * *

"The CHAIRMAN. This committee cannot devote all day long listening to you quibble about the matter. You know whether you are going to answer or not.

"Mr. LANDIS. You are making it hard on us. Either answer or decline to answer.

"Mr. MARSHALL. If you rule that I must answer it now, I will decline to answer it. If I may indicate why I feel that that is outside the scope of this general inquiry, and I would be very glad to save all of the time, Mr. Wood, by indicating at the same time that I feel that the material asked for——

"The CHAIRMAN (interposing). I understand then that you decline to answer it? Is that right?

"Mr. MARSHALL. With the understanding that I may give my reasons for my objection to that question.

* * * * * * * *

"The CHAIRMAN. You did not produce those records at the hearing in New York?

"Mr. MARSHALL. No; I did not. I stated my objections.

"The CHAIRMAN. I understand, but you did not produce them?

"Mr. MARSHALL. No, sir.

"The CHAIRMAN. Have you got them here?

"Mr. MARSHALL. Well, I would like to have the opportunity to briefly and a little more coherently than I was given the opportunity to do, to summarize what my objections are to it.

"The CHAIRMAN. First answer the question, if you have got them or haven't got them. Have you got them?

"Mr. ADAMSON. We let him put his full statement into the record in New York, a long statement.

"Mr. THOMAS. That is his last statement. That is why I asked that it be brought down here.

"The CHAIRMAN. The question is asked you now if you didn't bring them from New York? Have you got them here now? You know whether you have got them here or not?

"Mr. MARSHALL. Yes; I know that certainly, but you see, I would like to, if I may, after answering that, indicate why I object to what the subpena calls for, and the two questions go together.

"The CHAIRMAN. Let us have a definite understanding now. If after you answer this question there are any reasons that you have for answering as you do, other than what you already put into the record here today or at a previous hearing, you will be given that privilege. Now, did you produce them here today?

"Mr. MARSHALL. I did produce for the record on Monday—I understand they are part of the record of this entire hearing—some 43 exhibits which seemed to me to be pertinent material out of which the committee could judge whether or not they have the right to go on and examine the internal affairs of our organization. I do not have with me all of the records.

"The CHAIRMAN. Called for by the subpena?

"Mr. MARSHALL. I do not have all of the records called for by the subpena."

Because of the foregoing the Committee on Un-American Activities has been deprived of the opportunity to inspect the books, papers, and records mentioned in the foregoing subpena and of the evidence contained therein which your committee considers relevant to the subject matter of subversive and un-American activities as set forth in House Resolution 5 of the Seventy-ninth Congress, first session, which instructed and required your committee to investigate such matters. The willful and deliberate refusal of George Marshall to testify, as set forth herein, and to produce the books, papers, and records as called for in the subpena deprives your committee of the evidence necessary to conduct its investigation of the National Federation for Constitutional Liberties, which evidence is pertinent to the said investigation, and places the said George Marshall in contempt of the House of Representatives of the United States.

"HOUSE RESOLUTION

"*Resolved*, That the Speaker of the House of Representatives certify the foregoing report of the House Committee on Un-American Activities as to the willful and deliberate refusal of the following person to produce before the said committee for its inspection certain books, papers, and records which had been duly subpenaed, and to testify under oath concerning all pertinent facts relating thereto; under seal of the House of Representatives to the United States attorney for the District of Columbia to the end that the said person named below may be proceeded against in the manner and form provided by law: George Marshall, 205 East Forty-second Street, New York, N. Y."

PROCEEDINGS AGAINST RICHARD MORFORD

Mr. RANKIN, from the Committee on Un-American Activities, submitted the following report on the proceedings against Richard Morford, which was referred to the House Calendar and ordered to be printed:

The Committee on Un-American Activities, as created and authorized by the House of Representatives by House Resolution 5 of the Seventy-ninth Congress, caused to be issued a subpena to Richard Morford, director of the National Council of American-Soviet Friendship, Inc., with offices at 114 East Thirty-second Street, New York City, N. Y. The said subpena required the said person to produce books, papers, and records of the organization for the inspection of your committee. The subpena is set forth as follows:

"To the SERGEANT AT ARMS OR HIS SPECIAL MESSENGER:

"You are hereby commanded to summon Mr. Richard Morford, director of the National Council of American-Soviet Friendship, Inc., located at 114 East Thirty-second Street, New York City, N. Y., to be and appear before the Un-American Activities Committee of the House of Representatives of the United States, of which the Honorable JOHN S. WOOD is chairman, and to produce all books, records, papers, and document showing all the receipts and disbursements of money by the National Council of American-Soviet Friendship, Inc., and all correspondence, memoranda, and communications with any and all persons, together with a complete list of all affiliated organizations for the year 1945 in their chamber in the city of Washington, on February 20, 1946, at the hour of 10 a. m. then and there to testify touching matters of inquiry committed to said committee; and he is not to depart without leave of said committee.

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

"Witness my hand and the seal of the House of Representatives of the United States at the city of Washington on this 6th day of February 1946.

"JOHN S. WOOD,
"Chairman.

"Attest:

"JOHN W. CARRINGTON,
"Clerk."

The said subpena was duly served, as appears by the return made thereon by John W. Carrington, clerk to your committee:

"Served to Mr. Morford personally at his office at 114 East Thirty-second Street, New York City, on February 11, 1946, at 3:30 p. m.

"JOHN W. CARRINGTON,
"Clerk."

In response to said subpena the said Richard Morford appeared before your committee on March 6, 1946, and your committee then and there demanded the production of the said books, papers, and records, and the said Morford refused to produce as required by the said subpena. The said Morford was duly sworn by the chairman and gave his testimony under oath and refused to answer certain pertinent questions. The material parts of his testimony follow:

"The CHAIRMAN. I just asked if you are prepared now to produce the records in conformity with the subpena?

"Mr. MORFORD. These records do not appear to be here, sir.

"The CHAIRMAN. You have such records?

"Mr. MORFORD. The records are in my custody in the office of the council; yes, sir.

"The CHAIRMAN. Very well. Are you prepared now to produce today, in conformity with this subpena, all the books, records, and documents showing disbursements of money for the year 1945, of the National Council of Soviet-American Friendship?

"Mr. MORFORD. We believe that this material is outside the proper scope of your investigation.

"The CHAIRMAN. I understand, but I didn't ask you that.

"Mr. MORFORD. That is my reply.

"The CHAIRMAN. I just asked if you have got them here ready to produce to this committee in conformity with the subpena. That is a simple question. You know whether you have got them or not.

"Mr. MORFORD. I am trying to make an explanation to you, sir.

"The CHAIRMAN. You have already made the explanation, and I gave you permission to do that. Now, I want you to answer the question, Have you got them in conformity with the terms of this subpena?

"Mr. MORFORD. I have not the record here.

"The CHAIRMAN. You have such records?

"Mr. MORFORD. I have such records, sir.

"The CHAIRMAN. Now, I will ask you whether or not you have got and are prepared to produce all your correspondence, memoranda, and communications with any and all persons, together with a complete list of your subsidiary organizations?

"Mr. MORFORD. No; because we count this a completely unreasonable request, and without the terms of the resolution under which this committee acts. As a practical matter, I do not have those records at the moment.

"The CHAIRMAN. You have them in your possession?

"Mr. MORFORD. They are at the office.

"The CHAIRMAN. I will ask you one further question. If one of our investigators should come to your office in New York City, thereby saving you the burden and inconvenience of producing them and bringing them here, will you permit him to see them?

"Mr. MORFORD. It would be still my responsibility not to permit him to investigate those records.

"The CHAIRMAN. I didn't ask you about responsibility; I ask you if you would permit him to investigate those records.

"Mr. MORFORD. I would not permit him to do that.

"The CHAIRMAN. That is all, so far as I am concerned.

* * * * *

"Mr. ADAMSON. Let me read it again, only a few words: 'The Soviet case, even on the issue of procedure, stands up far better than the position of the United States.'

"Mr. MORFORD. You see, you are taking it out of context. That is the reason I would like to read from the copy of it. It is only a question of procedure that is involved, and that has nothing to do with attacking a system.

"Mr. ADAMSON. If that statement appears in your Reporter as I have read it then would you say that that was an expression of position on the part of the national council?

"Mr. MORFORD. Well, that is a publication of the national council. We do not necessarily have to stand for every word that may be uttered in that publication.

"Mr. ADAMSON. Who prepared this bulletin called the Reporter?

"Mr. MORFORD. That is the responsibility of our publications committee.

"Mr. ADAMSON. Who is the committee?

"Mr. MORFORD. Now you are moving in an area in which you are asking about the internal structure and operations of our organization, and that is a point which I have indicated to you goes beyond the scope of your committee.

"Mr. MUNDT. Do you know who edits the Reporter? Do you know, and don't want us to know who edits the Reporter?

"Mr. MORFORD. I don't want to answer, because that is a matter that is beyond the scope of your investigation, according to our judgment.

"Mr. MUNDT. A question of any investigatory scope at all certainly would attach itself to the editor of a publication, about the wisdom of statements of which we have doubts. Certainly, if we have any investigatory powers at all, we would want to know who is responsible for statements that are un-American, if they are so demonstrated to be.

"Mr. MORFORD. If it is true that your investigatory powers enable you to move in to ask for the total information concerning the internal structure and operations of our organization, it is at that point that I have indicated to you that we feel that it is outside the proper scope of your operations in terms of your authority by Congress to investigate un-American propaganda activities.

"Mr. ADAMSON. We are getting off the track. I ask you, did you write it?

"Mr. MORFORD. This is October 15. I did not write it.

"Mr. ADAMSON. Do you write them now?

"Mr. MORFORD. I do not write the material for the Reporter.

"Mr. ADAMSON. All right then; who is responsible for the preparation and publication of the material in this bulletin of yours called the Reporter?

"Mr. MORFORD. I have stated that I refused to——

"Mr. ADAMSON (interposing). You refuse to answer that question?

"Mr. MORFORD. I have indicated to you the publications committee, and beyond that I feel it is within my province not to furnish you further information at that point concerning the structure of our organization.

"Mr. ADAMSON. Do you refuse to answer that question?

"Mr. MUNDT. He refuses to identify the members of that committee. Is that right?

"The CHAIRMAN. Is that correct?

"Mr. MORFORD. On a basis of principle, you see.

"The CHAIRMAN. I am not asking about what basis it is. Do you decline to divulge the names of your publications committee?

"Mr. MORFORD. I think at this point it is proper for me to indicate that I may not go into the matter further of the internal affairs of this organization.

"The CHAIRMAN. You do decline to furnish that information?

"Mr. MORFORD. That is the answer that I want to make.

* * * * *

"Mr. MORFORD. I do not think that I can give you the names, sir, of the members of the publications committee.

"The CHAIRMAN. You mean you don't know them, or you refuse to give them?

"Mr. MORFORD. I do know them. I do not wish to give them.

"The CHAIRMAN. You decline to give them?

"Mr. MORFORD. I decline. This publication is a publication of the council and will stand on its own merits. I think there is nothing in that statement that in any way can be construed as being un-American or subversive. We are entitled to an opinion—as a group putting out material we are entitled to an opinion, and under our rights under the first amendment, and on that basis then, unless you can make a judgment about that is satisfactory in proving that to be un-American and subversive, then, if it is not false, beyond that it is not our responsibility to furnish further information. It does not make any difference who wrote that particular article or who the particular committee was that stands behind that article."

Because of the foregoing, the Committee on Un-American Activities has been deprived of the opportunity to inspect the books, papers, and records mentioned in the foregoing subpena and of the evidence contained therein which your committee considers relevant to the subject matter of subversive and un-American activities as set forth in House Resolution 5 of the Seventy-ninth Congress, first session, which instructed and required your committee to investigate such matters. The willful and deliberate refusal of Richard Morford to testify, as set forth herein, and to produce the books, papers, and records as called for in the subpena deprives your committee of the evidence necessary to conduct its investigation of the National Council of American-Soviet Friendship, Inc., which evidence is pertinent to the said investigation, and places the said Richard Morford in contempt of the House of Representatives of the United States.

"HOUSE RESOLUTION

"*Resolved*, That the Speaker of the House of Representatives certify the foregoing report of the House Committee on Un-American Activities as to the willful and deliberate refusal of the following person to produce before the said committee for its inspection certain books, papers, and records which had been duly subpenaed, and to testify under oath concerning all pertinent facts relating thereto; under seal of the House of Representatives to the United States attorney for the District of Columbia to the end that the said person named below may be proceeded against in the manner and form provided by law: Richard Morford, 114 East Thirty-second Street, New York, N. Y."

EXTENSION OF REMARKS

Mr. MARTIN of Massachusetts. Mr. Speaker, I ask unanimous consent that my colleague the gentleman from Minnesota [Mr. HAGEN] may extend his remarks in the RECORD and include an article on veterans. I am informed by the Public Printer that this will exceed two pages of the RECORD and will cost $150, but I ask that it be printed notwithstanding that fact.

The SPEAKER. Without objection, notwithstanding the cost, the extension may be made.

There was no objection.

Mr. SPENCE asked and was given permission to extend his remarks in the RECORD relating to H. R. 6722, a bill he introduced.

Mr. WALTER asked and was given permission to extend his remarks in the RECORD and include a newspaper article.

Mr. SAVAGE asked and was given permission to extend his remarks in the RECORD in two instances and include in one an editorial.

Mr. BRADLEY of Pennsylvania asked and was given permission to extend his remarks in the RECORD in two instances; to include in one correspondence passing between him and his colleagues from Pennsylvania, Messrs. MCGLINCHEY, GRANAHAN, and BARRETT, and in the other, on the subject of price control.

THADDEUS C. KNIGHT

Mr. DURHAM. Mr. Speaker, by direction of the Committee on Military Affairs I call up S. 528, for the relief of Thaddeus C. Knight, and ask for its immediate consideration.

The Clerk read the title of the bill.

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

Mr. MARTIN of Massachusetts. Mr. Speaker, reserving the right to object, I understand this is simply a bill that the War Department has approved correcting the record of an Army officer.

Mr. DURHAM. Mr. Speaker, if the gentleman will yield, the War Department has not approved the bill, due to this fact: Under the Articles of War the War Department has no authority to correct an error in a court-martial case where later evidence proves a case of forgery, and this is such a case.

Mr. MARTIN of Massachusetts. I know about this legislation. I withdraw my reservation of objection, Mr. Speaker.

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

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

Whereas Thaddeus C. Knight, formerly a captain, Quartermaster Corps, United States Army, was convicted on April 28, 1926, by a general court martial for the violation of the ninety-third and ninety-sixth articles of war and sentenced to be discharged from the military service and to serve 5 years in prison. The said Thaddeus C. Knight was discharged from the Army in accordance with the findings of the court martial and served 2 years of the sentence imposed upon him, at which time he was paroled. Since the carrying into execution of the findings of the court martial it has been determined that the testimony upon which the said Thaddeus C. Knight was convicted was perjured and untrue and that the conviction of the said Thaddeus C. Knight by general court martial was without foundation in law or in fact: Therefore

Be it enacted, etc., That the President be, and he is hereby, authorized to appoint, by and with the advice and consent of the Senate, the said Thaddeus C. Knight, a captain in the Quartermaster Corps, United States Army, and to retire him and place him on the retired list of the Army as a captain with the retirement pay and allowances of that grade; and in the administration of any laws conferring rights, privileges, or benefits upon persons who have served in the military service of the United States and who have been honorably discharged therefrom, the said Thaddeus C. Knight shall be held and considered to have been honorably discharged from such service as of the date of his separation therefrom; but not back pay or allowance shall be held to have accrued by reason of this act, prior to its passage.

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

DISPLACED PERSONS

Mr. KLEIN. Mr. Speaker, I ask unanimous consent to address the House for 1 minute and to revise and extend my remarks.

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

There was no objection.

Mr. KLEIN. Mr. Speaker, I have today introduced a bill providing for the immigration to this country of displaced persons. My bill would provide that all unused quotas in the past year, for example, those from England, Germany, and other countries, which are seldom used, could be used for the benefit of these displaced persons. This follows the suggestion recently made to the Secretary of State by Fiorello LaGuardia, Director of UNRRA, and also conforms with a suggestion or plan of President Truman. In this way we can help relieve the situation in Europe and get some of those displaced persons out. We can do our share in this country, and then we can expect other countries, such as Great Britain and countries of South America, to do their share as well. In this way we may be able to get a majority of the 600,000 displaced persons, now homeless, settled somewhere. I know the bill will not pass in this session, but I hope it will be the first order of business in the Eightieth Congress.

COMMODITIES RATIONED OR ALLOCATED UNDER JURISDICTION OF THE SECRETARY OF AGRICULTURE

Mr. FLANNAGAN. Mr. Speaker, I present a privileged resolution (H. Res. 721) from the Committee on Agriculture, and ask for its immediate consideration.

The Clerk read the resolution, as follows:

Resolved, That the Secretary of Agriculture is requested to submit to the House of Representatives a list of all commodities rationed or allocated under his jurisdiction together with a break-down of the percentages of each allocated for essential purposes and the definition of essentiality as to each commodity.

Mr. FLANNAGAN. Mr. Speaker, I have received from the Secretary of Agriculture a complete report giving the information requested in the resolution, and have furnished the gentleman from Illinois [Mr. JOHNSON] a copy of that report, which he will insert in the RECORD for the benefit of the Members of the House.

Mr. Speaker, I move that the resolution be laid on the table.

The motion was agreed to.

A motion to reconsider was laid on the table.

Mr. JOHNSON of Illinois. Mr. Speaker, the gentleman from Virginia [Mr. FLANNAGAN] has sent me a copy of the report of the Secretary of Agriculture to which he has just referred. His letter of transmittal and the report are as follows:

HOUSE OF REPRESENTATIVES U. S.,
COMMITTEE ON AGRICULTURE,
Washington, D. C., July 31, 1946.

Hon. ANTON J. JOHNSON,
House of Representatives,
Washington, D. C.

Dear ANTON: I have secured from the Secretary of Agriculture the information called for in the Resolution you introduced on July 22, 1946, House Resolution 721, and I am enclosing herewith copy of the report.

If there is any further information I can obtain, kindly let me know.

With all good wishes, I am

Sincerely yours,

JNO. W. FLANNAGAN, Jr.,
Chairman.

DEPARTMENT OF AGRICULTURE,
Washington, D. C., July 30, 1946.

Hon. JOHN W. FLANNAGAN, Jr.,
Chairman, Committee on Agriculture,
House of Representatives.

DEAR MR. FLANNAGAN: The following statement is submitted in reply to your letter of July 23 enclosing a copy of House Resolution 721, which requests the Secretary of Agriculture to submit to the House of Representatives a list of commodities rationed or allocated under his jurisdiction.

By Executve order, the Secretary of Agriculture is authorized and directed to ascertain all requirements against United States food supplies, including foregn requrements, and to make allocations to meet essential needs. In discharging this responsibility, the Secretary of Agriculture is assisted by the interagency Food Requirements and Allocations Committee, which is composed of representatives of the Departments of State, Commerce, War, and Navy, in addition to representatives of the Department of Agriculture. Allocations are made by the Secretary of Agriculture after they have been fully considered by this Committee and its commodity subcommittees. In these committee deliberations, the position of the Department of State, for example, is given great weight when the foreign policy of the United States has a bearing on the allocation being discussed. Committee recommendations are submitted to the Secretary of Agriculture, who makes final decisions regarding allocations. Export licenses are issued by the Department of Commerce in accordance with allocations to foreign claimants.

The United States position with regard to distribution of United States food supplies is presented to the International Emergency Food Council (formerly the Combined Food Board) where every effort is made to coordinate the proposed programs of the various supplying countries in order to insure that exportable supplies from all sources may be used as effectively as possible to meet world food needs. The IEFC has no power to determine the destination of United States food supplies. It is an agency for the coordination of national programs through mutual agreement. The Council provides a forum for consultation among exporting countries and importing countries regarding exportable supplies and minimum import requirements.

At the present time, the following foods and related items are under formal allocation:

Meats, fats and oils, selected dairy products, canned fish, dry beans and peas, rice, rye, corn, oats, barley, sugar, dried fruits, spices, protein feeds,[1] cocoa beans.

Wheat, although in very short supply relative to desperate needs in many war-torn countries, is not formally under allocation. Monthly export programs are prepared for wheat and wheat substitutes which establish limits on the quantities which may be exported to designated foreign claimants. These limits are established after consideration of the quantities that are available for export and the relative urgency of the need among foreign claimants.

A commodity is removed from allocation when it reaches a supply position which permits the essential requirements of all claimants to be met. For example, eggs, potatoes, and canned fruits and vegetables were recently removed from allocation when it became reasonably certain that the various claimants would be able to procure sufficient quantities to meet their essential needs. The current annual allocations of dried fruits and spices expire on August 31 and September 30, respectively.

Sugar is the only food item that is being rationed at the consumer level. The Secretary of Agriculture is responsible for determining the total quantity allocated to United States civilians, while actual distribution among individual consumers is under the jurisdiction of the Office of Price Administration.

The enclosed tables indicate (1) the percentage distribution of United States food supplies among major claimants during the fiscal year 1945–46 and (2) the quantities and percentages of specified commodities that have been tentatively allocated to the major

[1] The domestic allocation involves State quotas.

claimants during the July-September 1946 quarter.

In determining the essential requirements of United States civilians for particular commodities, reference is made to such factors as average prewar per-capita consumption, estimated current civilian market demand, and the availability of other foods that are required for adequate nutrition with special reference to the availability of substitutes for the commodity in question. A basic consideration is the minimum quantity that is necessary to avoid serious geographic maldistribution of available market supplies in the absence of consumer rationing, with special reference to maintenance of adequate operating stocks.

Requirements submitted by foreign claimants must be accompanied by a full statement of justification. These requirements are also screened in the context of information available through the Office of Foreign Agricultural Relations in the Department of Agriculture and through our agricultural attachés in the various claimant countries regarding indigenous production and the quantity of food available in urban areas.

Sincerely yours,

CLINTON P. ANDERSON,
Secretary.

Distribution of United States food supplies: United States civilians, United States Territories, United States military and exports, fiscal year 1945–46

Commodity	Total food distribution [1]	Percentage of total food distribution			
		United States civilians	United States Territories	United States military and war services	Exports
	(1)	(2)	(3)	(4)	(5)
Grand total distribution	*Thousand long tons* 132,896	*Percent* 82.4	*Percent* .4	*Percent* 4.6	*Percent* 12.6
Wheat and flour (grain equivalent)	23,575	50.0	[2]	6.2	43.8
Other grains, total (grain equivalent):					
Rice (milled rice equivalent)	875	42.7	15.7	3.2	38.4
Corn and corn products (grain equivalent)	2,854	78.4	1.1	1.4	19.1
Oats, rye, and barley (grain equivalent)	3,044	80.3	.6	.1	19.0
Fats and oils (edible including butter—product weight)	3,049	83.2	.8	4.3	11.7
Meat (carcass weight equivalent)	10,478	85.9	.4	8.1	5.6
Dairy products:					
Cheese	495	75.8	.4	0	23.8
Condensed and evaporated milk	1,622	68.9	2.0	0	29.1
Dried milk	417	54.2	1.0	4.3	40.5
Other foods, total:					
Potatoes and sweetpotatoes (farm weight equivalent)	10,484	84.3	.5	6.6	8.6
Dry beans and peas (including indirect uses)	920	55.6	2.8	2.3	39.3
Sugar (raw value)	5,160	86.7	.1	6.2	7.0
Eggs (shell equivalent)	3,236	88.2	.2	5.7	5.9
Canned fish	310	52.9	1.9	8.4	36.8
Fruits, total	12,573	89.7	.3	4.7	5.3
Vegetables, total (excluding potatoes and sweetpotatoes)	20,232	94.2	.2	3.9	1.7
Miscellaneous	33,572	96.1	.1	2.9	.9

[1] Includes United States military stocks accumulated prior to July 1, 1945, and transferred to UNRRA and United States military civilian feeding during the fiscal year 1945–46.
[2] Wheat shipments to United States territories included in total exports.

Source: U. S. Department of Agriculture, Office of Requirements and Allocations, July 22, 1946.

Summary of allocations of United States food supplies, July–September 1946 (as of July 26, 1946)

Commodity	Unit	Allocations				Percent			
		Total deliveries from market	United States civilians	United States military and war services	Exports and shipments [1]	Total deliveries from market	United States civilians	United States military and war services	Exports and shipments
		(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)
Dairy products:									
Butter	Million pounds	368.2	365.0	0.6	2.6	100.0	99.1	0.2	0.7
Cheese, American	do	247.5	150.0	10.3	87.2	100.0	60.6	4.2	35.2
Cheese, other	do	65.7	65.0	.4	.3	100.0	98.9	.6	.5
Condensed milk	do	[3] 95.9	[3] 75.0	[4]	20.9	100.0	78.2	----------	21.8
Evaporated milk	do	1,101.2	550.0	66.7	484.5	100.0	49.9	6.1	44.0
Dried whole milk	do	68.1	15.0	4.0	49.1	100.0	22.0	5.9	72.1
Nonfat dry milk solids	do	211.0	95.0	3.6	112.4	100.0	45.0	1.7	53.3
Meats [2]	----------	----------	----------	----------	----------	----------	----------	----------	----------
Canned fish [2]	Million pounds	695.6	482.8	4.7	208.1	100.0	69.4	.7	29.9
Fats and oils:									
Lard	Million pounds	431.1	317.3	3.0	110.8	100.0	73.6	.7	25.7
Margarine	Million pounds (fat content)	113.3	90.7	3.0	19.6	100.0	80.0	2.7	17.3
Shortening and other edible oils	do	531.1	476.5	5.8	48.8	100.0	89.7	1.1	9.2
Inedible fats and oils	do	857.2	823.4	14.4	19.4	100.0	96.1	1.7	2.2
Dry edible beans	Thousand 100-pound bags	250.0	240.9	.6	8.5	100.0	96.4	.2	3.4
Dry edible smooth peas	do	1,437.0	200.0	4.0	1,233.0	100.0	13.9	.3	85.8
Sugar, beet and cane	Thousand short tons, raw	1,889.7	[6] 1,728.0	44.9	116.8	100.0	91.4	2.4	6.2
Rice	Thousand 100-pound bags (milled)	2,325.0	950.0	20.5	1,354.5	100.0	40.9	.9	58.2
Cocoa beans	Million pounds	140.6	126.6	4.7	9.3	100.0	90.1	3.3	6.6

[1] Includes United States territories and military civilian feeding.
[2] Allocation in process.
[3] Includes total production of 60,000,000 pounds of bulk condensed milk, all of which goes to civilians.
[4] Negligible.
[5] Allocation for period July 1, 1946, to June 30, 1947.
[6] Includes 10,000 short tons for noncivilian provisional use.

Source: U. S. Department of Agriculture, Office of Requirements and Allocations, July 27, 1946.

EXTENSION OF REMARKS

Mr. BARTLETT. Mr. Speaker, I ask unanimous consent to extend my remarks in the RECORD and include an article. I am informed by the Public Printer that this will exceed two pages of the RECORD and will cost $180, but I ask that it be printed notwithstanding that fact.

The SPEAKER. Without objection, notwithstanding the cost, the extension may be made.

There was no objection.

Mr. CURTIS. Mr. Speaker, I ask unanimous consent to extend my remarks in the RECORD and include a letter and also a historical abstract. I am informed by the Public Printer that this will exceed two pages of the RECORD and that the additional cost will be $15, but

I ask that it be printed notwithstanding that fact.

The SPEAKER. Without objection, notwithstanding the cost, the extension may be made.

There was no objection.

Mr. BELL (at the request of Mr. GIBSON) was given permission to extend his remarks in the RECORD and include an article by Francis Cardinal Spellman.

Mr. GIBSON, Mr. WHITTINGTON, and Mr. KOPPLEMANN asked and were given permission to extend their remarks in the RECORD.

Mr. PETERSON of Florida asked and was given permission to extend his remarks in the RECORD paying tribute to Gen. Roy Geiger, and further to extend his remarks and include the speech of the President of the United States at the time of the award of the Selective Service Medal.

Mr. MORRISON asked and was given permission to extend his remarks in the RECORD and to include a newspaper clipping.

Mrs. WOODHOUSE asked and was given permission to extend her remarks in the RECORD concerning displaced persons.

Mr. KEARNEY asked and was given permission to extend his remarks in the RECORD and include an article from the Times-Herald.

Mr. JOHNSON of Illinois. Mr. Speaker, I ask unanimous consent to extend my remarks in the RECORD immediately following the remarks of the chairman of the Committee on Agriculture, the gentleman from Virginia [Mr. FLANNAGAN], and include a copy of a letter from him and also a report from the Secretary of Agriculture.

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

There was no objection.

SPECIAL ORDER GRANTED

Mr. CARNAHAN. Mr. Speaker, I ask unanimous consent that today, 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 30 minutes, and to revise and extend my remarks.

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

There was no objection.

PERMISSION TO ADDRESS THE HOUSE

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

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

There was no objection.

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

EXTENSION OF REMARKS

Mr. SPRINGER asked and was given permission to extend his remarks in the RECORD and include a newspaper editorial.

Mr. BYRNES of Wisconsin asked and was given permission to extend his own remarks in the Appendix of the RECORD.

Mr. MURRAY of Wisconsin asked and was given permission to extend his remarks in the RECORD and include a letter from the Commerce Department.

SPECIAL ORDER GRANTED

Mr. REES of Kansas. Mr. Speaker, I ask unanimous consent to address the House for 10 minutes today following the disposition of business on the Speaker's desk and the conclusion of special orders heretofore entered.

EXTENSION OF REMARKS

Mr. ANGELL asked and was given permission to extend his remarks in two instances in the RECORD and to include an excerpt in each.

Mr. LEMKE asked and was given permission to extend his remarks in two instances in the RECORD and include therein excerpts.

Mrs. LUCE asked and was given permission to extend her remarks in the RECORD in two instances and to include therein certain newspaper excerpts.

Mr. FARRINGTON. Mr. Speaker, I ask unanimous consent to extend my remarks in the RECORD and include therein a discussion of the military defense in Hawaii by United States District Judge Frank McLaughlin. I am informed by the Public Printer that the extension will cost $240.

The SPEAKER. Notwithstanding the cost and without objection, the extension may be made.

There was no objection.

Mr. WOLVERTON of New Jersey asked and was given permission to extend his own remarks in the RECORD in two instances, one relating to foreign trade and the other to the shipbuilding industry.

THE NATIONAL DEBT

Mr. RICH. Mr. Speaker, I ask unanimous consent to address the House for 1 minute and revise and extend my remarks.

The SPEAKER. Without objection, it is so ordered.

There was no objection.

Mr. RICH. Mr. Speaker, we are coming to two ends. First, we are coming to the end of this session of Congress, which will be on Friday. I think that will be a good thing for the country and especially for the Members of Congress. The longer in session the more they spend. Second, we are coming to the end of the Treasury's ability to stand such spending. When you look at the national debt, it is $269,000,000,000. That is the greatest debt in the world. Where will you get the money? You are going to have to put your noses to the grindstone and get out and work and teach the people of this country that we all have to work and earn and save if we are going to keep this country from going into bankruptcy. There is one way we can do that, and that is by everybody putting their shoulder to the wheel, eliminating all the strikes in the country, and producing, thus cutting down the cost of commodities so that people can buy them. The law of supply and demand will then go to work and there will be no need for OPA. We can do away, and should at once, with many of the agencies of Government; many are expensive joy rides for New Dealers.

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

EXTENSION OF REMARKS

Mr. CASE of South Dakota (at the request of Mr. ARENDS) was given permission to extend his remarks in the RECORD.

CANTON, S. DAK., INSANE ASYLUM

Mr. HOLMES of Massachusetts. Mr. Speaker, I ask unanimous consent for the immediate consideration of the bill (S. 2426) providing for the conveyance to the city of Canton, S. Dak., of the Canton Insane Asylum, located in Lincoln County, S. Dak.

The Clerk read the title of the bill.

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

There was no objection.

The Clerk read the bill, as follows:

Be it enacted, etc., That the Commissioner of Public Buildings is authorized and directed to convey by quitclaim deed to the city of Canton, S. Dak., all right, title, and interest of the United States in and to all lands, including the buildings and other improvements thereon, constituting the old Canton Insane Asylum, located to the east of the city of Canton, Lincoln County, S. Dak.

SEC. 2. The lands conveyed pursuant to the provisions of the first section of this act shall be used by the grantee for park, recreation, airport, or other public purposes; and the deed of conveyance of such lands shall contain the express condition that if the grantee shall fail or cease to use such lands for such purposes, or shall alienate or attempt to alienate such lands, title thereto shall revert to the United States.

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

EXTENSION OF REMARKS

Mr. BUCHANAN asked and was given permission to extend his remarks in the Appendix of the RECORD.

Mr. GREEN asked and was given permission to extend his remarks in the Appendix of the RECORD and include therein a letter to a constituent.

VETO MESSAGE FROM THE PRESIDENT OF THE UNITED STATES—FOR THE RELIEF OF S. G. LEOFFLER OPERATING CO.

The SPEAKER laid before the House the following veto message from the President of the United States, which was read by the Clerk:

To the House of Representatives:

I return herewith without my approval the bill (H. R. 1480) for the relief of the S. G. Leoffler Operating Co., of Washington, D. C., and for other purposes.

This bill would authorize and direct the Secretary of the Interior and the Comptroller General of the United States to relieve the S. G. Leoffler Operating Co. from liability for payment of the sum of $9,537.54. This sum represents rental due the United States under contract No. I-28p-2 for the operation of golf courses and allied facilities in the National Capital Parks of the District of Columbia.

The proposed remission of the rental due under the terms of the contract ap-

pears to be based on the theory that the rented premises were, in effect, destroyed by an act of God—that is, by the Potomac River flood of 1942. In fact, only part of the premises, the East Potomac golf course, which was but one of five public courses included under the contract, was damaged by the flood, and the injury it sustained was of a temporary character. In addition, this course was rehabilitated by the Department of the Interior at the Government's expense during a period when the small amount of golf play, because of wartime restrictions, probably would not have justified keeping the course open.

The S. G. Leoffler Operating Co., in taking custody of all public golf courses in the District of Columbia, could and should have reasonably anticipated that storms and flood might at times during the life of its 5-year contract make some or all of the areas temporarily unplayable. Particularly is this so since the company was an experienced operator of these very courses. The East Potomac course was known to be extremely vulnerable to freshets and floods, and the flood of October 1942 was but little more devastating than the flood of March 1936, which antedated the execution of the contract by approximately 3 years.

Moreover, although the flooded East Potomac course was not repaired for several months, it appears that other public courses were adequate to serve the public demand during wartime. This conclusion is supported by the fact that when the East Potomac course was reopened after the injury caused by the flood had been repaired, it was immediately closed again at the request of the operator because there was not sufficient play to justify its continued operation. Thus I am convinced that the Company suffered no damages because of the flood beyond the ordinary risk contemplated under its operating contract.

Lastly, I wish to emphasize that the National Park Service of the Department of the Interior has numerous contracts with operators who furnish accommodations and conveniences to the public visiting the various national parks and national monuments. The granting of relief in the circumstances here presented might well be considered by other concessioners as a precedent to seek relief because of damages to their facilities from storms or other causes not under the control of the Government.

Accordingly, I am constrained to withhold approval from H. R. 1480.

HARRY TRUMAN.

THE WHITE HOUSE, *July 31, 1946.*

The SPEAKER. The objection of the President will be spread at large upon the Journal, and the message and accompanying bill referred to the Committee on Claims and ordered printed.

REORGANIZATION OF RAILROADS

Mr. HOBBS. Mr. Speaker, I call up the conference report on the bill (S. 1253) to enable debtor railroad corporations expeditiously to effectuate reorganizations of their financial structures; to alter or modify their financial obligations, and for other purposes, and I ask unanimous consent that the statement may 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 Alabama [Mr. HOBBS]?

Mr. WALTER. Mr. Speaker, I object.

CALL OF THE HOUSE

Mr. WALTER. Mr. Speaker, I make the point of order that there is no quorum present.

The SPEAKER. Evidently there is no quorum present.

Mr. GORE. 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. 262]

Adams	Elston	Mason
Allen, La.	Fellows	May
Almond	Fogarty	Merrow
Andersen, H. Carl	Gallagher	Miller, Calif.
	Gary	Miller, Nebr.
Anderson, Calif.	Gathings	Mills
Baldwin, Md.	Geelan	Morgan
Baldwin, N. Y.	Gifford	Norton
Barry	Gillespie	O'Konski
Bates, Ky.	Gordon	Outland
Bates, Mass.	Gossett	Patrick
Beckworth	Grant, Ind.	Patterson
Bell	Gregory	Pfeifer
Bender	Hagen	Philbin
Bennet, N. Y.	Hale	Ploeser
Blackney	Hall, Edwin Arthur	Plumley
Bland		Powell
Bloom	Halleck	Price, Fla.
Boren	Hancock	Priest
Boykin	Hare	Rains
Bradley, Mich.	Harris	Reece, Tenn.
Brooks	Hart	Richards
Brumbaugh	Hartley	Rivers
Bryson	Hébert	Robinson, Utah
Buck	Heffernan	Robsion, Ky.
Buckley	Hendricks	Rockwell
Buffett	Henry	Roe, N. Y.
Bunker	Hess	Rogers, N. Y.
Byrne, N. Y.	Hill	Russell
Cannon, Fla.	Hoeven	Ryter
Carlson	Hoffman, Mich.	Scrivner
Case, N. J.	Holifield	Shafer
Case, S. Dak.	Hook	Sharp
Celler	Izac	Sheppard
Clements	Jennings	Sheridan
Clippinger	Johnson, Calif.	Short
Cochran	Johnson, Tex.	Slaughter
Coffee	Kean	Smith, Wis.
Cole, Kans.	Kee	Somers, N. Y.
Cole, N. Y.	Keefe	Sparkman
Combs	Kefauver	Stewart
Cooper	Keogh	Sumner, Ill.
Courtney	Kerr	Taber
Cravens	Kilburn	Tarver
Crawford	Kilday	Thomas, N. J.
Crosser	Landis	Tolan
Curley	Lane	Torrens
Daughton, Va.	Larcade	Towe
Davis	LeFevre	Trimble
Dawson	Ludlow	Voorhis, Calif.
De Lacy	Lyle	Vorys, Ohio
Delaney, John J.	McCormack	Wadsworth
	McDonough	Wasielewski
Dirksen	McGehee	Weaver
Dolliver	McGregor	Welch
Dondero	McKenzie	West
Douglas, Ill.	Mahon	White
Dworshak	Maloney	Wickersham
Earthman	Mansfield, Mont.	Winter
Eaton		Wolfenden, Pa.
Elliott	Mansfield, Tex.	Wood

The SPEAKER. On this roll call 252 Members have answered to their names, a quorum.

If there is no objection, further proceedings under the call will be dispensed with.

Mr. WALTER. Mr. Speaker, I object.

The SPEAKER. The question is, Will the House dispense with further proceedings under the call?

The question was taken; and on a division (demanded by Mr. WALTER) there were—ayes 108, noes 2.

Mr. WALTER. 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 230, nays 16, answered "present" 1, not voting 183, as follows:

[Roll No. 263]

YEAS—230

Abernethy	Gearhart	Murray, Tenn.
Andresen, August H.	Geelan	Murray, Wis.
	Gerlach	Neely
Andrews, Ala.	Gibson	Norblad
Andrews, N. Y.	Gillie	Norrell
Angell	Goodwin	O'Brien, Ill.
Arnold	Gore	O'Brien, Mich.
Auchincloss	Gorski	O'Hara
Bailey	Graham	O'Neal
Barden	Granahan	O'Toole
Barrett, Pa.	Granger	Pace
Barrett, Wyo.	Grant, Ala.	Patman
Beall	Green	Peterson, Fla.
Bennett, Mo.	Griffiths	Peterson, Ga.
Biemiller	Gross	Phillips
Bland	Gwinn, N. Y.	Pickett
Bloom	Gwynne, Iowa	Pittenger
Bolton	Hall, Leonard W.	Poage
Bonner		Pratt
Bradley, Pa.	Havenner	Price, Ill.
Brehm	Hays	Quinn, N. Y.
Brown, Ga.	Healy	Rabaut
Brown, Ohio	Hedrick	Rabin
Buchanan	Herter	Ramey
Bulwinkle	Heselton	Randolph
Butler	Hinshaw	Rankin
Byrne, N. Y.	Hobbs	Rayfiel
Byrnes, Wis.	Hoffman, Pa.	Reed, Ill.
Camp	Holmes, Mass.	Reed, N. Y.
Campbell	Holmes, Wash.	Rees, Kans.
Canfield	Hook	Resa
Cannon, Mo.	Hope	Riley
Carnahan	Horan	Rizley
Chapman	Huber	Robertson, Va.
Chelf	Jarman	Rodgers, Pa.
Chenoweth	Jenkins	Roe, Md.
Chiperfield	Jensen	Rogers, Fla.
Church	Johnson, Ill.	Rogers, Mass.
Clark	Johnson, Ind.	Rooney
Clason	Johnson, Okla.	Rowan
Clevenger	Jones	Sabath
Cole, Mo.	Jonkman	Sadowski
Colmer	Kearney	Sasscer
Cooley	Kelley, Pa.	Savage
Corbett	Kelly, Ill.	Schwabe, Mo.
Crosser	Kinzer	Schwabe, Okla.
Cunningham	Kirwan	Sikes
D'Alesandro	Klein	Simpson, Ill.
De Lacy	Kuntson	Smith, Maine
Delaney, James J.	Koppiemann	Smith, Ohio
	Kunkel	Smith, Va.
D'Ewart	LaFollette	Spence
Dingell	Lanham	Springer
Domengeaux	Latham	Starkey
Doughton, N. C.	LeCompte	Stefan
Douglas, Calif.	Lemke	Stevenson
Doyle	Lesinski	Stigler
Durham	Lewis	Stockman
Eberharter	Link	Sullivan
Ellis	Lynch	Sumners, Tex.
Ellsworth	McConnell	Talbot
Elsaesser	McCowen	Talle
Engel, Mich.	McDonough	Taylor
Engle, Calif.	McGlinchey	Thom
Ervin	McMillan, S. C.	Tibbott
Fallon	McMillen, Ill.	Traynor
Feighan	Madden	Vinson
Fenton	Manasco	Vursell
Fisher	Mankin	Whitten
Flannagan	Marcantonio	Whittington
Flood	Martin, Iowa	Wigglesworth
Folger	Martin, Mass.	Winstead
Forand	Mathews	Wolcott
Fuller	Michener	Wolverton, N. J.
Fulton	Monroney	Woodhouse
Gamble	Morrison	Woodruff
Gardner	Mundt	Worley
Gavin	Murdock	

NAYS—16

Allen, Ill.	Howell	Thomas, Tex.
Arends	Hull	Walter
Bishop	Jackson	Weichel
Curtis	Luce	Wilson
Gillette	Rich	
Hoch	Sundstrom	

ANSWERED "PRESENT"—1

Hand

NOT VOTING—183

Adams	Gary	Miller, Nebr.
Allen, La.	Gathings	Mills
Almond	Gifford	Morgan
Andersen, H. Carl	Gillespie	Norton
	Gordon	O'Konski
Anderson, Calif.	Gossett	Outland
Baldwin, Md.	Grant, Ind.	Patrick
Baldwin, N. Y.	Gregory	Patterson
Barry	Hagen	Pfeifer
Bates, Ky.	Hale	Philbin
Bates, Mass.	Hall, Edwin Arthur	Ploeser
Beckwoth		Plumley
Bell	Halleck	Powell
Bender	Hancock	Price, Fla.
Bennet, N. Y.	Hare	Priest
Blackney	Harless, Ariz.	Rains
Boren	Harness, Ind.	Reece, Tenn.
Boykin	Harris	Richards
Bradley, Mich.	Hart	Rivers
Brooks	Hartley	Robertson, N. Dak.
Brumbaugh	Hébert	
Bryson	Heffernan	Robinson, Utah
Buck	Hendricks	Robsion, Ky.
Buckley	Henry	Rockwell
Buffett	Hess	Roe, N. Y.
Bunker	Hill	Rogers, N. Y.
Cannon, Fla.	Hoeven	Russell
Carlson	Hoffman, Mich.	Ryter
Case, N. J.	Holifield	Scrivner
Case, S. Dak.	Izac	Shafer
Celler	Jennings	Sharp
Clements	Johnson, Calif.	Sheppard
Clippinger	Johnson, Tex.	Sheridan
Cochran	Judd	Short
Coffee	Kean	Simpson, Pa.
Cole, Kans.	Kee	Slaughter
Cole, N. Y.	Keefe	Smith, Wis.
Combs	Kefauver	Somers, N. Y.
Cooper	Keogh	Sparkman
Courtney	Kerr	Stewart
Cox	Kilburn	Sumner, Ill.
Cravens	Kilday	Taber
Crawford	King	Tarver
Curley	Landis	Thomas, N. J.
Daughton, Va.	Lane	Thomason
Davis	Larcade	Tolan
Dawson	Lea	Torrens
Delaney, John J.	LeFevre	Towe
	Ludlow	Trimble
Dirksen	Lyle	Voorhis, Calif.
Dolliver	McCormack	Vorys, Ohio
Dondero	McGehee	Wadsworth
Douglas, Ill.	McGregor	Wasielewski
Drewry	McKenzie	Weaver
Dworshak	Mahon	Welch
Earthman	Maloney	West
Eaton	Mansfield, Mont.	White
Elliott		Wickersham
Elston	Mansfield, Tex.	Winter
Fellows	Mason	Wolfenden, Pa.
Fernandez	May	Wood
Fogarty	Merrow	Zimmerman
Gallagher	Miller, Calif.	

So the motion was agreed to.

The Clerk announced the following pairs:

General pairs until further notice:

Mr. Pfeifer with Mr. Ploeser.

Mr. Almond with Mr. Robsion of Kentucky.

Mr. Sheridan with Mr. Scrivner.

Mr. Keogh with Mr. Taber.

Mr. Lane with Mr. Short.

Mr. Wood with Mr. Kean.

Mr. Barry with Mr. Smith of Wisconsin.

Mr. Izac with Mr. Mason.

Mr. Boykin with Mr. Cole of Kansas.

Mr. Hart with Mr. Dirksen.

Mr. Roe of New York with Mr. Cole of New York.

Mr. Celler with Mr. Eaton.

Mrs. Douglas of Illinois with Mr. Grant of Indiana.

Mr. Priest with Mr. Elston.

Mr. Trimble with Mr. Halleck.

Mr. McCormack with Mr. Jennings.

Mr. Powell with Mr. Keefe.

Mr. McGlinchey with Mr. Blackney.

Mr. Somers of New York with Mr. H. Carl Andersen.

Mr. Thomas of Texas with Mr. Bender.

Mr. Outland with Mr. Hoeven.

Mrs. Norton with Mr. Dondero.

Mr. Hébert with Mr. Hoffman of Michigan.

Mr. Buckley with Mr. Wadsworth.

Mr. John J. Delaney with Mr. Henry.

The result of the vote was announced as above recorded.

The doors were opened.

REORGANIZATION OF RAILROADS

The SPEAKER. The Clerk will read the conference report.

The Clerk proceeded to read the conference report.

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 House to the bill (S. 1253) to enable debtor railroad corporations expeditiously to effectuate reorganizations of their financial structures; to alter or modify their financial obligations; 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 disagreement to the amendment of the House to the text of the bill and agree to the same with an amendment, as follows: In lieu of the matter inserted by the amendment of the House insert the following: "That (1) it shall be lawful (any express provision contained in any mortgage, indenture, deed of trust, or other instrument to the contrary notwithstanding), with the approval and authorization of the Interstate Commerce Commission (hereinafter referred to as the Commission), as provided in paragraph (2) hereof, for a carrier as defined in section 20a (1) of Part I of the Interstate Commerce Act to alter or modify (a) any provision of any class or classes of its bonds, notes, debentures, or other indebtedness (whether secured, unsecured, matured, or unmatured) issued under any mortgage, indenture, deed of trust, or other instrument, or otherwise created, such bonds, notes, debentures, or other evidences of indebtedness being hereinafter in this section sometimes called 'obligations'; (b) any provision of any mortgage, indenture, deed of trust, or other instrument pursuant to which any class of its obligations shall have been issued or by which any class of its obligations is secured: *Provided*, That the provisions of this section shall not apply to any equipment-trust certificates in respect of which a carrier is obligated, or to any evidences of indebtedness of a carrier the payment of which is secured in any manner solely by equipment, or to any instrument, whether an agreement, lease, conditional-sale agreement, or otherwise, pursuant to which such equipment-trust certificates or such evidences of indebtedness shall have been issued or by which they are secured.

"(2) Whenever an alteration or modification is proposed under paragraph (1) hereof, the carrier seeking authority therefor shall, pursuant to such rules and regulations as the Commission shall prescribe, present an application to the Commission. The Commission shall set such application for public hearing and the carrier shall give such notice of such hearing in such manner, by advertisement or otherwise, as the Commission may find practicable and may direct, to holders of such of its classes of securities and to such other persons in interest as the Commission shall determine to be appropriate and shall direct. If the Commission, after hearing, in addition to making (in any case where such alteration or modification involves an issuance of securities) the findings required by paragraph (2) of said section 20a, shall find that, subject to such terms and conditions (not constituting alterations or modifications of obligations or securities) and with such amendments (altering or modifying the obligations affected by the alteration or modification proposed by the carrier) as the Commission shall determine to be just and reasonable, the proposed alteration or modification—

"(a) is within the scope of paragraph (1);

"(b) will be in the public interest;

"(c) will be in the best interests of the carrier and of the holders of each class of its obligation affected by such modification or alteration; and

"(d) will not be adverse to the interests of the holders of any other class of the carrier's securities or to the interests of any creditor of the carrier not affected by such modification or alteration,

then (unless the applicant carrier shall withdraw its application) the Commission shall cause the carrier, in such manner as it shall direct, to submit the proposed alteration or modification (with such terms, conditions, and amendments, if any) to the holders of each class of its obligations affected thereby, for acceptance or rejection. If the Commission shall find that as a result of such submission the proposed alteration or modification has been assented to by the holders—

"(i) of at least 66⅔ per centum of the aggregate principal amount outstanding of each class of obligations affected thereby; or

"(ii) of less than 66⅔ per centum but not less than 51 per centum of any particular class or classes of securities affected, and the Commission, after hearing, finds that such reduction in percentage will be just and reasonable and in the public interest; or

"(iii) in any case where 66⅔ per centum thereof is held by fewer than twenty-five holders, of such larger percentage, if any, as the Commission, after hearing, finds will be just and reasonable and in the public interest;

the Commission shall enter an order approving and authorizing the proposed alteration or modification upon the terms and conditions and with the amendments, if any, so determined to be just and reasonable. Such order shall make provision as to the time when such alteration or modification shall become and be binding, which may be upon publication of a declaration to that effect by the carrier, or otherwise, as the Commission may determine. Any alteration or modification which shall become and be binding pursuant to the approval and authority of the Commission hereunder shall be binding upon each holder of any obligation of the carrier of each class affected by such alteration or modification, and upon any trustee or other party to any instrument under which any such class of obligations shall have been issued or by which it is secured, and when any alteration or modification shall become and be binding the right of each such holder and of any such trustee or other party shall be correspondingly altered or modified.

"(3) For the purposes of this section a class of obligations shall be deemed to be affected by any modification or alteration proposed only (a) if a modification or alteration is proposed as to any provision of such class of obligations, or (b) if any modification or alteration is proposed as to any provision of any instrument pursuant to which such class of obligations shall have been issued or shall be secured: *Provided*, That in any case where more than one class of obligations shall have been issued and be outstanding or shall be secured pursuant to any instrument, any alteration or modification proposed as to any provision of such instrument, which does not relate to all of the classes of obligations issued thereunder, shall be deemed to affect only the class or classes of obligations to which such alteration or modification is related. For the purpose of the finding of the Commission referred to in paragraph (2) of this section as to whether the required percentage of the aggregate principal amount outstanding of each class of obligations affected by any proposed alteration or modification has assented to the making of such alteration or modification, any obligation which secures any evidence or evidences of indebtedness of the carrier or

of any company controlling or controlled by the carrier shall be deemed to be outstanding unless the Commission in its discretion determines that the proposed alteration or modification does not materially affect the interests of the holder or holders of the evidence or evidences of indebtedness secured by such obligation. Whenever any such pledged obligation is, for said purposes, to be deemed outstanding, assent in respect of such obligations, as to any proposed alteration or modification, may be given only (any express or implied provision in any mortgage, indenture, deed of trust, note, or other instrument to the contrary notwithstanding) as follows: (a) where such obligation is pledged as security under a mortgage, indenture, deed of trust, or other instrument, pursuant to which any evidence of indebtedness are issued and outstanding, by the holders of a majority in principal amount of such evidences of indebtedness, or (b) where such obligation secures an evidence or evidences of indebtedness not issued pursuant to such a mortgage, indenture, deed of trust, or other instrument, by the holder or holders of such evidence or evidences of indebtedness; and in any such case the Commission, in addition to the submission referred to in paragraph (2) of this section, shall cause the carrier in such manner as it shall direct to submit the proposed alteration or modification (with such terms, conditions, and amendments, if any, as the Commission shall have determined to be just and reasonable) for acceptance or rejection, to the holders of the evidences of indebtedness issued and outstanding pursuant to such mortgage, indenture, deed of trust, or other instrument, or to the holder or holders of such evidence or evidences of indebtedness not so issued, and such proposed alteration or modification need not be submitted to the trustee of any such mortgage, indenture, deed of trust, or other instrument, but assent in respect of any such obligation shall be determined as hereinbefore in this section provided. For the purpose of any such assent the evidences of indebtedness issued and outstanding under any such mortgage, indenture, deed of trust, or other instrument shall be determined by the Commission.

"(4) (a) Any authorization and approval hereunder of any alteration or modification of a provision of any class of obligations of a carrier or of a provision of any instrument pursuant to which a class of obligations has been issued, or by which it is secured, shall be deemed to constitute authorization and approval of a corresponding alteration or modification of the obligation of any other carrier which has assumed liability in respect of such class of obligations as guarantor, endorser, surety, or otherwise: *Provided*, That such other carrier consents in writing to such alteration or modification of such class of obligations in respect of which it has assumed liability or of the instrument pursuant to which such class of obligations has been issued or by which it is secured, and, such consent having been given, any such corresponding alteration or modification shall become effective, without other action, when the alteration or modification of such class of obligations or of such instrument shall become and be binding.

"(b) Any person who is liable or obligated contingently or otherwise on any class or classes of obligations issued by a carrier shall, with respect to such class or classes of obligations, for the purposes of this section, be deemed a carrier.

"(5) The authority conferred by this section shall be exclusive and plenary and any carrier, in respect of any alteration or modification authorized and approved by the Commission hereunder, shall have full power to make any such alteration or modification and to take any actions incidental or appropriate thereto, and may make any such alteration or modification and take any such actions, and any such alteration or modification may be made without securing the approval of the Commission under any other section of the Interstate Commerce Act or other paragraph of this section, and without securing approval of any State authority, and any carrier and its officers and employees and any other persons, participating in the making of an alteration or modification approved and authorized under the provisions of this section or the taking of any such actions, shall be, and they hereby are, relieved from the operation of all restraints, limitations, and prohibitions of law, Federal, State, or municipal, insofar as may be necessary to enable them to make and carry into effect the alteration or modification so approved and authorized, in accordance with the conditions and with the amendments, if any, imposed by the Commission. Any power granted by this section to any carrier shall be deemed to be in addition to and in modification of its powers under its corporate charter or under the laws of any State. The provisions of this section shall not affect in any way the negotiability of any obligation of any carrier or of the obligation of any carrier which has assumed liability in respect thereto.

"(6) The Commission shall require periodical or special reports from each carrier which shall hereafter secure from the Commission approval and authorization of any alteration or modification under this section, which shall show, in such detail as the Commission may require, the action taken by the carrier in the making of such alteration or modification.

"(7) The provisions of this section are permissive and not mandatory and shall not require any carrier to obtain authorization and approval of the Commission hereunder for the making of any alteration or modification of any provision of any of its obligations or of any class thereof or of any provision of any mortgage, indenture, deed of trust, or other instrument, which it may be able lawfully to make in any other manner, whether by reason of provisions for the making of such alteration or modification in any such mortgage, indenture, deed of trust, or other instrument, or otherwise: *Provided*, That the provisions of paragraph (2) of said section 20a, if applicable to such alteration or modification made otherwise than pursuant to the provisions of this section, shall continue to be so applicable.

"(8) The provisions of paragraph (6) of said section 20a, except the provisions thereof in respect of hearings, shall apply to applications made under this section. In connection with any order entered by the Commission pursuant to paragraph (2) hereof, the Commission may from time to time, for good cause shown, make such supplemental orders in the premises as it may deem necessary or appropriate, and may by any such supplemental order modify the provisions of any such order, subject always to the requirements of said paragraph (2).

"(9) The provisions of subdivision (a) of section 14 of the Securities Exchange Act of 1934 shall not apply to any solicitation in connection with a proposed alteration or modification pursuant to this section.

"(10) The Commission shall have the power to make such rules and regulations appropriate to its administration of the provisions of this section as it shall deem necessary or desirable.

"SEC. 2. (1) All proceedings under section 77 of the Bankruptcy Act, whether before the Interstate Commerce Commission or United States courts, relating to the preparation or effectuation of plans of reorganization of each carrier by railroad as defined in said section 20a (1) whose properties on the effective date of this Act or at any time thereafter are in the custody of the United States courts, shall be forthwith suspended and discontinued as of the effective date of this Act—

"(A) If the gross railway operating revenues of such carrier for any of the calendar years 1942 to 1944, inclusive, were in excess of $50,000,000; or if its gross railway operating revenues were not in excess of such amount, such carrier is a debtor in any such proceeding, or is a party defendant in any proceeding ancillary thereto, with another such carrier whose revenues were so in excess; and

"(B) If, for the period of seven calendar years from 1939 to 1945, inclusive, the total of the income reported to the Commission as income available for fixed charges, plus (a) the total of any amounts so reported as a deficit for fixed charges in any of said seven years to the extent of the total of any amounts reported for Federal income and excess-profits taxes in any of said years, and (b) amounts deducted in any year for amortization of emergency facilities under section 124 of the Internal Revenue Code in excess of 20 per centum of the cost of such facilities, of such carrier, or, on a joint or consolidated basis, of the carriers in the system of which such carrier is a part, or of such carrier and other carriers, directly or indirectly controlled by it, through direct or indirect ownership of at least a majority of their stock, is at least equal to the reported total fixed charges (other than charges on intercompany obligations) of such carrier or carriers for such period.

"(2) Carriers to which paragraph (1) of this section is applicable shall institute proceedings and file application under section 1 of this Act as expeditiously as practicable but in no event later than eighteen months after the effective date of this Act, or such longer period as the Commission, on application, may approve.

"(3) The properties of any carrier specified in paragraph (1) of this section shall continue in the custody of the United States courts having custody of them; except that, the following portions of said section 77 shall not be applicable in any such case:

"(a) The first two paragraphs of subsection (b).

"(b) Subdivision (1) of subsection (c).

"(c) The first five sentences, and the first seven words and the last twenty-two words of the sixth sentence, of subdivision (2) of subsection (c): *Provided*, That for the purposes of this section there shall be substituted for the said last twenty-two words of said sixth sentence, the words 'custody and supervision of the judge'.

"(d) Subsections (d), (e), (f), and (k).

In addition to the foregoing exceptions and for the same purpose of applying to such carriers in the cases in which and during the period for which such custody is held under said section 77, and pending the consummation of proceedings under section 1 of this Act, the word 'debtor' shall be substituted for the words 'trustee or trustees' wherever such latter words occur in subdivisions (3), (5), (9), and (10) of subsection (c), and subsections (i) and (o), of said section 77. The provisions of subsection (12) of subsection (c) of said section 77 shall be applicable to proceedings under this Act. The final determination heretofore or hereafter made in the United States courts with respect to the relative priorities as between the respective classes of security holders, the subordination of the interest of a creditor or security holder of the debtor to the interest of other creditors or security holders, or the validity, amount and priority of any claim shall continue in full force and effect. Nothing contained in this Act is intended or shall be construed to modify or rescind any such determination or to prevent or delay the prosecution to final determination of any such issue now pending, and not yet finally determined, in the United States courts. Nothing in this Act shall be deemed to limit, qualify or restrict the right of the debtor (which right of the debtor is hereby confirmed), with the approval of the court (a) to purchase in whole or in part any bond issues or other obligations of the debtor

(including bonds or other obligations guaranteed or assumed by the debtor), at a discount or otherwise, provided that the court's approval of the debtor's purchase of any such obligations junior in lien to first lien mortgage bonds shall be granted only if the court finds, after hearing, that such purchase will be for the best interests of the estate of the carrier and will not deprive the holders of obligations senior in lien to the obligations proposed to be purchased, of adequate security and protection; (b) to hold or to retire and cancel any of its bonds or other obligations now held or hereafter acquired by the debtor; and (c) to make voluntary agreements or compromises with any creditor or creditors as to either principal or interest of his or their claims or the security therefor, provided that the court shall find, after hearing, that any such agreement or compromise will be in the best interests of the estate of the carrier and will not unjustly or inequitably affect the claims or security of other creditors.

"(4) The proceedings with respect to any such carrier specified in paragraph (1) of this section under section 77 of the Bankruptcy Act shall be dismissed upon consummation of proceedings affecting such carrier under section 1 of this Act, or upon payment of its matured, unpaid obligations, or the making of other arrangements with reference to such obligations satisfactory to the owners of the claims therefor; and such proceedings may be dismissed under the conditions and in the manner prescribed in subsection (g) of section 77 of the Bankruptcy Act: *Provided*, That in the event there has been a determination by the United States courts with respect to subordination of any claim, or the issue thereon has not been finally determined, the determination of that one issue, and only that issue, shall be continued and prosecuted to completion and shall be binding on the security holders of such company; but such continuance of the determination of that sole issue shall not delay the dismissal of the proceedings in any and every other respect.

"(5) The appointment, term of office, powers, authority, compensation and fees of each trustee appointed by the court, and of each counsel of such trustee, shall be terminated on or before sixty days after the effective date of this Act: *Provided*, That if the board of directors of the carrier shall have been elected, pursuant to the provisions of paragraph (11) of this section, prior to the expiration of the afore-mentioned sixty-day period, the appointment, term of office, powers, authority, compensation and fees of such trustees and counsel shall be terminated forthwith.

"(6) The provisions of this section shall not apply if at the time of filing the petition for reorganization under section 77 of the Bankruptcy Act as amended, more than 95 percent of the outstanding voting stock of the debtor railroad corporation shall have been owned or controlled, directly or indirectly, by voting trust or otherwise, by another railroad corporation not a debtor in the same proceeding under the said section 77 with the said debtor and/or by a corporation owning or controlling more than 95 percent of the outstanding voting stock of another railroad corporation; provided also, that this section shall not apply to a railroad corporation if (1) all of its stock is owned directly or indirectly by an operating railroad corporation, (2) both corporations are in the same proceeding under the said section 77, and (3) pursuant to the provisions in this paragraph, this section does not apply to the said operating railroad corporation which owns all of the stock of the said controlled railroad corporation. The term 'corporation' as used in this paragraph shall be deemed to include its trustees appointed under the aforesaid section 77 of the Bankruptcy Act.

"(7) If the United States of America, or any agency thereof, or any corporation (other than the Reconstruction Finance Corporation) the majority of the stock of which is owned by the United States of America, is a creditor or stockholder of any such carrier, the President of the United States or any officer or agency he may designate, is hereby authorized to act in respect of the interest or claims of the United States or of such agency or other corporation.

"(8) The Commission shall designate one or more qualified members of its staff to serve as mediator or mediators in each of the proceedings under section 1 with respect to carriers specified under paragraph (1) of this section for the purpose of bringing the different classes of creditors and other security holders together, of being available to advise with them, of assisting in the effectuation of changes, compromises, arrangements, negotiations, and dealings with the various classes of creditors and other security holders and with individuals, groups, and committees representing creditors or other security holders, of assisting in expediting all stages of the proceedings and the early termination and the consummation of all transactions hereunder, including all steps requisite for the effectuation thereof.

"(9) In proceedings under section 1 with respect to a carrier specified in paragraph (1) of this section the Commission shall have the power, in its discretion, to submit to holders of obligations, any proposed alteration or modification affecting them which the Commission has caused the carrier to submit to such holders under the provisions of the fourth sentence of paragraph (2) of section 1 hereof; in the event that it is satisfied that such alteration or modification has been accepted by or on behalf of creditors of each class to which submission is required under section 1 holding more than two-thirds in amount of the total of the allowed claims of such class which have voted on said alteration or modification, the Commission shall enter an order approving and authorizing the proposed alteration or modification as provided in said paragraph (2) of section 1 hereof: *Provided*, That it shall enter such order in any case in which such alteration or modification has not been so accepted by the creditors of any class or classes if it finds, after hearing, that the alteration or modification makes adequate provision for fair and equitable treatment for the claims of those rejecting it; that such rejection is not reasonably justified in the light of the respective rights and interests of those rejecting them and all the relevant facts; and that the alteration or modification is fair and equitable, affords due recognition to the rights of each class of creditors and stockholders, and will conform to the requirements of the law of the land.

"(10) If after having submitted a proposed alteration or modification to holders of affected obligations as provided in paragraph (9), the Commission shall not have entered an order approving and authorizing such proposed alteration or modification within a period of twelve months following the date of the filing of an application in accordance with paragraph (2) of this section, or such extended periods as the Commission on application therefor may approve, then the Commission, after hearings, shall formulate and submit to holders of affected obligations such alteration or modification as in its opinion meets the standards set forth in section 1 above; in applying such standards of section 1 for the purpose of any such alteration or modification under this paragraph, the Commission shall give full effect to all changes, facts, and developments since 1940, including, without limitation, for such period total railway operating revenues, operating expenses and other charges, net earnings, the full effect of amortization deductions on earnings of past and future years, improvements to the property, the effect of the released collateral through past or future payment of loans, cash and net current assets, retirements and purchases of debt, including retirements and purchases at a discount that have been made or that can reasonably be made, adjustment and reduction of interest rates on outstanding debt that may be made including the adjustment and reduction of interest rates for prior years. In the event the Commission is satisfied that such alteration or modification has been accepted by the percentages required for acceptance under the provisions of section 1 or of paragraph (9) of this section it shall enter an order approving and authorizing such alteration or modification, unless it finds that, prior to the entry of such order, the alteration or modification submitted under paragraph (9) has been accepted by the percentages required by the provisions of that paragraph or of section 1, in which event it shall enter an order approving and authorizing such alteration or modification submitted under paragraph (9).

"(11) (a) Every carrier to which paragraph (1) of this section is applicable shall call a meeting of stockholders for the election of directors to be held within sixty days after the effective date of this Act. The present terms of office of all directors and officers of such carrier shall terminate upon the election and qualification of their successors, as herein provided, notwithstanding any provision of the charter or by-laws of such carrier or of any State law to the contrary. The terms of office of all directors elected at such meeting shall be the unexpired terms of present directors.

"(b) No holding company, individual, group, partnership, association, corporation, or other entity (excluding any operating common carrier subject to Part I of the Interstate Commerce Act, but not excluding any holding company or other nonoperating corporation which has been held or which may be held to be a common carrier within the meaning of said Act)—

"(A) which exercises direct or indirect control of one or more railroad corporations the properties of which are not in the custody of a court in proceedings under section 77 of the Bankruptcy Act; and

"(B) which also owns shares of voting stock of any railroad corporation to which this Act is applicable, in sufficient number to enable the owner thereof to control such carrier,

"shall, during the period the debtor shall be in possession of its properties and in control of the management and operation thereof under this Act, vote such shares for the election of more than a minority of the directors of any railroad corporation to which this Act is applicable.

"(c) No stock of any common carrier to which paragraph (1) of this section is applicable, which stock is owned or controlled directly or indirectly by, or held for the benefit of, or pledged as security by, any other common carrier to which paragraph (1) of this section is applicable, shall be voted for the election of directors during the proceedings under this Act, unless at the time of filing the petition for reorganization under section 77 of the Bankruptcy Act as amended, the transaction or transactions by which such stock was acquired, and the ownership and control of such stock, had been approved by the Interstate Commerce Commission pursuant to the applicable provisions of section 5 of the Interstate Commerce Act, as amended or unless the two carriers are debtors in the same proceeding under section 77 of the Bankruptcy Act, as amended.

"(d) In the determination of whether a quorum is represented in attendance at any meeting of stockholders' of any carrier to which paragraph (1) of this section is applicable, held during the pendency of proceedings under this Act, for the election of directors or for other purposes, all voting stock standing in the name of, or held for the benefit of or pledged or assigned by, or directly or indirectly controlled by, any carrier, holding company, individual, corporation or other

entity to which subparagraph (b) or (c) of this paragraph (11) is applicable which voting stock may be not represented at said meeting shall nevertheless be considered and counted as being represented in attendance at such meeting, notwithstanding any provision of the charter or by-laws of such carrier or the provision of any State law to the contrary.

"(12) Any party having properly filed an application under section 5 of the Interstate Commerce Act to control, or participate in the control of, a carrier to which section 2 of this Act applies, is hereby authorized to intervene generally in and become a party to the proceedings under this Act affecting such carrier.

"(13) No readjustment of financial structure or other proceeding under this Act and no order of the court or Commission in connection therewith shall relieve any carrier from the obligation of any final judgment of any Federal or State court rendered prior to January 1, 1929, against such carrier or against one of its predecessors in title, requiring the maintenance of offices, shops, and roundhouses at any place, where such judgment was rendered on account of the making of a valid contract or contracts by such carrier or one of its predecessors in title.

"(14) In judicial review of any order of the Commission approving or authorizing a proposed alteration or modification entered pursuant to the authority of paragraph (10) of this section 2, the court (and any court on review thereof) shall not be concluded by any determination or finding made by the Commission as to matters either of law or of facts, and the court shall make full and independent reexamination and review of the issues and of the evidence and thereafter shall arrive at a decision in the exercise of its independent judgment based upon such judicial reexamination and review. Any order of the Circuit Court of Appeals relating to any alteration or modification under paragraph (10) of this section 2 shall be reviewed by the Supreme Court of the United States upon appeal made by any person affected by the plan who deems himself aggrieved within sixty days after the entry of such order or decree, pursuant to the applicable provisions of the Judicial Code.

"(15) In the case of any carrier which is under the jurisdiction of the United States Courts on the effective date of this Act, and to which the provisions of paragraph (1) of section 2 of this Act would be applicable if such carrier were in the custody of such courts on such date, and with respect to which carrier, securities under a plan of reorganization approved by the court and Commission had already been issued, a holder of a security of any class which rejected, or was not entitled to vote on, such plan in accordance with subsection (e) of said section 77, may, within ninety days after the date of enactment of this Act, apply to the Commission for amendment of the plan to the extent necessary to permit the issuance to holders of securities of such class, of options or warrants as described in subsection (b) of said section 77. If the Commission shall find after hearings that the proceeds of the exercise of such options or warrants will be applied in conformance with the requirements of section 20 (a) of the Interstate Commerce Act (including, without limitation, the application of such proceeds to the retirement of outstanding obligations of the carrier), it shall approve such application and shall order the carrier to issue such options or warrants.

"SEC. 3. The provisions of sections 1801, 1802, 3481, and 3482 of the Internal Revenue Code and any amendments thereto, unless specifically providing to the contrary, shall not apply to the issuance, transfer, or exchange of securities or the making or delivery of conveyances to make effective any alteration or modification effected pursuant to section 1 or section 2 of this Act. No income, gain, or profit taxable under any law of the United States or of any State, now in force, or hereafter enacted, shall be deemed to have accrued to or have been realized by such carrier by reason of such an alteration or modification, or by reason of any transaction authorized in the last sentence of paragraph (3) of section 2.

"SEC. 4. If any provision of this Act, or the application thereof to any person or circumstances, is held invalid, the remainder of this Act and the application of such provision to other persons or circumstances, shall not be affected thereby."

And the House agree to the same.

Amend the title so as to read: "An Act to enable debtor railroad corporations, whose properties during a period of seven years have provided sufficient earnings to pay fixed charges, to effect a readjustment of their financial structures; to alter or modify their financial obligations; and for other purposes."

HATTON W. SUMNERS,
SAM HOBBS,
MARTIN GORSKI,
CHAUNCEY W. REED,
JOHN W. GWYNNE,
Managers on the Part of the House.

B. K. WHEELER,
ED C. JOHNSON,
CLYDE 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 amendment of the House to the bill (S. 1253) to enable debtor railroad corporations expeditiously to effectuate reorganizations of their financial structures; to alter or modify their financial obligations; and for other purposes; submit the following statement in explanation of the effect of the action agreed upon and recommended in the accompanying conference report:

The House amendment strikes out all of the Senate bill after the enacting clause. The Senate recedes from its disagreement to the amendment of the House, with an amendment which is a substitute for both the Senate bill and the House amendment. The material differences between the House amendment and the substitute agreed to in conference are noted in the following statement.

The House amendment proposed the reenactment of chapter XV of the Bankruptcy Act for the modification or alteration of obligations of carriers. The Interstate Commerce Commission in 1945 proposed a variation of the principle of chapter XV, while retaining the essential purpose of providing a means for alteration or modification on applications of carriers when necessary in the public interest, as well as in the interest of the carriers and of their security holders. The conference substitute adopts the variation proposed by the Commission in 1945.

The essential principle of chapter XV and of the Commission proposal of 1945 is the provision of means of altering carriers' obligations with fairness to the owners of those obligations, and in order to avoid the drains, wastes and losses consequent upon drastic reorganizations. This underlying principle was in effect reaffirmed by the House when it passed the amendment. The conference substitute adheres to this plan.

The difference between the method of chapter XV and that of the Commission variation is primarily one of lodging in the Commission greater power through the Commission proposal. Under chapter XV the Commission was not expressly charged with the duty of considering proposed alterations or modifications as in substance a reorganization or readjustment plan. Under the Commission proposal of 1945, which is now substantially adopted in the conference substitute, the Commission is charged with such duties.

Under chapter XV the principal proceeding was conducted in court. Under the Commission proposal, which is now included in the conference substitute, the principal proceeding is before the Commission. The court is called on only for purposes of review.

The variation introduced in the Commission proposal of 1945 and now accepted in the conference agreement has had the support of leaders of life-insurance companies, banks, and the railroad industry, as well as of the Commission and also of representatives of railroad labor organizations.

The House amendment included in its first seven sections provision for the relief of railroads which are now in proceedings under section 77 of the Bankruptcy Act and for the relief of their securityholders. The conference agreement also provides such relief, although in considerable part with modifications and differences from the particular form of relief included in House amendment. The conference agreement retains the requirement of the House amendment that before a carrier can qualify for such relief it must show earnings coming up to a specified standard for the 7-year period from 1937 to 1945, inclusive. The 7-year standard has been retained in the conference agreement, with certain improvements introduced so as to recognize actual earnings and not limit the standard merely to the reported earnings. Under the tax laws there were large bookkeeping deductions from earnings in order to effect tax savings; such bookkeeping was authorized by statute and was used by corporations throughout the country, in both the industrial and railroad field as well as in other fields. The Interstate Commerce Commission has on a number of occasions called attention to the fact that there is a difference between reported earnings and actual earnings, which are much higher. The conference substitute has recognized the circumstance thus pointed out by the Commission. In this respect, as well as in certain other respects, the earnings figures included in the 7-year standard are stated somewhat differently in the conference amendment from the form of their statement in the House amendment.

In addition to this condition imposed in the House amendment the conference agreement has also imposed another condition, which was contained in the bill as passed by the Senate. That condition limits the application of this portion of the bill to railroads whose gross railroad operating revenues for any of the calendar years 1942 to 1944, inclusive, were in excess of $50,000,000; any other carriers, debtors in the same proceedings with such carriers, also come under the conference substitute, even though not earning the $50,000,000 revenue just specified. This condition was suggested by the Interstate Commerce Commission.

The House amendment provided a period of 18 months in which carriers coming under the act would be able to work out reorganizations or readjustment of their financial affairs. The conference substitute also provides for an 18-month period, or such longer period as the Commission may authorize. At the end of such period the carrier would file a plan of adjustment with the Interstate Commerce Commission in accordance with the procedure proposed by the Commission in 1945 and above described. The House amendment had provided for proceedings under chapter XV; the difference between the two types of proceeding, under chapter XV and under the variation proposed by the Commission in 1945, is discussed above.

The House amendment provided that control of the properties should be returned to the debtor railroad companies. While the conference substitute also has such a provision, the conference substitute adds that the properties are to be retained in the

custody of the court and subject to its supervision.

Under the House amendment carriers would have had the power to use their large surplus liquid resources for the retirement of debt through purchase, discount, and otherwise—in this respect be permitted to avail themselves of the same advantages which have been used by railroads not in the hands of the courts and which the Interstate Commerce Commission has urged all railroads to invoke. Unfortunately railroads that have been in the hands of the courts under section 77 have been deprived of the tremendous opportunities of which nearly all other large railroads have made use. The conference report remedies this. Provision is also made for the proposal of alteration or modification of obligations of carriers by the Commission itself, in the event that the plan, or substitute plans, proposed by the carrier, have not gone into effect.

The House amendment provided for independent reexamination and review by the courts of any plans which might be issued by the Commission. The conference substitute makes similar provision.

The conference substitute contains a provision customary in reorganization statutes protecting reorganizations against taxes of certain kinds. This is the customary practice since no true profit is realized on the exchange of securities, and yet without such a protective provision taxes might be assessable because it might be held that there is an apparent though not an actual profit. The conference agreement also provides for protection against tax on savings effected through retirement of debt; a statute to similar effect has been available to railroads and other corporations and the Congress has already passed a bill to extend that statute temporarily; the companies under section 77 have not been permitted to retire their debt at a discount although most other railroads have availed themselves of this important opportunity to which the Interstate Commerce Commission has also called particular attention.

The conference agreement accepts the limitation, as to the class of carriers covered by the bill, included in paragraph (11) of section (2) of the bill as previously passed by the Senate, but the conference agreement narrows that limitation in certain respects.

Paragraph (15) of section (2) deals with carriers still in the jurisdiction of the United States courts in whose cases reorganization securities have already been issued under a reorganization plan. Paragraph (15) makes it lawful for the carrier, with the approval of the Commission, to amend the plan to the extent of issuing options or warrants to take care of those security holders who would otherwise be wiped out.

On the subject of judicial review, the point was raised in the debate on the bill in the House that any provisions which do not grant the right of appeal as a matter of right are exceptional. The Congress did not intend in chapter XV to foreclose a reorganization plan without the right of appeal against it to a court higher than the court of original jurisdiction. The House Judiciary Committee did not interpret chapter XV to deny the right of appeal as a right. However, the committee readily accepted the proposal to make the congressional intent absolutely certain and clear, that an appeal from the trial court must be granted. Had the conference agreement used chapter XV, instead of the Commission's substitute procedure, the conferees would have insisted on reaffirmance of the right of appeal to the Supreme Court, including the affirmation that Congress intended that such an appeal should be granted as a matter of right in all cases under chapter XV as originally enacted and later reenacted.

Inasmuch as the conference agreement uses the Commission's modification of the chapter XV procedure, the conference agreement provides for the right of appeal to the Supreme Court from the circuit courts of appeals on plans issued by the Commission under paragraph (10) of section 2 of this act.

HATTON W. SUMNERS,
SAM HOBBS,
MARTIN GORSKI,
CHAUNCEY W. REED,
JOHN W. GWYNNE,
Managers on the Part of the House.

CALL OF THE HOUSE

Mr. TALBOT (interrupting the reading of the conference report). Mr. Speaker, I make the point of order that a quorum is not present.

The SPEAKER pro tempore (Mr. HENDRICKS). Evidently a quorum is not present.

Mr. HOBBS. 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. 264]

Adams	Gallagher	Morrison
Allen, La.	Gary	Murray, Tenn.
Almond	Gathings	Norton
Andersen, H. Carl	Gifford	O'Konski
	Gillespie	O'Neal
Anderson, Calif.	Gordon	O'Toole
Andrews, N. Y.	Gossett	Patrick
Baldwin, Md.	Granger	Patterson
Baldwin, N. Y.	Grant, Ind.	Peterson, Ga.
Barry	Gregory	Pfeifer
Bates, Ky.	Hagen	Philbin
Bates, Mass.	Hale	Ploeser
Beckworth	Hall, Edwin Arthur	Plumley
Bell		Powell
Bender	Halleck	Price, Fla.
Bennet, N. Y.	Hare	Priest
Blackney	Harris	Rains
Bloom	Hart	Reece, Tenn.
Boren	Hartley	Rees, Kans.
Boykin	Hébert	Richards
Bradley, Mich.	Heffernan	Rivers
Brooks	Henry	Robinson, Utah
Brumbaugh	Hess	Robsion, Ky.
Bryson	Hill	Rockwell
Buck	Hoeven	Roe, N. Y.
Buckley	Hoffman, Mich.	Rogers, N. Y.
Buffett	Holifield	Russell
Bunker	Izac	Ryter
Cannon, Fla.	Jennings	Scrivner
Cannon, Mo.	Johnson, Calif.	Shafer
Carlson	Johnson, Tex.	Sheppard
Case, N. J.	Kean	Sheridan
Case, S. Dak.	Kee	Short
Celler	Keefe	Simpson, Pa.
Clements	Kefauver	Slaughter
Clippinger	Keogh	Smith, Va.
Cochran	Kerr	Smith, Wis.
Coffee	Kilburn	Somers, N. Y.
Cole, Kans.	Kilday	Sparkman
Cole, N. Y.	Landis	Stewart
Combs	Lane	Sumner, Ill.
Cooper	Larcade	Taber
Courtney	Lea	Tarver
Cox	LeFevre	Thomas, N. J.
Cravens	Luce	Tolan
Crawford	Ludlow	Torrens
Curley	Lyle	Towe
Daughton, Va.	McCormack	Trimble
Davis	McGehee	Voorhis, Calif.
Dawson	McGregor	Vorys, Ohio
Delaney, John J.	McKenzie	Wadsworth
	Mahon	Wasielewski
Dolliver	Maloney	Weaver
Dondero	Mansfield, Mont.	Welch
Douglas, Ill.		West
Dworshak	Mansfield, Tex.	White
Earthman	Mason	Wickersham
Eaton	May	Winter
Elliott	Merrow	Wolfenden, Pa.
Elston	Miller, Calif.	Wood
Fellows	Miller, Nebr.	Zimmerman
Fernandez	Mills	
Fogarty	Morgan	

The SPEAKER. On this roll call 247 Members have answered to their names, a quorum.

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

REORGANIZATION OF RAILROADS

The Clerk concluded the reading of the conference report.

Mr. HOBBS. Mr. Speaker, this is the railroad reorganization bill which has been fully discussed. Everyone recognizes its connotations. It has the unanimous agreement of the conferees on the part of the House.

Mr. Speaker, I move the previous question.

The SPEAKER. The question is on the motion for the previous question.

The question was taken; and on a division (demanded by Mr. WALTER), there were ayes 85, noes 10.

Mr. WALTER. Mr. Speaker, I object to the vote on the ground 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 190, nays 54, answered "present" 1, not voting 185, as follows:

[Roll No. 265]

YEAS—190

Abernethy	Gearhart	Madden
Allen, Ill.	Geelan	Manasco
Andresen, August H.	Gerlach	Marcantonio
	Gibson	Martin, Iowa
Andrews, Ala.	Gillie	Mathews
Angell	Gorski	Morrison
Arends	Graham	Mundt
Arnold	Granahan	Murdock
Bailey	Grant, Ala.	Murray, Wis.
Barden	Green	Neely
Barrett, Pa.	Griffiths	Norblad
Barrett, Wyo.	Gross	Norrell
Beall	Gwinn, N. Y.	O'Brien, Ill.
Bennett, Mo.	Gwynne, Iowa	O'Brien, Mich.
Bishop	Hall, Leonard W.	O'Hara
Bland		Outland
Bloom	Hancock	Peterson, Fla.
Bonner	Hand	Phillips
Bradley, Pa.	Harless, Ariz.	Pittenger
Brehm	Hays	Pratt
Brown, Ga.	Healy	Price, Ill.
Brown, Ohio	Hedrick	Quinn, N. Y.
Buchanan	Hendricks	Randolph
Bulwinkle	Herter	Rayfiel
Butler	Heselton	Reed, Ill.
Byrnes, Wis.	Hinshaw	Reed, N. Y.
Camp	Hobbs	Rees, Kans.
Campbell	Hoffman, Pa.	Resa
Chapman	Holmes, Mass.	Riley
Chelf	Hope	Robertson, N. Dak.
Chenoweth	Horan	
Chiperfield	Howell	Robertson, Va.
Church	Huber	Rodgers, Pa.
Clark	Hull	Rogers, Fla.
Clason	Jackson	Rooney
Clevenger	Jarman	Rowan
Cole, Mo.	Jenkins	Sabath
Cooley	Jensen	Sadowski
Corbett	Johnson, Ill.	Sasscer
Crosser	Johnson, Ind.	Savage
Cunningham	Johnson, Okla.	Schwabe, Mo.
D'Alesandro	Jones	Schwabe, Okla.
Delaney, James J.	Jonkman	Sikes
	Judd	Simpson, Ill.
D'Ewart	Kearney	Smith, Maine
Dingell	Kelley, Pa.	Smith, Ohio
Dirksen	Kelly, Ill.	Spence
Doughton, N. C.	Kinzer	Stevenson
Drewry	Kirwan	Stockman
Durham	Klein	Sumners, Tex.
Ellis	Knutson	Talle
Ellsworth	Kopplemann	Taylor
Elsaesser	Kunkel	Thom
Engle, Calif.	LaFollette	Thomas, Tex.
Ervin	Latham	Tibbott
Fallon	Lea	Traynor
Feighan	LeCompte	Vinson
Fenton	Lemke	Vursell
Fisher	Lesinski	Whitten
Flannagan	Link	Whittington
Flood	Lynch	Wilson
Fuller	McConnell	Wolcott
Fulton	McCowen	Wolverton, N. J.
Gamble	McDonough	Woodruff
Gavin	McMillen, Ill.	

NAYS—54

Biemiller	King	Rizley
Bolton	Lanham	Roe, Md.
Canfield	Lewis	Rogers, Mass.
Cannon, Mo.	Luce	Smith, Va.
Carnahan	McGlinchey	Springer
Curtis	Mankin	Starkey
Douglas, Calif.	Martin, Mass.	Stefan
Doyle	Michener	Sullivan
Engel, Mich.	Mills	Sundstrom
Folger	Pace	Talbot
Forand	Patman	Thomason
Gillette	Pickett	Walter
Goodwin	Poage	Weichel
Gore	Rabaut	Wigglesworth
Havenner	Rabin	Winstead
Hoch	Ramey	Woodhouse
Holmes, Wash.	Rankin	Worley
Hook	Rich	Zimmerman

ANSWERED "PRESENT"—1

Auchincloss

NOT VOTING—185

Adams	Fellows	Miller, Calif.
Allen, La.	Fernandez	Miller, Nebr.
Almond	Fogarty	Monroney
Andersen, H. Carl	Gallagher	Morgan
Anderson, Calif.	Gardner	Murray, Tenn.
Andrews, N. Y.	Gary	Norton
Baldwin, Md.	Gathings	O'Konski
Baldwin, N. Y.	Gifford	O'Neal
Barry	Gillespie	O'Toole
Bates, Ky.	Gordon	Patrick
Bates, Mass.	Gossett	Patterson
Beckworth	Granger	Peterson, Ga.
Bell	Grant, Ind.	Pfeifer
Bender	Gregory	Philbin
Bennet, N. Y.	Hagen	Ploeser
Blackney	Hale	Plumley
Boren	Hall, Edwin Arthur	Powell
Boykin	Halleck	Price, Fla.
Bradley, Mich.	Hare	Priest
Brooks	Harless, Ariz.	Rains
Brumbaugh	Harris	Reece, Tenn.
Bryson	Hart	Richards
Buck	Hartley	Rivers
Buckley	Hébert	Robinson, Utah
Buffett	Heffernan	Robsion, Ky.
Bunker	Henry	Rockwell
Byrne, N. Y.	Hess	Roe, N. Y.
Cannon, Fla.	Hill	Rogers, N. Y.
Carlson	Hoeven	Russell
Case, N. J.	Hoffman, Mich.	Ryter
Case, S. Dak.	Holifield	Scrivner
Celler	Izac	Shafer
Clements	Jennings	Sharp
Clippinger	Johnson, Calif.	Sheppard
Cochran	Johnson, Tex.	Sheridan
Coffee	Kean	Short
Cole, Kans.	Kee	Simpson, Pa.
Cole, N. Y.	Keefe	Slaughter
Colmer	Kefauver	Smith, Wis.
Combs	Keogh	Somers, N. Y.
Cooper	Kerr	Sparkman
Courtney	Kilburn	Stewart
Cox	Kilday	Stigler
Cravens	Landis	Sumner, Ill.
Crawford	Lane	Taber
Curley	Larcade	Tarver
Daughton, Va.	LeFevre	Thomas, N. J.
Davis	Ludlow	Tolan
Dawson	Lyle	Torrens
De Lacy	McCormack	Towe
Delaney, John J.	McGehee	Trimble
Doliver	McGregor	Voorhis, Calif.
Domengeaux	McKenzie	Vorys, Ohio
Dondero	McMillan, S. C.	Wadsworth
Douglas, Ill.	Mahon	Wasielewski
Dworshak	Maloney	Weaver
Earthman	Mansfield, Mont.	Welch
Eaton	Mansfield, Tex.	West
Eberharter	Mason	White
Elliott	May	Wickersham
Elston	Merrow	Winter
		Wolfenden, Pa.
		Wood

So the previous question was ordered.

The Clerk announced the following pairs:

Additional general pairs:

Mr. Sheppard with Mr. Shafer

Mr. Rains with Mr. Vorys of Ohio.

Mr. Brooks with Mr. Simpson of Pennsylvania.

Mr. Larcade with Mr. Towe.

Mr. Heffernan with Mr. Winter.

Mr. Rivers with Mr. Rockwell.

Mr. Holifield with Mr. Plumley

Mr. Davis with Mr. Miller of Nebraska.

Mr. Elliott with Mr. LeFevre.

Mr. McKenzie with Mr. McGregor.

Mr. Gary with Mr. Landis.

Mr. Fogarty with Mr. Kilburn.

Mr. Maloney with Mr. Bradley of Michigan.

Mr. Combs with Mr. Carlson.

Mr. Allen of Louisiana with Mr. Brumbaugh.

Mr. Mahon with Mr. Dolliver.

Mr. Lyle with Mr. Buffett.

Mr. Johnson of Texas with Mr. Dworshak.

Mr. Bryson with Mr. Fellows.

Mr. Cooper with Mr. Edwin Arthur Hall.

Mr. Gathings with Mr. Anderson of California.

Mr. Gordon with Mr. Hartley.

Mr. West with Mr. Adams.

Mr. Courtney with Mr. Bennett of New York.

Mr. Kefauver with Mr. Clippinger.

Mr. ARENDS changed his vote from "nay" to "yea."

Mrs. LUCE changed her vote from "yea" to "nay."

Mr. WINSTEAD changed his vote from "yea" to "nay."

The result of the vote was announced as above recorded.

A motion to reconsider was laid on the table.

The doors were opened.

The SPEAKER. The question is on the conference report.

The question was taken; and on a division (demanded by Mr. WALTER) there were—ayes 106, noes 37.

Mr. WALTER. 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 no quorum is 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—ayes 176, noes 71, answered "present" 3, not voting 180, as follows:

[Roll No. 266]

AYES—176

Abernethy	Doughton, N. C.	Hope
Allen, Ill.	Drewry	Horan
Andresen, August H.	Eberharter	Huber
Andrews, Ala.	Ellis	Hull
Angell	Ellsworth	Jarman
Arends	Elsaesser	Jenkins
Arnold	Engle, Calif.	Jensen
Bailey	Ervin	Johnson, Ill.
Barden	Fallon	Johnson, Okla.
Barrett, Pa.	Feighan	Jones
Barrett, Wyo.	Fenton	Jonkman
Beall	Fisher	Judd
Bennett, Mo.	Flannagan	Kearney
Bland	Flood	Kelley, Pa.
Bolton	Fuller	Kelly, Ill.
Bonner	Fulton	Kinzer
Bradley, Pa.	Gamble	Kirwan
Brehm	Gardner	Klein
Brown, Ohio	Gavin	Knutson
Buchanan	Gearhart	Kopplemann
Butler	Geelan	Kunkel
Byrnes, Wis.	Gerlach	LaFollette
Camp	Gibson	Latham
Campbell	Gillie	LeCompte
Cannon, Mo.	Gorski	Lemke
Chelf	Graham	Lesinski
Chenoweth	Granahan	Link
Chiperfield	Grant, Ala.	Lynch
Church	Green	McConnell
Clark	Griffiths	McCowen
Clason	Gross	McDonough
Clevenger	Gwinn, N. Y.	McMillan, S. C.
Cooley	Gwynne, Iowa	McMillen, Ill.
Corbett	Hall, Leonard W.	Madden
Crosser	Hancock	Manasco
Cunningham	Hand	Mathews
Curtis	Healy	Morrison
D'Alesandro	Hedrick	Mundt
De Lacy	Hendricks	Murdock
Delaney, James J.	Heselton	Murray, Wis.
D'Ewart	Hinshaw	Neely
Dingell	Hobbs	Norrell
Dirksen	Hoffman, Pa.	O'Brien, Ill.
	Holmes, Mass.	O'Brien, Mich.
		O'Hara
Peterson, Fla.	Rodgers, Pa.	Sumners, Tex.
Phillips	Rogers, Fla.	Talle
Pittenger	Rowan	Taylor
Poage	Sabath	Thom
Price, Ill.	Sadowski	Thomas, Tex.
Quinn, N. Y.	Sasscer	Tibbott
Randolph	Schwabe, Mo.	Traynor
Rayfiel	Schwabe, Okla.	Vursell
Reed, Ill.	Sikes	White
Reed, N. Y.	Simpson, Ill.	Whitten
Rees, Kans.	Smith, Maine	Whittington
Resa	Spence	Wilson
Riley	Stefan	Wolcott
Robertson, N. Dak.	Stevenson	Wolverton, N. J.
	Stockman	Woodruff

NOES—71

Biemiller	Hook	Rabin
Bishop	Howell	Ramey
Brown, Ga.	Jackson	Rankin
Canfield	Johnson, Ind.	Rich
Carnahan	King	Rizley
Chapman	Lanham	Roe, Md.
Cole, Mo.	Lea	Rogers, Mass.
Colmer	Lewis	Rooney
Cox	Luce	Savage
Domengeaux	McGlinchey	Smith, Va.
Douglas, Calif.	Mankin	Springer
Doyle	Marcantonio	Starkey
Durham	Martin, Mass.	Sullivan
Engel, Mich.	Michener	Sundstrom
Folger	Mills	Talbot
Forand	Monroney	Thomason
Gillette	Norblad	Walter
Goodwin	O'Toole	Weichel
Gore	Outland	Wigglesworth
Granger	Pace	Winstead
Havenner	Patman	Woodhouse
Hays	Pickett	Worley
Hoch	Pratt	Zimmerman
Holmes, Wash.	Rabaut	

ANSWERED "PRESENT"—3

Auchincloss	Bulwinkle	Herter

NOT VOTING—180

Adams	Elston	Mansfield, Tex.
Allen, La.	Fellows	Martin, Iowa
Almond	Fernandez	Mason
Andersen, H. Carl	Fogarty	May
Anderson, Calif.	Gallagher	Merrow
Andrews, N. Y.	Gary	Miller, Calif.
Baldwin, Md.	Gathings	Miller, Nebr.
Baldwin, N. Y.	Gifford	Morgan
Barry	Gillespie	Murray, Tenn.
Bates, Ky.	Gordon	Norton
Bates, Mass.	Gossett	O'Konski
Beckworth	Grant, Ind.	O'Neal
Bell	Gregory	Patrick
Bender	Hagen	Patterson
Bennet, N. Y.	Hale	Peterson, Ga.
Blackney	Hall, Edwin Arthur	Pfeifer
Bloom	Halleck	Philbin
Boren	Hare	Ploeser
Boykin	Harless, Ariz.	Plumley
Bradley, Mich.	Harness, Ind.	Powell
Brooks	Harris	Price, Fla.
Brumbaugh	Hart	Priest
Bryson	Hartley	Rains
Buck	Hébert	Reece, Tenn.
Buckley	Heffernan	Richards
Buffett	Henry	Rivers
Bunker	Hess	Robertson, Va.
Byrne, N. Y.	Hill	Robinson, Utah
Cannon, Fla.	Hoeven	Robsion, Ky.
Carlson	Hoffman, Mich.	Rockwell
Case, N. J.	Holifield	Roe, N. Y.
Case, S. Dak.	Izac	Rogers, N. Y.
Celler	Jennings	Russell
Clements	Johnson, Calif.	Ryter
Clippinger	Johnson, Tex.	Scrivner
Cochran	Kean	Shafer
Coffee	Kee	Sharp
Cole, Kans.	Keefe	Sheppard
Cole, N. Y.	Kefauver	Sheridan
Combs	Keogh	Short
Cooper	Kerr	Simpson, Pa.
Courtney	Kilburn	Slaughter
Cravens	Kilday	Smith, Ohio
Crawford	Landis	Smith, Wis.
Curley	Lane	Somers, N. Y.
Daughton, Va.	Larcade	Sparkman
Davis	LeFevre	Stewart
Dawson	Ludlow	Stigler
Delaney, John J.	Lyle	Sumner, Ill.
Dolliver	McCormack	Taber
Dondero	McGehee	Tarver
Douglas, Ill.	McGregor	Thomas, N. J.
Dworshak	McKenzie	Tolan
Earthman	Mahon	Torrens
Eaton	Maloney	Towe
Elliott	Mansfield, Mont.	Trimble
		Vinson
		Voorhis, Calif.

Vorys, Ohio	Welch	Wolfenden, Pa.
Wadsworth	West	Wood
Wasielewski	Wickersham	
Weaver	Winter	

So the conference report was agreed to.

The Clerk announced the following pairs:

Additional general pairs:

Mr. McCormack with Mr. Smith of Ohio.
Mr. Priest with Mr. Taber.
Mr. Somers of New York with Mr. Plumley.
Mr. Barry with Mr. Smith of Wisconsin.
Mr. Hébert with Mr. Mason.
Mr. Sheridan with Mr. Hoffman of Michigan.
Mr. Heffernan with Mr. Jennings.
Mr. Lane with Mr. Kean.
Mr. Rogers of New York with Mr. Blackney.
Mr. Izac with Mr. H. Carl Andersen.
Mr. Hart with Mr. Halleck.
Mr. John J. Delaney with Mr. Grant of Indiana.
Mr. Almond with Mr. Short.
Mr. Pfeifer with Mr. Hartley.
Mr. Wood with Mr. Scrivner.
Mr. Johnson of Texas with Mr. Hess.
Mr. Byrne of New York with Mr. Shafer.
Mr. Cooper with Mr. Hill.
Mrs. Douglas of Illinois with Mr. Simpson of Pennsylvania.
Mr. Gordon with Mr. Bender.
Mr. Keogh with Mr. Clippinger.
Mr. Roe of New York with Mr. Keefe.
Mr. Sheppard with Mr. Hale.
Mr. Powell with Mr. Fellows.
Mr. Vinson with Mr. McGregor.
Mr. Combs with Mr. LeFevre.
Mr. Rains with Mr. Kilburn.
Mr. Allen of Louisiana with Mr. Landis.
Mr. Rivers with Mr. Miller of Nebraska.
Mr. Boykin with Mr. Ploeser.
Mr. Davis with Mr. Robsion of Kentucky.
Mr. Voorhis of California with Mr. Thomas of New Jersey.
Mr. Maloney with Mr. Wadsworth.
Mrs. Norton with Mr. Henry.
Mr. Fogarty with Mr. Anderson of California.
Mr. Kefauver with Mr. Harness of Indiana.
Mr. Celler with Mr. Adams.
Mr. Ryter with Mr. Hoeven.
Mr. Larcade with Mr. Gifford.
Mr. Elliott with Mr. Eaton.
Mr. Courtney with Mr. Dondero.
Mr. Kilday with Mr. Cole of New York.
Mr. Lyle with Mr. Dolliver.
Mr. Gary with Mr. Buffett.
Mr. Trimble with Mr. Dworshak.
Mr. Gossett with Mr. Bradley of Michigan.
Mr. Holifield with Mr. Cole of Kansas.
Mr. McGehee with Mr. Martin of Iowa.
Mr. Mansfield of Montana with Mr. Rockwell.

Mr. BEALL changed his vote from "nay" to "yea."

Mr. COLE of Missouri changed his vote from "yea" to "nay."

The result of the vote was announced as above recorded.

A motion to reconsider was laid on the table.

The doors were opened.

FEDERAL GRANTS TO STATES FOR HOSPITALS AND PUBLIC HEALTH CENTERS

Mr. BULWINKLE submitted the following conference report and statement on the bill (S. 191) to amend the Public Health Service Act to authorize grants to the States for surveying their hospitals and public-health centers and for planning construction of additional facilities, and to authorize grants to assist in such construction, as amended:

The conference report and statement are as follows:

CONFERENCE REPORT

The committee of conference on the disagreeing votes of the two Houses on the amendment of the House to the bill (S. 191) to amend the Public Health Service Act to authorize grants to the States for surveying their hospitals and public health centers and for planning construction of additional facilities, and to authorize grants to assist in such construction, having met, after full and free conference, have been unable to agree.

A. L. BULWINKLE,
VIRGIL CHAPMAN,
VITO MARCANTONIO,
CHAS. A. WOLVERTON,
CLARENCE J. BROWN,
Managers on the Part of the House.

LISTER HILL,
JAMES M. TUNNELL,
ELBERT D. THOMAS,
ROBERT M. LA FOLLETTE, Jr.,
ROBERT A. TAFT,
Managers on the Part of the Senate.

STATEMENT

The managers on the part of the House at the conference on the disagreeing votes of the two Houses on the amendment of the House to the bill (S. 191) to amend the Public Health Service Act to authorize grants to the States for surveying their hospitals and public health centers and for planning construction of additional facilities, and to authorize grants to assist in such construction, report that the committee of conference has been unable to reach an agreement.

A. L. BULWINKLE,
VIRGIL CHAPMAN,
VITO MARCANTONIO,
CHAS. A. WOLVERTON,
CLARENCE J. BROWN,
Managers on the Part of the House.

FURTHER MESSAGE FROM THE SENATE

A further message from the Senate, by Mr. Frazier, its legislative clerk, announced that the Senate agrees to the amendments of the House to a bill of the Senate of the following title:

S. 2304. An act to provide for the training of officers for the naval service, and for other purposes.

The message also announced that the Senate had passed a bill of the following title, in which the concurrence of the House is requested:

S. 2498. An act to provide for fire protection of Government and private property in and contiguous to the waters of the District of Columbia.

The message also announced that the Senate agrees to the reports of the committees of conference on the disagreeing votes of the two Houses on the amendments of the Senate to bills of the House of the following titles:

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

H. R. 5223. An act to extend temporarily the time for filing applications for patents, for taking action in the United States Patent Office with respect thereto, for preventing proof of acts abroad with respect to the making of an invention, and for other purposes.

The message also announced that the Senate agrees to the report of the committee of conference on the disagreeing votes of the two Houses on the amendments of the House to the bill (S. 1253) entitled "An act to enable debtor railroad corporations expeditiously to effectuate reorganizations of their financial structures; to alter or modify their financial obligations; and for other purposes."

ARMED FORCES LEAVE ACT OF 1946

Mr. THOMASON, Mr. Speaker, I call up the conference report on the bill (H. R. 4051) to grant to enlisted personnel of the armed forces certain benefits in lieu of accumulated leave, and I ask unanimous consent that the statement 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 Texas?

There was no objection.

The Clerk read the statement.

The conference report and statement are as follows:

CONFERENCE REPORT

The committee of conference on the disagreeing votes of the two Houses on the amendment of the Senate to the bill (H. R. 4051) to grant to enlisted personnel of the armed forces certain benefits in lieu of accumulated leave, having met, after full and free conference, have agreed to recommend and do recommend to their respective Houses as follows:

That the House recede from its disagreement to the amendment of the Senate to the text of the bill and agree to the same with an amendment as follows: In lieu of the matter proposed to be inserted by the Senate amendment insert the following: "That this Act may be cited as the 'Armed Forces Leave Act of 1946.'

"SEC. 2. As used in this Act—

"(a) The term 'member of the armed forces' means any member of the Army of the United States, United States Navy, United States Marine Corps, or the United States Coast Guard.

"(b) The term 'discharge' means (1), in the case of enlisted personnel, separation or release from active duty under honorable conditions or appointment as a commissioned officer or warrant officer; and (2), in the case of commissioned or warrant officers, separation or release from active duty under honorable conditions.

"(c) The term 'spouse' means a lawful wife or husband.

"(d) The term 'child' includes—

"(1) a legitimate child;

"(2) a child legally adopted;

"(3) a stepchild, if, at the time of death of the member or former member of the armed forces, such stepchild is a member of the deceased's household;

"(4) an illegitimate child, but in the case of a male member or former male member of the armed forces only if he has been judicially ordered or decreed to contribute to such child's support; has been judicially decreed to be the putative father of such child; or has acknowledged under oath in writing that he is the father of such child; and

"(5) a person to whom the member or former member of the armed forces at the time of death stands in loco parentis and so stood for not less than twelve months prior to the date of death.

"(e) The term 'parent' includes father and mother, grandfather and grandmother, stepfather and stepmother, father and mother through adoption, and persons who, for a period of not less than one year prior to the death of the member or former member of the armed forces, stood in loco parentis to such member or former member: *Provided*, That not more than two parents may receive the benefits provided under this Act and

preference shall be given to the parent or parents, not exceeding two, who actually exercised parental relationship at the time of or most nearly prior to the date of the death of such member or former member of the armed forces.

"(f) The term 'Secretary' means in the case of personnel of the Army, the Secretary of War; in the case of personnel of the Navy and Marine Corps, the Secretary of the Navy; and in the case of personnel of the Coast Guard, the Secretary of the Treasury, and the designated representatives of each such Secretary.

"(g) The term 'cash' includes a check upon the Treasurer of the United States.

"SEC. 3. (a) Each member of the armed forces shall be entitled to leave at the rate of two and one-half calendar days for each month of active service, excluding periods of (1) absence from duty without leave, (2) absence over leave, and (3) confinement as the result of a sentence of court martial. Except as provided in subsection (b) of this section, such leave may be accumulated in an amount not to exceed one hundred and twenty calendar days. Any leave so accumulated shall not, however, survive death occurring during active military service. Enlisted members or former enlisted members of the armed forces shall be considered to be entitled to such leave from and after September 8, 1939, but shall not be considered to have any leave accumulated or accrued as of the date of the enactment of this Act, or the date of discharge if prior to such date of enactment, in excess of the amount which would have been accumulated and accrued if their leave had been accumulated and accrued from and after September 8, 1939, on the same basis as leave is accumulated and accrued in the case of commissioned officers in the regular components of their respective branches of the armed forces. Except in the case of leave to be settled and compensated for under section 6 of this Act, leave may be taken by a member on a calendar-day basis as vacation or absence from duty with pay, annually as accruing or otherwise, in accordance with regulations to be issued by the several Secretaries. Such regulations shall provide equal treatment for officers and enlisted men, shall establish to the fullest extent practicable uniform policies for the several branches of the armed forces, and shall provide that leave shall be taken annually as accruing to the extent consistent with military requirements and other exigencies. Members who reenlist after the date of enactment of this Act may be authorized reenlistment leave in the discretion of the Secretary, for a period not exceeding ninety days, and such leave shall be deducted from leave accrued during active service prior to reenlistment or charged against any leave which may accrue during future active service or both. In the case of members who are retired after the date of enactment of this Act and after retirement are continued on or recalled to active duty, leave accrued during service prior to retirement may be carried over to the period of service after retirement. Leave taken prior to discharge before or after the enactment of this Act shall be considered as active military service; but leave settled and compensated for under section 6 of this Act shall not be considered as active military service.

"(b) Notwithstanding any other provision of this Act or of any other law or regulation, no member of the armed forces (other than a member on terminal leave on September 1, 1946) shall be permitted to accumulate or to have to his credit, at any time after August 31, 1946, accumulated or accrued leave aggregating in excess of sixty days.

"SEC. 4. Leave to be settled and compensated for under section 6 of this Act shall be compensable as follows:

"(a) In the case of leave accumulated as an enlisted member of the armed forces, on the basis of the base and longevity pay applicable to such member on the date of his discharge from enlisted service if discharged before August 31, 1946, or on August 31, 1946, if not so discharged, and an allowance computed at the rate of 70 cents a day for subsistence, plus, in the case of enlisted members of the first three grades with dependents on August 31, 1946 or former enlisted members of the first three grades with dependents at the time of discharge if prior to such date, an allowance computed at the rate of $1.25 a day for quarters.

"(b) In the case of leave accumulated or accrued as a member of the armed forces as a warrant or commissioned officer, on the basis of the base and longevity pay and allowances applicable to such member on August 31, 1946.

"In the case of all other leave provided under this Act, members shall be entitled during such leave to the same pay and allowances they would receive if not on leave and to any additional or other allowance or allowances otherwise authorized or provided by law for members while on leave. Determination of the number of calendar days of leave to which a member or former member is entitled, including the number of calendar days of absence from duty or vacation to be counted or charged against such leave, shall be made in accordance with regulations to be prescribed by the respective Secretaries, which regulations shall provide equal treatment of officers and enlisted men and shall establish to the fullest extent practicable uniform policies for the several branches of the armed forces. In the case of the leave of enlisted members or former enlisted members attributable to the period prior to the date of enactment of this Act, the Secretary may in the determination of the number of calendar days of absence from duty or vacation to be counted or charged against such leave rely on such records and evidence, including applicant's sworn statements as to the material facts, as he may determine proper. All decisions by the Secretary under this section shall be final and conclusive and shall not be subject to review by any court or by any officer of the United States.

"SEC. 5. (a) Leave to which enlisted members of the armed forces discharged prior to September 1, 1946, and former enlisted members of the armed forces discharged prior to the date of enactment of this Act, are entitled under the provisions of section 3 of this Act shall, to the extent not taken, be settled and compensated for only in the manner provided in section 6 of this Act and if application is made to the Secretary not later than September 1, 1947, or, in the case of any such member or former member whose record is corrected after the date of enactment of this Act to show discharge under honorable conditions, not later than September 1, 1947, or within one year after the date on which such record is corrected, whichever is later.

"(b) In any case in which a member of the armed forces on active duty on September 1, 1946 (other than a member on terminal leave on such date) has to his credit on August 31, 1946, accumulated or accrued leave aggregating in excess of sixty days, such leave in excess of sixty days shall be settled and compensated for only in the manner provided in section 6 of this Act and if application is made to the Secretary not later than September 1, 1947.

"(c) In no event shall the number of calendar days of leave settled and compensated for under section 6 of this Act exceed 120 calendar days; and in no event shall the number of calendar days of leave so settled and compensated for, plus

"(1) in the case of a member on active duty on September 1, 1946 (other than a member on terminal leave on such date), the number of calendar days of leave accumulated or standing to such member's credit on such date, or

"(2) in the case of a member or former member placed on terminal leave prior to September 1, 1946, the number of calendar days of such terminal leave, exceed 120 calendar days.

"SEC. 6. (a) Leave by this Act provided to be settled and compensated for under this section shall be settled and compensated for as follows:

"(1) Settlement and compensation shall be made entirely in cash—

"(i) when the amount due is less than $50;

"(ii) in the case of any enlisted member of the armed forces discharged prior to January 1, 1943; or

"(iii) in any case covered by subsection (b) or (c) of this section.

"(2) In all other cases settlement and compensation shall be made in bonds of the United States to the highest multiple of $25 and in cash to the extent of the full amount of any difference. Any such bond issued pursuant to an application made under subsection (a) of section 5 shall be dated as of the 1st day of January, the 1st day of April, the 1st day of July, or the 1st day of October, whichever next follows the date of discharge, and any such bond issued pursuant to an application made under subsection (b) of section 5 shall be dated as of October 1, 1946. Each such bond shall mature five years from the date thereof. The bonds issued under this Act shall be issued by the Secretary of the Treasury under the authority and subject to the provisions of the Second Liberty Bond Act, as amended, and through such agencies as he may designate. Except as provided in subsection (d), such bonds shall be nonnegotiable and shall not be transferable by sale, exchange, assignment, pledge, hypothecation, or otherwise. Such bonds shall be issued only to and in the names of living members or living former members of the armed forces. In the event of the death of any holder of any such bond or of any check issued pursuant to this subsection, payment of the bond shall be made by the Secretary of the Treasury prior to, upon, or after its maturity upon application at the option of such holder's survivors and payment of the check shall be made by the Secretary of the Treasury upon application by such survivors as follows: To such holder's surviving spouse and children, if any, in equal shares; and if such holder leaves no surviving spouse or child or children, then in equal shares to such holder's surviving parents, if any. If there is no such survivor, any such bond shall be retired, and any such check shall be cancelled and the amount of the bond or check covered into the general fund of the Treasury. Payment of any such bond or any such check to any holder, or any survivor entitled thereto under the provisions of this subsection, between seventeen and twenty-one years of age shall constitute a complete discharge of the obligations of the United States under this Act. Where the Secretary of the Treasury is of the opinion that any holder of any such bond or any such check or any survivor entitled to payment under the provisions of this subsection is, by reason of being either under seventeen years of age or under mental disability, incapable of satisfactorily looking after his own interests, payment of such bond or such check may be made in the same manner, and with the same effect, as settlement and compensation made under the provisions of subsection (c). Interest on each bond issued under this Act shall

accrue at the rate of 2½ per centum per annum from the date of such bond to the date of maturity or to the last day of the month in which payment of the principal of the bond is made, whichever is earlier, and shall be paid with such principal. All decisions by the Secretary of the Treasury under this section with respect to the issuance and payment of bonds and under this paragraph with respect to the issuance and payment of checks shall be final and conclusive and shall not be subject to review by any court or by any officer of the United States. The provisions of this section with respect to the issuance and payment of bonds shall be carried out subject to regulations of the Secretary of the Treasury.

"(b) Leave by this Act provided to be settled and compensated for under this section shall, in the case of any member or former member of the armed forces who dies after discharge, or on or after September 1, 1946, if not discharged prior to such date, and before settlement and compensation has been effected, be settled and compensated for, on application therefor, with such member's or former member's survivors, as follows: To such member's or former member's surviving spouse and children, if any, in equal shares; and if such member or former member leaves no surviving spouse or child or children, then in equal shares to his surviving parents, if any. If there is no such survivor, no settlement and compensation shall be made under this Act. Settlement and compensation under this subsection with any such survivor between seventeen and twenty-one years of age shall constitute a complete discharge of the obligations of the United States under this Act.

"(c) Where the Secretary is of the opinion that any member or former member of the armed forces or any survivor of any such member or former member is, by reason of being either under seventeen years of age or under mental disability, incapable of satisfactorily looking after his own interests, such Secretary may settle and compensate under this section with a proper person selected by him for the use and benefit of such member, former member or survivor, without the necessity of resorting to judicial proceedings for the appointment of a legal representative. Settlement and compensation made under the provisions of this subsection shall constitute a complete discharge of the obligations of the United States under this Act. The provisions of this subsection shall not apply when a legal guardian or committee has been judicially appointed for any such member, former member, or survivor, except as to any settlement and compensation made prior to the receipt of notice of appointment: *Provided*, That no fee, commission, or charge shall be demanded or accepted by any representative of any member, former member, or survivor appointed in accordance with the provisions of this subsection and the exaction or acceptance of any such fee, commission, or charge shall be deemed a misdemeanor punishable by a fine of not exceeding $500 or imprisonment for not exceeding six months, or both.

"(d) (1) Pursuant to regulations prescribed by him, the Administrator of Veterans' Affairs is authorized and directed to accept an assignment of a bond issued to the insured under this section, the proceeds of which shall be used in payment of premiums or in payment of the difference in reserve in case of conversion to insurance on another plan or in payment of a policy loan made prior to July 31, 1946, on a United States Government Life Insurance policy or a National Service Life Insurance policy: *Provided*, That such assignment may not be used by the insured directly or indirectly as a means of securing in cash the proceeds of such bond or any portion thereof prior to the date of its maturity or the maturity of such policy by death, whichever is the earlier, and such assignment shall be deemed to constitute an agreement by the insured to this effect.

"(2) Any bond assigned under this subsection shall be redeemed at any time, upon presentation to the Secretary of the Treasury, and the proceeds thereof shall be paid and credited to the appropriate fund or appropriation designated by the Administrator.

"SEC. 7. All amounts paid or payable under section 6 of this Act, in cash, bonds, or both, shall not be assignable except as provided in subsection (d) of such section, shall be exempt from claims of creditors, including any claim of the United States, and shall not be subject to attachment, levy, or seizure by or under any legal or equitable process whatever. All such amounts (except interest in the case of bonds) shall be exempt from taxation.

"SEC. 8. There are hereby authorized to be appropriated such sums as may be necessary to carry out the provisions of this Act. Amounts expended hereunder shall be included in the annual reports to the Congress by the Departments concerned.

"SEC. 9. The Act approved May 8, 1874 (18 Stat. 43), as amended by the Act approved July 29, 1876 (19 Stat. 102; 10 U. S. C. 842), is hereby repealed. Such repeal shall not affect any unused leave accumulated (including leave accruing at the rate of two and one-half days per month after July 1, 1946) prior to the date of enactment of this Act."

And the Senate agree to the same.

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

R. E. THOMASON,
CARL T. DURHAM,
ROBERT L. F. SIKES,
LESLIE C. ARENDS,
CHARLES R. CLASON,
Managers on the Part of the House.

ELBERT D. THOMAS,
EDWIN C. JOHNSON,
LISTER HILL,
CHAN GURNEY,
CHAPMAN REVERCOMB,
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. 4051) to grant to enlisted personnel of the armed forces certain benefits in lieu of accumulated leave, submit the following statement in explanation of the effect of the action agreed upon by the conferees and recommended in the accompanying conference report:

The House recedes from its disagreement to the amendment of the Senate to the text of the bill and agrees to the same with an amendment in the nature of a substitute for both the Senate amendment and the bill as it passed the House.

The conference agreement differs from the Senate amendment and the bill as it passed the House in the following material respects.

The first section of the Senate amendment provided that the act may be cited as the "Armed Forces Leave Act of 1946". The House bill provided the short title "Enlisted Men's Terminal Leave Pay Act". The conference agreement adopts this provision of the Senate amendment.

Both the House bill and the Senate amendment provided that, with certain minor exceptions, enlisted members and former enlisted members of the armed forces should be considered, for the purposes of the payments provided thereunder, to have earned leave at the rate of 2½ days for each month of active service after September 8, 1939. The House bill would have permitted such leave to accumulate in an amount not to exceed 120 days for the period ending 6 months following the termination of the war as established by proclamation of the President or concurrent resolution of Congress. The Senate amendment would have permitted such leave to accumulate in an amount not to exceed 120 days for the period ending August 31, 1946. The conference agreement permits such leave to accumulate, during the period from September 8, 1939, to August 31, 1946, in an amount not to exceed 120 days.

The bill as it passed the House provided for the making of lump-sum cash payments to enlisted men and former enlisted men for unused leave accumulated in accordance with the provisions of the bill. The Senate amendment provided that payment for unused leave considered to have been earned by enlisted men discharged prior to September 1, 1946, should be made in nonnegotiable United States bonds, which would be issued as of the first day of the quarter following the date of discharge. Such bonds would bear interest at the rate of 2½ percent, and would mature 5 years after the date as of which issued. In any case where the amount due is less than $50, or where the member of the armed forces was discharged prior to January 1, 1943, payment would be made in cash. Cash settlement would also be made where the member dies after becoming entitled to payment but before payment is actually made; and in any case where the claimant is incapable of managing his own affairs and the settlement is made with another person acting in his behalf.

The conference agreement retains the provisions of the Senate amendment providing for the issuance of bonds. However, these provisions are modified in the conference agreement so as to provide that the bondholder may use the bond issued to him in payment of premiums upon United States Government life insurance or national service life insurance, or in payment of the difference in reserve in case of the conversion of a policy of such insurance to another policy of such insurance on a different plan, or in payment of a policy loan, including interest thereon, made prior to July 31, 1946, on a United States Government life insurance policy or a national service life insurance policy. A bondholder wishing to use his bond for one or more of such purposes would be permitted to assign the bond for such purposes pursuant to regulations prescribed by the Administrator of Veterans' Affairs, and would be allowed an amount equal to the principal of the bond plus interest accruing up to the end of the month in which the assignment is made. The bonds would be presented to the Secretary of the Treasury for redemption and the proceeds thereof, which would include interest up to the end of the month in which the bonds are redeemed, would be paid and credited to the appropriate insurance fund or insurance appropriation. Provisions are included in the conference agreement to guard against the possibility that the bondholder might use his privileges with respect to payments relating to insurance as a device for obtaining cash for the bond prior to its maturity.

The Senate amendment contained language, not included in the bill as it passed the House, providing that in the case of members of the armed forces appointed to warrant or commissioned grades after June 1, 1945, leave accrued during any prior continuous service immediately preceding such appointment could be carried over to a subsequent period of service. The conference agreement does not contain such a provision.

The bill as it passed the House made no provision with respect to leave for enlisted men subsequent to 6 months following the end of the war. The Senate amendment placed enlisted men who are on active duty on September 1, 1946, or at any time thereafter, on exactly the same basis, so far as leave is concerned, as officers. The conference agreement adopts the provisions of the Senate amendment in this respect.

The Senate amendment provided that notwithstanding any other provision of this act or of any other law or regulation, no member of the armed forces (other than a member on terminal leave on September 1, 1946) should be permitted to accumulate or to have to his credit at any time after August 31, 1946, accumulated or accrued leave aggregating in excess of 90 days, and provided that any leave in excess of 90 days to which he might be entitled on August 31, 1946, be settled and compensated for in the same manner as was provided with respect to leave to be settled and compensated for in the case of members discharged before September 1, 1946. Section 6 of the House bill provided that during any future national emergency or war leave for members of the armed forces should not be permitted to accumulate in an amount exceeding 30 days, and that no payment should be made in lieu of leave. The conference agreement limits the accumulated and accrued leave which a member may have to his credit after August 31, 1946, to 60 days and, in order to prevent forfeiture of leave by a member who continues in service after such date, provides that any leave in excess of 60 days to which he may be entitled on August 31, 1946, be settled and compensated for in the same manner as provided in the Senate amendment. The conference agreement also directs the departments concerned, in promulgating regulations relating to the granting of leave, to provide that leave shall be taken annually as accruing to the extent consistent with military requirements and other exigencies.

Section 10 of the Senate amendment exempted persons on terminal leave from the armed forces from the provisions of sections 109 and 113 of the Criminal Code which prohibit an officer of the United States from acting as counsel, agent, or attorney in matters in which the United States is a party or is interested, and from prosecuting claims against the United States. The House bill contained no corresponding provision. This provision is not included in the conference agreement.

The House recedes from its disagreement to the amendment of the Senate to the title of the bill.

R. E. THOMASON,
CARL T. DURHAM,
ROBERT L. F. SIKES,
LESLIE C. ARENDS,
CHARLES R. CLASON,
Managers on the Part of the House.

The SPEAKER. The gentleman from Texas [Mr. THOMASON] is recognized.

Mr. THOMASON. Mr. Speaker, I want to make a brief but a very frank statement about this report.

The conference on this bill was in session for a good part of 3 days. Your conferees, the gentleman from North Carolina [Mr. DURHAM], the gentleman from Florida [Mr. SIKES], the gentleman from Illinois [Mr. ARENDS], the gentleman from Massachusetts [Mr. CLASON], and I, stood steadfast for most of those 3 days, at least up until the final vote was taken, on what we regarded as the instructions of the House to pay this terminal leave to enlisted men in cash. I wish to make a brief statement as to the exact situation, and then the matter is left to your own judgment and wishes as to how you shall vote on it.

At these hearings on the part of the conferees there appeared representatives of the Director of the Budget, also representatives of some of the veterans' organizations, who favored this report as we bring it back to you.

The situation, briefly, is this: When this bill went to the other body they had hearings on it, and the chairman of the special committee over there, the Senator from Colorado [Mr. JOHNSON], had been very strong in favor of the payment of this accumulated terminal leave in cash. They called in different representatives of the Government, however, inincluding the Secretary of War, Secretary of the Navy, the Secretary of the Treasury, and the Director of the Budget, and their testimony appears in the Senate hearings. The situation briefly is that we have now brought this back to you to pay this terminal leave partly in cash but principally in bonds. The bonds are to run for 5 years and to bear 2½ percent interest. All amounts due enlisted men under $50 will be paid in cash. All odd amounts not in multiples of $25 will be paid in cash. The estates of all deceased veterans will be paid in cash. All veterans who were discharged prior to January 1, 1943, will be paid in cash for the simple reason that those bonds will soon mature. These bonds, of course, will be staggered because the dates of discharge differ.

The total number of enlisted men who will be eligible for payment in either bonds or cash under this bill is approximately 16,000,000.

The total amount it will cost the Government in either cash or bonds is approximately $3,000,000,000, and the average to each veteran is approximately $166.

The Director of the Budget, or to be more exact, his representative, who spoke with his authority, appeared before the conference and reminded us of something we already knew, that we are in an inflationary period in this country and that the Director of the Budget would not approve the immediate expenditure of $3,000,000,000 in the economy of this country under present conditions. Everybody agrees that might become serious, and cheapen the value of the dollar still more. And I might add that he said this—of course, neither he nor any other person was authorized to speak for the President, but he did make the authorized statement to the committee that this bond proposal had been submitted to the President who approved it with the further statement that he would not approve anything more than that at the present time.

Following that an official representative of the national American Legion, Mr. Hayden, I believe that is the name, came before the conferees, as had Col. John Thomas Taylor, an authorized spokesman for the national American Legion, previously to that, and urged the payment of this leave in bonds, since that was the best we could get, because it is well known to all of those on the conference that in view of the President's statement to the Director of the Budget, and the statement of the Director of the Budget to us—to be perfectly frank about it at the present time, I think it is this or nothing. For these reasons the conferees brought this bill back to the House.

I might also call your attention to the fact that other representatives of the veterans, including Mr. Tate, of the Disables American Veterans, favored this bill. I think in order that you may be fully informed it will be well to read a few lines of his testimony. This is indicative of the attitude of all of the service organizations as far as we could obtain it.

Col. John Thomas Taylor, spokesman for the American Legion, called me himself and urged the adoption of this report.

Mr. William E. Tate, national director of claims, Disabled American Veterans, stated, and I quote from his testimony before the Senate:

> I would like to state our organization is very much interested in seeing that these men receive this benefit, and in view of the testimony of Secretary Sullivan as to the method of payment, we would have no objection to that method being employed. It seems that perhaps it would be of more benefit to the men to get it that way than it would in cash. If it is going to result in inflation, it would decrease the value of the money he gets, so our organization would be in accord with the testimony of Mr. Sullivan.

The statement was also made, although I do not speak with authority, that the American Veterans Committee not only favored this manner of payment in view of present economic conditions but I believe they were the authors of this suggested proposition.

It was also reported to us that the Veterans of Foreign Wars also approved the Senate plan. That was the statement of one of the Senators, although I do not vouch for its accuracy.

I would like to go a little farther and say that after full consideration of this plan and the endorsement of the Director of the Budget as well as the President speaking through him, the Secretary of War, the Secretary of the Navy, the Secretary of the Treasury, and the various veterans organizations, the conferees agreed on an amendment which you will find in the report that these bonds can be used to apply on the payment of premiums for veterans' insurance. There were many on the conference, and also some of these men whom I have mentioned who favored the bill, thought this manner of payment would not only encourage thrift for the present but would also encourage the keeping up of life insurance. It is really distressing the way the men are letting their life insurance drop. This would certainly encourage the keeping alive of those premiums for the present.

Mr. Speaker, I do not want to take any extended time but just to boil it down let me make one further statement. I may add that the Senate conferees stood firm and were unanimous that they would not agree at this time to any other solution of the problem except this one. They felt sure that is the way the Senate would feel about it. I may say that I was over at the Senate a little while ago and the Senate unanimously adopted the report. Of course, as I said, this is not altogether satisfactory to the House conferees, it was not my own feeling and not the way I voted in the House on it, but this is something tangible and it will determine the amount due each of these men. I voted for the cash payment and am still for it. I urged it in the conference, but this is better than nothing. When the report was adopted in the Senate a little while ago the Senator from Florida [Mr.

PEPPER] rose and said he would introduce immediately a bill making these bonds payable in cash. If Congress is to adjourn day after tomorrow it will be impossible to get any action at this time; but we will be back in January and if at any time next year or at any time before the maturity of the bonds Congress wants to order these bonds paid, or pass some sort of adjusted compensation as it did after World War I, the Congress may make these bonds redeemable in money.

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

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

Mr. GAVIN. Did I understand the gentleman to say that the President would not approve anything other than the issuance of these bonds?

Mr. THOMASON. I will try to quote the representative of the Director of the Bureau of the Budget who appeared before the conference. He said this plan had been submitted to the President and that the Director of the Budget and the President had approved the plan but that they would not at this time approve anything more than that. Nobody is authorized to speak for the President. Nobody can say he would veto a cash payment. I pressed for a statement that I could quote and the representative of the Bureau of the Budget said that the President would approve this plan but he would not approve of any more at this time, and the Director of the Budget then added that he thought it would be a very bad thing for the country to turn $3,000,000,000 loose on our economy at this time on such short notice. A lot of that money would be recklessly spent. It would add to our inflation problems. I hope when we get back to full production and conditions more stable, we can then make these bonds cashable or negotiable. The dollar of the veteran will probably buy a lot more in a year from now than it will today.

Mr. AUGUST H. ANDRESEN. Mr. Speaker, will the gentleman yield?

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

Mr. AUGUST H. ANDRESEN. As I understand, these bonds are not negotiable except for the payment of premiums on Government life insurance.

Mr. THOMASON. That is correct.

Mr. AUGUST H. ANDRESEN. Let me ask the gentleman what is there to prevent the next Congress from making these bonds negotiable?

Mr. THOMASON. Nothing in the world. If this Congress wants to come back in January or next July or next January a year, and economic conditions are better, they can make them payable at any time they see fit.

Mr. AUGUST H. ANDRESEN. I think we should pay it in cash right now.

Mr. COLE of Missouri. Mr. Speaker, will the gentleman yield?

Mr. THOMASON. I yield to the gentleman from Missouri.

Mr. COLE of Missouri. I think it is correct to say that apparently they have plenty of cash for Britain but only bonds for our veterans.

Mr. SMITH of Ohio. Mr. Speaker, will the gentleman yield?

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

Mr. SMITH of Ohio. I believe this is the first time that the Government has put into effect this sort of policy; is that correct?

Mr. THOMASON. I am not able to say. The gentleman is as well informed about that as I am. We just brought the report back here to give you the true situation. It is just this or nothing at the present time as we view it.

Mr. SMITH of Ohio. The point I want to make is this: I would like to know why, if it is going to be the policy of the Government to begin to freeze its obligations, they begin with the veteran.

Mr. THOMASON. The gentleman will have to answer that himself, because he knows as much about it as I do.

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

Mr. THOMASON. I yield to the gentleman from Utah.

Mr. GRANGER. Did I understand the gentleman to say that these bonds could be used only for payment of premiums on Government insurance, or any insurance?

Mr. THOMASON. No; it would be confined to veterans' insurance, convertible national life insurance or insurance of that kind.

Mr. BARRETT of Wyoming. Mr. Speaker, will the gentleman yield?

Mr. THOMASON. I yield to the gentleman from Wyoming.

Mr. BARRETT of Wyoming. I am in entire accord with the splendid statement of the gentleman. I favor the payment in cash to enlisted men. Why should not the buck private be treated the same as his officers. Can the gentleman give us any figures as to what the percentage of the $3,000,000,000 would be paid in cash?

Mr. THOMASON. No. Compared to the total sum it would be rather small, but quite a sum because I repeat that the average amount to each veteran amounts to $166. All claims under $50 will be paid in cash, and all odd amounts will be paid in cash. In other words, if a man had $185 coming to him, he would get a bond for $175 and $10 in cash. I also repeat that the estates of deceased veterans will be paid in cash.

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

Mr. THOMASON. I yield to the gentleman from Illinois.

Mr. ARENDS. I think it was stated that the amount paid to those receiving $50 and less would be approximately $300,000,000.

Mr. BENNETT of Missouri. Mr. Speaker, will the gentleman yield?

Mr. THOMASON. I yield to the gentleman from Missouri.

Mr. BENNETT of Missouri. As I understood the gentleman from Texas, he gave the same figure for the payment in bonds as if they were paid in cash. It would appear to me, since the bonds carry interest, that that would greatly increase the cost of the program. Can the gentleman shed any light on that?

Mr. THOMASON. I can only say that the bonds carry 2½ percent interest. Of course, a veteran may have entered the service in 1943, and he is going to get his bonds in January, say, 1948, on the day of his discharge, and the bonds bear interest from the date of discharge of the veteran.

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

Mr. THOMASON. I yield to the gentleman from North Carolina.

Mr. DURHAM. The total amount of payment in the cash bracket is estimated to be $358,450,000.

Mr. THOMASON. I thank the gentleman.

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

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

Mr. RABAUT. I take this opportunity to commend the gentleman from Texas. This has been a matter of controversy between the two bodies, and the gentleman has made a very outright statement, explaining every phase of the negotiations. That is the type of statement that should come to the House on these controversial issues, and the gentleman is to be highly commended for the thorough manner in which he brought it forth. The House favored cash payments, but is conceding to the Senate plan only because action must be obtained now in these closing hours of Congress. The gentleman from Texas, in his legislative role, is forced to bring us the program adopted in conference.

Mr. THOMASON. I thank the gentleman.

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

Mr. THOMASON. I yield to the gentleman from Kentucky.

Mr. CHAPMAN. I think it also should be stated, Mr. Speaker, that the conferees representing the House stood for 3 days stanchly and strongly for the House position on this measure, and agreed to the conference report because it was the only thing left to do.

Mr. THOMASON. I thank the gentleman.

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

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

Mr. GORE. I congratulate the gentleman on his very lucid statement. I thought I would oppose the conference report because I favor payment in cash, but the gentleman has made such a plain statement that it is either this or nothing that I shall accept the report.

Mr. THOMASON. I favored cash myself, and so did every Member representing the House at the conference. This does put Uncle Sam's bonds in the hands of every veteran. All of the Senators stood firm on the Senate bill. They said this might encourage thrift and saving and also encourage the keeping up of their very valuable and cheap Government life insurance. But when this inflationary period is over and we are back to full production, the Congress then, if conditions are better, can pay the bonds off with cash. The money will probably buy a lot more then than now.

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

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

Mr. GAVIN. I should like to have the gentleman discuss momentarily the great concern of the administration about inflation. If the administration is concerned about inflation now, why was it not concerned about it when we had before us the $3,750,000,000 British loan? That money is going into circulation.

Mr. THOMASON. I repeat that we did the best we could. We brought this report back to you and we are giving you the truth and the facts. It is this or nothing for the present. We did the best we could under the circumstances. You can vote as you please, but I believe you will think twice before you kill this report. We adjourn Friday and we ought to do the best we can. We have to be practical and face facts.

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

Mr. THOMASON. I yield to the gentleman from Arizona.

Mr. MURDOCK. I commend the gentleman on this statement. I do not know who it was of the conferees who proposed the bonds being used for payments on life insurance, but I think it is an excellent idea. I voted for cash payment and still favor it, but if it is bonds or nothing at this time, I will vote to adopt the conference report.

Mr. THOMASON. The statement was made by a Senator in the conference that the American Veterans Committee gave birth to the idea and brought it to the Senate conferees.

Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days in which to extend their remarks in the RECORD on the pending conference report, and that those Members who desire to do so may extend their remarks on this subject at this point in the RECORD.

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

There was no objection.

Mr. GRANT of Alabama. Mr. Speaker, I am supporting the House-Senate conference report, which is a compromise on the part of the House for payment of enlisted men's terminal leave in bonds.

I understand that the House conferees reluctantly agreed to the Senate amendments to this bill, which provide a bond method of payment for all amounts over $50, and that when the amount due is under $50, that payment will be made in cash.

I note that some feel that if the veterans are paid in cash, as provided by the House bill, that it will be inflationary. This is, perhaps, true, however, I wish that those who raise an inflationary cry when the veterans are concerned would also apply this viewpoint to some other legislation where, too often, the doors of the Federal Treasury are open. I recall that several years ago, when cuts were made in some of the Federal expenditures, that the so-called economy cut was first applied to the veterans and it did not go much further.

It is, of course, impossible without a more detailed study, to know just how much appropriation will be required for this bill. However, an appropriation bill has been passed containing $2,431,000,000 for this purpose. I believe that it will be found to run higher than this amount.

While over $50 amounts will be paid in bonds, it is with pleasure that we find that the conferees have agreed that the bonds may be used to pay premiums on war-risk insurance, or to convert this insurance into permanent national life insurance. The bonds will be payable in 5 years, bearing 2½ percent interest and issued in $25 bonds. Without going into the merits of the payment of terminal leave to officers, it seems to me that a rank discrimination has been allowed to exist and, since it has existed, there is only one thing that this Congress should do and that is to immediately pass this bill.

Mr. WILSON. Mr. Speaker, it is depressing to know that the only economy ever practiced by this administration has been at the expense of our heroes, the veterans.

The Economy Act which made paupers and street-corner apple sellers of our World War I veterans was passed in the early years of the New Deal.

To those of us who forced this bill to the floor of the House by signing a petition, this move to pay off in scrip, or I O U money, is scandalous. We want our veterans to have cash—negotiable money. Oh, yes; I know, Mr. Speaker, a host of colonels of the War Department appeared up here on the Hill and opposed this legislation to pay these enlisted men for unused terminal leave; but they have theirs, and I swear that a billion dollars in the hands of GI's is no more inflationary than the same amount in the hands of the colonels or brass hats.

Mr. ANGELL. Mr. Speaker, I regret that this bill, H. R. 4051, comes back to us on a conference report requiring the enlisted men to be paid in bonds, rather than in cash. I favor payment in cash. I introduced a bill requiring that enlisted men be paid in cash for terminal pay the same as payment is being made to officers. I am unable to understand why enlisted men should not be accorded the same treatment as officers. The veterans should receive cash, and if it were possible to vote for cash payment I would do so. Under the parliamentary situation we have no choice, and if we vote down this report the enlisted men may receive no terminal pay until the Congress reconvenes in January 1947. I am willing to stay here all summer if necessary to secure a bill requiring payment in cash. At present it seems to be this bill or nothing during the Seventy-ninth Congress. I feel forced, therefore, to vote for the conference report. Next session we should pass a bill requiring payment in cash.

Mr. SPRINGER. Mr. Speaker, in presenting the conference report on H. R. 4051, I am greatly disappointed at the provisions contained therein which provide for the payment of this terminal leave to veterans of World War II in bonds instead of cash. I have ever been in favor of the payment of this terminal leave in cash, and I am in complete accord with the House version, which is that the payment of the terminal leave to GI's should be made in cash. I have urged that this terminal leave be paid in cash. I am very sorry that the parliamentary situation is such that we are compelled to vote this conference up or down. This conference report cannot be amended, and, may I say, that I am greatly surprised at the attitude of the President in requesting that the GI's be paid in bonds, and at the same time hiding behind the subject of inflation as an alibi. The commissioned officers have been paid their leave in cash. The GI's are entitled to receive their leave pay in cash. It is tragic, indeed, for the President, and those in control, to approve the payment of terminal leave in cash to commissioned officers, but to demand that the GI's, who fought and who really won this war, accept bonds in payment of their terminal leave.

Mr. Speaker, this policy is both unfair and unjust. The GI's are entitled to be paid in cash, just as the payment has been made to commissioned officers.

However, rather than get nothing for the GI's, as those in power have suggested, we will have to accept the conference report I presume. Yet, I am constrained to say that this conference report is very unfair to the GI's. I would rather that Congress remain in session for several weeks in order that a fair and equitable measure can be reported and passed in favor of the GI's.

It is very unfortunate that the President has sanctioned the payment of our money to UNRRA, to the UNO, and for a huge loan to Great Britain, and for many other items, but when this question is raised to pay the accrued terminal leave to our GI's, he wants to give them bonds, payable in the future. It appears to me that the President wants cash for foreign countries but only bonds for our own veterans.

I am greatly disappointed over this legislation.

Mrs. MANKIN. Mr. Speaker, the officers of our armed forces were given their terminal leave pay in cash and therefore I feel that the enlisted personnel should be paid the same way rather than in bonds, as the Senate insists. As this session is coming to a close and we must either accept the Senate version or lose our chance to get some sort of terminal leave pay for our enlisted men, I shall vote for this bill which pays them with bonds. I serve notice, however, that next January I shall introduce a bill to amend this one that we are now passing. I shall seek by this amendment to change these payments from bonds to cash when the recipient so elects.

Mr. ELLIS. Mr. Speaker, I will support this conference report which provides for the payment of terminal pay to soldiers, as we are told because of the parliamentary situation, that if we vote down the conference report, there is a possibility that no legislation whatsoever relating to this subject will be passed.

It is recalled that the House voted almost unanimously for the cash payment of this obligation. The irony of the situation is that we are informed that the President has stated he will not approve a cash payment proposal because as he states it is inflationary. You are reminded that just a few days ago, this House was literally pounded over the head by the White House, the State Department, and the Treasury to give the British Empire $3,750,000,000. At that time nothing was said about inflation by the proponents. We have been commanded by the spokesman of this administration to give and lend money to all the nations of the world, but when it comes to paying our own veterans, it has to be in 5-year bonds.

I want to express my opposition to this plan of payment with all the force at my command, and I join with many of my colleagues in bitter criticism of this administration for their treatment of the men who wore the uniform of this country.

Mr. ROBERTSON of North Dakota. Mr. Speaker, House Members find themselves in an uncomfortable position today. Our House conferees have withheld against the pressure of the administration and the Senate in favor of a cash payment of terminal leave to GI's. After having held out for a considerable time the House has been compelled to yield because we are soon to run out of time. We are now advised that we have but one choice; to vote this conference report up or down. Under parliamentary rules this is evidently the case, the Senate having already voted on it.

Rather than deny the GI's their rights I propose to vote for this conference report, even though it provides for payment of terminal leave in bonds due in 5 years. It is a gross injustice when measured against the treatment officers have received.

To me it becomes nauseating to always hear the word "inflationary" when the administration is not in approval of a program. On all other matters, including subsidies paid by the Office of Price Administration, there is no reference to inflation. Even the British loan is not considered inflationary. But today we are asked to pay these young men in bonds due in 5 years, because to pay the amount in cash would be inflationary.

Mr. Speaker, I shall support the conference report and vote for payment in bonds reluctantly. I do so because I am advised it is this or nothing, but I shall be among the first, if I am returned to the next Congress, to support legislation for the cash payment of these bonds.

Mr. NORBLAD. Mr. Speaker, the provisions of the conference report requiring payment of enlisted terminal leave in 5-year bonds is, in my opinion, manifestly unfair. As an officer I received my terminal leave in cash and cannot understand why a similar provision cannot be made for enlisted men. There should be absolutely no difference in method of payment.

Mr. AUGUST H. ANDRESEN. Mr. Speaker, the House finds itself in an unfortunate dilemma in the final consideration of the terminal-pay bill for enlisted men. The House bill, a companion measure to H. R. 4467, introduced by me last October, provided for the payment of cash to GI's in settlement of terminal-leave payments. The bill went to the Senate, which body inserted an amendment that provides for payment in cash where the amount is less than $50 and for payment in 5-year, nonnegotiable bonds, bearing 2½ percent interest, for amounts above $50. The Senate amendment also provides that these bonds may be turned in to the Veterans' Administration for the single purpose of paying premiums on Government war insurance, or to convert the war policies to permanent national service insurance.

By a unanimous vote, the House had approved payment of the terminal-leave pay in cash. Democratic administration leaders in the Senate, who were responsible for the bond amendment, definitely state that if the House does not accept the Senate proposal, there will be no legislation in this session of Congress, which adjourns in 2 days. We are therefore placed in a position of either voting for the Senate proviso, or seeing the legislation killed for the present session. Under the circumstances, those of us, who are anxious to have a bill passed before adjournment, are compelled to accept the Senate amendment. This is no way to legislate. Enlisted men are entitled to a cash payment, the same as is given to all officers. The only thing that we can do, under the circumstances, is to approve the bill in its present form, and when Congress reconvenes in January to speedily approve legislation to make these bonds negotiable, so that veterans who desire to do so may cash them at their face value. I will do my utmost to secure the passage of such legislation.

Members of the conference committee have all stated that the President has objected to the payment of cash in the settlement of terminal-leave pay, because the payment of $2,400,000,000 to American servicemen in cash was inflationary. I do not agree with the President's logic. No cry of inflation was raised by him when he demanded and secured the approval of the $3,750,000,000 loan to the British Government, or in the loaning of $3,500,000,000 by the Export-Import Bank to dozens of foreign countries. Can it be the attitude of administration leaders that when money is given to foreigners it is not inflationary, but when just obligations are settled with American soldiers, who will spend all of the money in the United States for American products, it becomes inflationary? I would say, that such reasoning is a rather peculiar complex. We must rectify the mistake which we are being forced into today, as quickly as possible.

The bill provides that unused leave will be paid for at the rate of 2½ days a month for not to exceed 120 days, using the base pay at the time of discharge, plus 70 cents a day subsistence, and, if married, $1.25 a day additional. Enlisted members of the armed forces, who have been discharged, are required to make application for payment. The Veterans' Administration will announce procedure for payment as soon as plans are perfected. Approximately 15,000,000 veterans will be entitled to terminal leave pay, according to the best estimates of the War and Navy Departments, and the average payment will be around $165.

Mr. GILLIE. Mr. Speaker, it is my personal conviction that the House should stand by its original decision to make terminal-leave pay available to enlisted personnel in cash.

The whole purpose of this legislation is to correct an obvious injustice. This being the case, I believe we should not leave the job half done. Officers and other employees of the Government have not been asked to wait 5 years for money earned through accrued leave. Why should an exception be made once again at the expense of the enlisted man?

If it is really our purpose to place officers and enlisted men on the same footing insofar as these benefits are concerned, our action should extend to the method of payment as well as the payment itself. Why attach strings to it? Why pay the brass hats in cash and tell the GI, who needs the money now, to wait 5 years for the wheels of justice to catch up with him?

I am not overly impressed by those who point with alarm to the so-called inflationary dangers of the House bill, and who express concern over the extra purchasing power which would be made available. If they are sincere, why did they not raise this same issue against the British loan? Our British brothers are getting cash on the barrel head. Why draw the line at our own GI's?

Mr. MURDOCK. Mr. Speaker, as I indicated a little while ago, when the gentleman from Texas [Mr. THOMASON] yielded to me for an observation, I think that part of the conference report which provides that GI's may use the bonds received in payment under this bill pay for their government insurance is a good and wholesome provision. I approve of it. Of course, it was the will of the House that this pay to enlisted men should be in cash, but if—as the gentleman from Texas, Mr. THOMASON, says—the Senate is adamant on this matter and we cannot get the Senate to recede and concur, we had better pass the measure in this form by accepting the conference report.

I do not think many GI's will condemn Congressmen for acceding to this bond provision. I expect some criticism personally but not a great deal, from GI's, for many of them know that I personally worked with Congressman James O'Connor, of Montana, in the very beginning of the defense program to raise the GI's pay from $30 to $50 and that I later worked with the gentleman from Mississippi, Congressman JOHN RANKIN, toward the same end, and successfully in the last case. Having always been generous with GI's in financial matters, I do not expect to be criticized by them now for being willing to vote to pay them in bonds instead of in cash, when it is obviously impossible to pass the measure providing for cash payments. Let us pass the best bill we can get. When I see one of the authors of this legislation urging its adoption, I know this is the best we can get.

I want it distinctly understood that I feel it is in the interest of the ex-service man to keep up his insurance. I advise it on every possible occasion and I have heretofore voted provisions into law

which will induce GI's to keep up their insurance or to better the insurance contract in any possible way. This is one of the reasons that I am sanctioning the conference report today which permits this payment in bonds to be used for payments on the soldier's government insurance.

Mr. ROONEY. Mr. Speaker, justice requires that the enlisted men's terminal leave pay be paid in cash. The officers in our armed forces receive their terminal leave pay in cash. Why should discrimination be made against the enlisted men? If we found it possible to turn over three and three-quarter billions of dollars in cash to Great Britain—I voted against the British loan—we should certainly be able to pay our just debt to the GI Joes in cash.

I signed the petition to discharge the Rules Committee from consideration of the original terminal leave pay bill in cash form. I voted for it in cash form when it was passed by this House. The day before yesterday as a member of the Committee on Appropriations I voted the money to pay it.

With these sound convictions in my mind I now find myself in an extremely awkward position due to the present parliamentary situation. There is no alternative at the moment but to vote up or down on the conference report. If we vote it down it is most likely the enlisted men's original terminal pay leave bill will die and that no further action can be taken until the 80th Congress convenes. This would result in a very unfavorable situation as the veteran would then receive no benefits whatsoever. But if we adopt this conference report at least the enlisted man will have Uncle Sam's bonds and some cash. We will then be in a position to return here next January and change the maturity date on the bonds so as to make them immediately payable. I deplore the adamant attitude of the Senate on this question but have no alternative under the circumstances to do anything other than reluctantly accept the conference report.

Mr. CHENOWETH. Mr. Speaker, I am voting for this conference report for the reason I want to see a terminal pay bill for enlisted men pass at this session of Congress. I am very disappointed that the House conferees saw fit to accept the Senate amendment providing for the payment in bonds instead of cash. Personally, I feel very strongly that these payments should be made in cash, and I can see no excuse for issuing these bonds.

I join with others who have spoken in expressing the hope that another Congress will correct this injustice, and pass legislation that will give our enlisted men cash instead of bonds. It does seem strange that we have cash for every other purpose, even to the extent of making large foreign loans. I do not think we should start to economize on our veterans. These men are entitled to this terminal leave pay and the amount to each will be small. I cannot justify and I will not defend the attitude of the administration in seeking to make these payments in bonds instead of cash, as previously voted by this House.

TERMINAL LEAVE WAS PAID IN CASH FOR OFFICERS—THE SAME SHOULD BE DONE FOR ENLISTED MEN

Mr. REES of Kansas. Mr. Speaker, the conference report on terminal leave pay for enlisted men ought to be rejected and the House version of this bill should be adopted. The Senate bill provides for payment in bonds. The House bill for payment in cash. Of course, the bonds are good and will be payable at maturity with interest, but I think that in view of the fact that the average payment to the veteran is only about $160, the Government ought to let the veteran have it in money so he can use it now in helping to become rehabilitated. The Government paid cash to the officer without hesitancy. Why not treat the GI on the same basis?

It has been suggested that to pay these funds in cash is inflationary. If this appropriation is inflationary, what about the billions of dollars this country is spending for other purposes, including the $4,000,000,000 this Congress approved for the British.

I regret the President has taken the position that he will veto the bill unless payment is made in bonds. The money is due the boys—they ought to have it. If they want to buy bonds they can do so. If they want to buy things that they need right now, they should have a right to do that too.

We did not hesitate to pay billions of dollars in cash for services of all kinds to carry on the war. Since the amount due each veteran is small, let us pay it in cash and not make them wait 5 years or more before they will receive it. Most of them need the money now. Let us be fair about it.

Mr. THOMASON. Mr. Speaker, I yield 5 minutes to the gentleman from Illinois [Mr. ARENDS].

Mr. ARENDS. Mr. Speaker, in order to clarify the situation, I should like to propound a parliamentary inquiry.

The SPEAKER. The gentleman will state it.

Mr. ARENDS. Will the Chair state to the House the reason why this conference report has to be voted up or down at this particular time?

The SPEAKER. A motion to recommit this conference report is, of course, not in order. Therefore, the gentleman is correct when he says it is a question of voting the conference report up or down.

Mr. ARENDS. I think that may clarify to some extent in the minds of some of the Members here as to why it is necessary to now vote this report up or down; there being no other alternative.

Mr. Speaker, I should like to make this statement on the part of the House conferees. All five of us of course wanted to carry out the will of the House, which had voted unanimously to pay this terminal leave in cash. We got to the Senate and faced this situation. The conferees on the part of the Senate were adamant in their position in maintaining that the bill passed the Senate in the way it did, providing bonds, was the only possible form in which any terminal leave legislation could pass that body and no other result would be possible. Therefore, we found ourselves in the position of either saying we would be in disagreement, and reporting the bill in disagreement to the House, and facing the possibility of an anticipated veto. Of course, we could not say a veto was definite but it was probable, and therefore we would have no terminal pay bill at all. The conferees on the part of the House in agreement among themselves, decided to accept the Senate version and come back here and let the House exercise its will in the matter. I see no other way out of it. Personally, I should like to see this money paid in cash. I believe the vast majority of the Members of the House stand in the same position. But we face this situation, either take this or there will be no bill at this particular time. Therefore I choose, as a last resort, to take the bonds.

We did add one feature to the bill which originally was not before the Senate or the House, namely, a provision whereby veterans could use their bonds in payment of insurance premiums or on obligations of indebtedness under insurance loans. In that respect, I should like to give you a bit of information which was made available to us through the Veterans' Administration, because I feel we are adding some inducement to the veterans to transfer their insurance from war-risk insurance to some regular line policy.

There are approximately 13,000,000 or 14,000,000 veterans who are entitled to carry Government insurance. Of this number, there are about 5,500,000 who are carrying war-risk insurance, and of that 5,500,000 there are only 276,000 who have up to this time seen fit to convert their war-risk insurance into regular policies. Therefore, I think that the incentive to let them use these bonds as payment on their insurance premiums is at least helpful to some extent. I hope many of the boys will take advantage of it. As I said before, we had no direct statement and no one told us that the President would veto this bill if it provided payment in full in cash except that the Budget Bureau representative convinced us by what he said that it had to be this way or nothing at all. Therefore, to clarify the situation, and let the House know how the conferees felt, we thought it best to come back here with the conference report in the shape that it is rather than to find ourselves in complete disagreement and not have any legislation at all.

I am glad to yield to the gentleman from South Dakota [Mr. MUNDT].

Mr. MUNDT. The gentleman propounded a parliamentary inquiry, but I think the answer that the gentleman received is not quite complete. It is true that we have to vote this conference report up or down, but it is also true, is it not, that if we vote this conference report down, then the chairman of the committee of conference could and would make a motion that the House further insist on its position which, of course, the Senate would take a vote on as to whether or not they want to have this paid in cash or in bonds. Now the Senate has talked in innuendo and by implication, but it has actually taken no roll-call vote as to whether they want

this paid in bonds or cash. Am I correct in that statement?

Mr. ARENDS. I think that is correct, but I believe the gentleman from Texas stated the situation very well when he said that if the Congress in the next session feels that these bonds should be made negotiable then we can make them so.

The SPEAKER. The time of the gentleman has expired.

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

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

Mr. ARENDS. I yield.

Mr. PATMAN. I am very much impressed with the argument about the insurance, but suppose a veteran converts his insurance to a 20-year payment life or an endowment policy with $200 that he has to his credit. Then suppose he desires to make a cash loan of $150 and he gets the $150 in cash. Would he not have to pay 5 percent interest on that whereas the Government is only paying 2½ percent interest? That is something which I am afraid might be harmful to the veterans instead of being helpful to them.

Mr. ARENDS. Would that not be an exception rather than the rule?

Mr. PATMAN. I do not know. I hope it would be an exception.

Mr. ARENDS. I do too.

Mr. PATMAN. I was just raising that point.

Mr. ARENDS. We are merely trying to give the boys something that we hope the majority of them may take advantage of.

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

Mr. THOMASON. Mr. Speaker, I yield 3 minutes to the gentleman from North Carolina [Mr. DURHAM].

Mr. DURHAM. Mr. Speaker, the gentleman who preceded me has told you that this was the best we were able to do. The Senate Military Committee was reluctant to take this measure up at all and never agreed to take it up until there was an agreement that it would be paid in bonds. That is what we were faced with. We bring the report back to you Members and it is the best we could do. Personally, I do not like it. There is another feature about this report which I think we should think about because this terminal pay stems from the old act of 1874 by which the Army got itself into this predicament of having to pay terminal leave. Personally, I do not like it, and think it never should have been initiated by the Army, but since the officers have been paid terminal pay, I think it our duty to provide it for the enlisted men.

Under this act, after August 31, 1946, there will be no more terminal-leave pay, because the men will thereafter have to take leave or they will not be paid for it. I think that is a fine provision in this act and that we should think of this before we vote down this measure.

Mr. O'HARA. Mr. Speaker, will the gentleman yield?

Mr. DURHAM. I yield.

Mr. O'HARA. Are they still paying the officers in cash for terminal leave?

Mr. DURHAM. Certainly. At the present time we are. They will not after this bill is passed. There is no way to pay an enlisted man at the present time unless this act is passed. There is no act on the books that will pay enlisted personnel. Therefore, we are trying to pass this act to pay them something.

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

Mr. DURHAM. I yield.

Mr. JONES. From and after this date the administration does not oppose paying officers in cash, regardless of whether this conference report is adopted? The administration will not oppose paying the officers in cash?

Mr. DURHAM. No; they would not be paid in cash after this act is passed.

Mr. JONES. The officers?

Mr. DURHAM. The officers. Surely. After this act is passed that is true. At the present time they are entitled to it under the old act of 1874, and they are still being paid under that act.

Mr. JONES. Does the gentleman know how much has been paid the officers in cash?

Mr. DURHAM. No. I tried to find that out. The gentleman is a member of the Committee on Appropriations, and I wish he would secure that information for me, if he can.

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

Mr. DURHAM. I yield.

Mr. JENSEN. Has the gentleman heard any talk regarding the proposition that we should pay 3,000,000 Government employees in bonds?

The SPEAKER. The time of the gentleman from North Carolina has expired.

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

Mr. DURHAM. A few minutes ago the question was asked, How much would be paid in cash? There are four categories that will be paid in cash. That is, those discharged prior to January 1, 1943, who died after discharge; those discharged after January 1, 1943, with less than $50; those discharged after January 1, 1943, with more than $50, to be paid in cash. That amounts to $358,400,000. So we are paying quite a lump sum in cash. The total estimated cost is $2,679,493,000. The average cost of each individual will be $167.03.

The SPEAKER. The time of the gentleman from North Carolina has again expired.

Mr. THOMASON. Mr. Speaker, I yield 5 minutes to the gentleman from Massachusetts [Mr. CLASON].

Mr. CLASON. Mr. Speaker, this conference had only one main issue before it. We had three separate meetings which lasted for a considerable period on that one issue. That was the sole question of whether terminal leave should be paid in cash or by bonds. The first day it was evident that the Senate conferees were standing pat on bonds. All five members of the House conferees were standing pat on cash. The second day the representative of the Bureau of the Budget was present. He was there in person to tell us the situation as he knew it and as it had already been explained to the Senate. I took down his exact words. We were insisting that they tell us, through the Bureau of the Budget, exactly what the position down the street was on this particular issue. He said, and I quote him exactly:

> We have been informed that the President will be opposed to any further cash payment over and above what the Senate bill calls for.

Those were his exact words. We were told that meant that unless we accepted the payment in bonds, as provided by the Senate bill, we could not expect to have any bill at all. Under that bill we find that during the fiscal year 1947 bonds would be issued in the amount of $2,080,000,000, and that $320,000,000 would be paid out in cash. We also know from what has been told us on the floor of the House that during the fiscal year 1947 this House has appropriated between forty-two and forty-seven and one-half billion dollars which will be expended for various purposes. It is hard for me, and I think it is hard for all of the House conferees, to believe that this additional sum of $2,000,000,000 was going to be inflationary to any such extent as to warrant this Presidential position reported by the representative of the Bureau of the Budget. Sixteen million persons will be paid this terminal leave as enlisted men, and will receive on the average $165.73 each. It will range from little up to $800 per man.

The value of the dollar has gone down so much since the start of the war and certainly so far since 1933 that today it is doubtful if those people with $165 each on the average can purchase much of anything—a refrigerator at best for each home; and it is hard to believe that this is any inflationary measure. The five conferees of the House were in this position, however, you either take what the Senate has offered you or the enlisted men will get nothing, and while all five of us refused to go through with this bill on the second conference day, we did agree at the last meeting to bring this measure before you in the House in order that you might know exactly the position of the Bureau of the Budget and of the Senate on this measure. Now it will be up to you, having had this explanation, to determine what action you wish to take. The assurance was given us that unless we took the bonds plus cash payments of about $320,000,000 there would not be any terminal-leave payment made to enlisted men at this time.

I believe it has been pointed out that if bonds are issued under this measure this year Congress will be in a position and will have the time which is not now available to go ahead with this proposition to determine in January or February whether or not the bonds which have been issued shall be made assignable or convertible into cash.

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

Mr. CLASON. I am glad to yield.

Mr. WILSON. Is it not true that under this bill the enlisted men as far as spending power is concerned are going to get practically nothing anyway? Why would it not be much better for us to stay in session until we get a bill passed that will give them some spending power? These I O U's, which they can use 5 years from now, is not the thing

they want. We paid the officers in purchasing power, in cash. Why should we discriminate at this time against the enlisted men? As far as I am concerned, I am ready to stay here the rest of the year to get cash for these boys.

Mr. CLASON. Probably a million officers have received better than a thousand dollars apiece in terminal-leave pay in cash, or over a billion dollars, and it does seem as if the President, the Senate, and the Bureau of the Budget are taking an unfortunate position in saying that the 16,000,000 enlisted men must take bonds payable in 5 years. When the opportunity to vote on the right of the enlisted men to convert their bonds into cash comes before the House, I shall favor this right to convert.

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

Mr. THOMASON. Mr. Speaker, I yield 5 minutes to the gentleman from Florida [Mr. SIKES].

Mr. SIKES. Mr. Speaker, while I am going to disagree with the policies which are set forth in the present measure, I do want to pay sincere tribute to the work of my colleagues who served as conferees. They made a very earnest, sincere, and determined effort to bring back a bill in keeping with the bill which passed the House. That bill provided for cash payments, and the House adopted it unanimously.

Let me say at the outset that we were able to secure the inclusion of a number of items in the bill now before us which were in the House bill and which I think makes it more satisfactory legislation.

The main point in disagreement, of course, was whether the payment should be in cash or bonds. I disagree with the whole policy of payment in bonds. Our efforts to provide terminal-leave pay for enlisted men was intended to correct inequalities which now exist between the treatment of officers and enlisted men. This bill does not get away from those inequalities; as a matter of fact, it sets up some new ones. For instance, it provides bonds for enlisted men, whereas officers got cash—a billion dollars in cash. It provides that cash will be paid to enlisted men who were discharged before January 1, 1943, and that bonds will be used in payment of those discharged after January 1, 1943. Then it provides for still another change in procedure after September 1, 1946. After that date, all personnel, officers, and enlisted men will receive 30 days terminal leave per year, cumulative to 60 days. There will be no more cash payments after September 1, 1946. Instead, officers and men will be given terminal leave in the manner I have indicated.

Mr. AUGUST H. ANDRESEN. Mr. Speaker, will the gentleman yield?

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

Mr. AUGUST H. ANDRESEN. Can the gentleman give us some outline as to the procedure for paying out these bonds? Will a veteran have to apply for them or will they be given to him automatically if this legislation is approved?

Mr. SIKES. I would be glad to touch on that. The veterans who have already been discharged will have to apply for their bonds. Those who have not been discharged will be paid in cash at the time that they are discharged until September 1, 1946, after which time all of them will have to take leave instead of cash.

The point I am bringing out in that connection is that this legislation leaves a sizable group in the armed forces who are receiving different treatment from their buddies who have been previously discharged. I disagree with that policy. The House bill provided that men and officers would receive terminal-leave pay until the end of the duration and six months, after which both groups would be allowed to accumulate 30 days leave time. We felt that this policy is more in keeping with other service bills.

Mr. Speaker, the statement has been made here that it is bonds or else and I think that is true at least for the present. Your conferees worked hard, they did everything possible to bring back a bill providing for cash payment and I think as far as this session of the Congress is concerned, it is bonds or nothing. That is why I signed the conference report bringing this before us, and I think the same is true for all the House conferees.

I want to point out, however, that if this bill were to be vetoed or were to be deadlocked in Congress, we could come back next spring, pass the bill, and if necessary pass it over a veto, providing for cash instead of bonds as payment and we would then be 4 years ahead of bond payments as far as the average man in the armed forces is concerned.

Already I have heard one Senator say on the floor of that body that he is introducing a bill to make the bonds payable immediately. Each of us knows that within 30 days after we convene next January there will be a score of bills to provide for conversion of bonds to cash. Less than a year from today there will be a discharge petition in the well of the House to correct the action we propose to take today.

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

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

Mr. CORBETT. Is it not the gentleman's opinion that if the House votes down this conference report and insists on further disagreement it is impossible to conceive of the Senate yielding?

Mr. SIKES. All that we have had points in that direction. We went into that very thoroughly. Every House conferee insisted to the last on cash. The Senate conferees were apparently determined not to yield and they said the Senate would back them up in that. I have nothing else I can give the gentleman. However, we acted in good faith in assuming that the Senate would stand back of its conferees.

Mr. Speaker, inflation is the main issue in this discussion and I have a terrible fear of inflation. It is something that is near, something that is very dreadful to contemplate, and something that can speedily wreck all that we have done to bring about reconversion and to insure a stable economy.

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

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

Mr. KEARNEY. Why is it that when they talk about inflation it is always when some legislation pertaining to veterans comes up for consideration?

Mr. SIKES. I do not think this topic can be limited to veterans' legislation. I am not one of those who will stand here in the well of the House and say we have done nothing for the veteran. This Congress, acting for the Nation, has done more for the veteran than any nation in history has ever before dreamed of doing for the men and women who served in its armed forces. But I confess that I am a little tired of hearing called inflationary only those measures which the "powers that be" happen to be opposing.

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

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

Mr. KUNKEL. Can the gentleman tell me how long it would take to figure out the payments due these men, get the bonds prepared and delivered?

Mr. SIKES. Unquestionably that is going to be a formidable task and one which will require some time. I do not think, however, it is an insurmountable obstacle. That has been gone into in the bill and the machinery has been developed for the speediest possible handling of the problem.

The bill which passed the House would have done a clean-cut job of correcting an inequality. We saw a need for that and we set out to accomplish it. The measure now before us will not achieve that. One result of this bill will be a little more bureaucracy, and a few more dissatisfied and disillusioned GI's. I am reluctant to see it substituted for the House bill.

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

Mr. THOMASON. Mr. Speaker, I yield 3 minutes to the gentleman from Massachusetts [Mr. MARTIN].

Mr. MARTIN of Massachusetts. Mr. Speaker, as one who believes the claims of the veterans should be paid in cash, I exceedingly regret the legislative situation we find ourselves in today. It is almost impossible to exercise our real will. The House is unanimously of the opinion the veterans be paid in cash. Apparently we find before us two obstacles, one in the Senate and the other the attitude of the White House. If we persisted and fought the issue out, we might overcome the stumbling block in the other branch of the Congress, but I am afraid from the frank statement of the conferees we could not get the approval of the President. Knowing of the existence of the House bill, he has let it be known he favors the Senate bill.

High officials of the administration have signified to the conferees their opposition to the cash proposition, and it is reasonable to assume they speak for the President. They would not dare to take the position without his support. Therefore, we are indeed in a quandary.

Mr. Speaker, I despair when I hear now the cry of inflation. We have been spending billions of dollars for many things. We spent $4,000,000,000 for subsidies. Many other activities we

freely authorized requiring billions of dollars of spending and no one uttered the word "inflation." Now, when we come to legislation in which veterans are concerned, we hear the cry of inflation. If it is true that inflation is caused by excessive spending, then why are we not consistent and stop the wild, reckless, extravagant spending such as has been going on for the last 2 years? The administration voices have been silent heretofore. Now we hear the cry of inflation. Our predicament is that apparently it is the Senate version of the terminal pay or nothing, as my good friend from Texas stated. I believe that the House conferees were sincere and did everything possible to get the House viewpoint to prevail. But they were informed, "it was this or nothing," and apparently that is the same reason why the various military organizations have come to favor the conference report as submitted. Unquestionably if they thought there was a chance to have a cash plan they would continue the fight.

I want to serve notice that nothing is ever settled until it is settled right. If the officers could have cash, then there is no reason on earth why the private soldiers should not be treated the same. After all it is the good old private and noncom who carries the greater burdens of war. I believe, whatever we do today, this fight will continue. If we do not give fair, equal treatment today why then the next Congress will see the injustice is corrected. Eventually the American people will see that fair play prevails.

Mr. AUGUST H. ANDRESEN. Mr. Speaker, will the gentleman yield?

Mr. MARTIN of Massachusetts. I yield to the gentleman from Minnesota.

Mr. AUGUST H. ANDRESEN. In line with what the gentleman has stated, of course, Britain received a loan of $3,750,000,000, and nothing was said about the inflationary tendency of that. But, on top of that, the Export-Import Bank since VJ-day has loaned $3,500,000,000 to foreign countries, which makes over $7,000,000,000, and not one single word was said about inflation when that money was paid out in cash.

Mr. MARTIN of Massachusetts. And next year Russia will be here asking for a billion and a half dollar loan and I wonder how many in the administration will then recall it will be inflationary.

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

Mr. MARTIN of Massachusetts. I yield to the gentleman from California.

Mr. HINSHAW. There is no doubt but had the war lasted 3 months longer, or the men kept in service 3 months longer, the same amount of money would have been spent in the pay of the Army and the Navy?

Mr. MARTIN of Massachusetts. There is no question about that at all. The inflation cry is just a sham issue.

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

Mr. THOMASON. Mr. Speaker, I yield 2 minutes to the gentleman from Florida [Mr. ROGERS].

Mr. ROGERS of Florida. Mr. Speaker, I am rather disappointed in that we cannot get cash to pay off these enlisted men. The committee, I know, worked hard to get cash, but could not. At the present time it is up to the House. This is the last clear chance we have this session to grant terminal-leave pay to the boys. Here is a bill that I introduced on September 13, 1945, and since that time I have been working hard for it; and it has had a circuitous route but is now before us for final passage. I hope the membership of this House will not turn it down because we cannot get all cash at this time. What we want is something for these boys.

Let me tell you a solution to this problem. Give the boys the bonds today, so that they will have something, and I will promise the membership of this House that the first bill that I introduce in the Eightieth Congress will be one to make these bonds payable in cash to every applicant and to every holder of those bonds that makes application. That is the best thing to do. That is all anybody could ask now. Congress can do that. We will have something to work on if we do that. If you do not vote for this conference report, then we have absolutely nothing. In the next Congress—and I am quite sure I am coming back—I will introduce a bill or a resolution providing that these bonds shall be made payable in cash to the holder of every bond. Now, that ought to satisfy everybody. That ought to satisfy the Republicans. It ought to satisfy the Democrats, and that is what we ought to do. Let us not go away from here without doing something for the GI Joe's.

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

Mr. ROGERS of Florida. I yield to the gentleman from New York.

Mr. KEARNEY. The gentleman says "Let us vote something for these boys." If we adopt this bill we are not voting them anything, are we?

Mr. ROGERS of Florida. We are voting them bonds, which is an obligation of this Government, and is a cash payment deferred for 5 years.

Mr. KEARNEY. It is a bond payable in 5 years.

Mr. ROGERS of Florida. This Congress can amend that and pay it in cash next year. We will be doing something if we do that. Let us compromise on that. We all want cash. I want cash. But it is bonds or nothing at this time. Let us adopt the report.

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

Mr. THOMASON. Mr. Speaker, I yield 2 minutes to the gentleman from Pennsylvania [Mr. FENTON].

Mr. FENTON. Mr. Speaker, it certainly has come to a pretty pass in this House when some people can say, "Take this or nothing." As a member of the subcommittee of the Committee on Military Affairs which considered this bill I favored its adoption from the beginning, I regret that the conferees saw fit to bring in this report which does not give the enlisted men the same kind of treatment afforded the officers. Why should any person tell our fighting men just how they are to be paid or how they should expend their own money? In my district there are now about 14,000 or more veterans unemployed, and their unemployment compensation is about to expire, with no chance of their getting any jobs. All these boys could make good use of the cash. I, for one, would rather that they had been paid in cash. Of course, since we have no choice in the matter, I will vote for the conference report.

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

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

Mr. SPRINGER. As a matter of fact, these boys who are back home, discharged from the service, and who are without jobs, need this money more at this time than they will need it later.

Mr. FENTON. That is absolutely correct. I would much rather send this report back to conference and insist that the enlisted men be treated the same as the officers. And, I might add, they should be treated the same as foreign countries and other people who are getting everything they want, certainly in money.

Mr. THOMASON. Mr. Speaker, I yield 2 minutes to the gentleman from Iowa [Mr. MARTIN].

Mr. MARTIN of Iowa. Mr. Speaker, I attended every session of the subcommittee that developed this legislation. I know what we worked on and what we thought we were getting. I had charge of the time on the Republican side during the debate. I have never seen such requests for time to express a unanimous opinion on any legislation as occurred here on June 7 in the general debate. I recall quite vividly that on June 11 the bill passed the House by a vote of 380 to 0. At that time the bill called for cash. All that time we were struggling to make our treatment of GI Joe the same as the treatment accorded the officers. And here today for the first time we are confronted with a parliamentary situation where we are given the defy to vote them bonds or nothing. Bonds that are nonnegotiable, bonds that cannot be cashed for 5 years, except for insurance, when we know GI Joes who cannot afford to carry insurance. Yet we cannot vote them anything but bonds. We must turn them down on cash for their terminal leave and look to some future Congress. I will join the procession here in voting for this bill even though it is for bonds, and then I will join the minority leader, the gentleman from Massachusetts [Mr. MARTIN], and the author of the bill, the gentleman from Florida [Mr. ROGERS], in their announced purpose to drive forward to make these bonds redeemable long before 5 years have gone by. As long as it is within my power to do so, I intend to join in that drive to make good our word and to take away from Congress the stigma of drawing a line of demarcation in the treatment of GI Joes as compared with the treatment accorded the officers.

Do not tell me that this is an inflationary measure. It just makes an echo come back to me from 1933, when I heard the echo of the famed Economy Act. All of you who were in the service and who worked in ex-servicemen's organizations at that time know what I mean.

Forcing our ex-service enlisted men to take bonds after paying every officer his pay and allowances in cash while in terminal leave is just another outstanding example of the failure of the present national administration to understand the importance of fair and equal treatment of all classes. This bill unmistakably follows the pattern of the Economy Act of 1933 in its vicious discrimination against the GI's. That situation must be corrected by a Congress that is determined to be fair. I sincerely hope the Eightieth Congress will do just that next winter.

Mr. THOMASON. Mr. Speaker, I yield 2 minutes to the gentleman from Oklahoma [Mr. RIZLEY].

Mr. RIZLEY. Mr. Speaker, the GI's are not going to be fooled by all this wash-wash here this afternoon. I am not criticizing our conferees. They probably got the best report they could thus far. But the Members of the House ought to stand up and vote this conference report down and then let us see whether the Senate will refuse to pay the GI's in cash. You talk about these bonds. Look at this wash-wash that is going on here. The sop now is that we will go ahead and vote for this to be paid in bonds and then probably the first of the year we will make them negotiable so that they can get the cash, but to give them cash now would be highly inflationary. Think of how silly that is. While those boys were over there fighting, this Congress voted more than $4,000,000,000 in subsidies to pay the grocery bills of the people here at home. Think of that. That was not inflationary, according to this administration. Since the boys have come back here, as has been said here this afternoon, we loaned the British about three and three-quarter billion dollars in cash, not bonds. The Export-Import Bank is lending money—millions and billions—to other countries in Europe. But that is not inflationary, they say. But to pay these kids the cash, according to the brass hats, the Bureau of the Budget who speaks for the President, that would be inflationary. Yes, they say if we pay cash to these kids who went over there and did the fighting and dying—just the common GI—is so inflationary that it just must not be done. Of course, paying the officers in cash is not inflationary, according to the same brass hats and the President's spokesman. We ought to have the same courage that these GI's exhibited on the battlefield and kill this conference report and send it back and insist that the men who did the fighting be treated on an equal with the officers and be paid in cash.

Can you justify a policy that singles out the enlisted men and says they and they alone must accept nonnegotiable bonds as our contribution to their terminal leave? Of course, you cannot. We have increased the pay of all those who have entered the service since the war ended. That money is in circulation. Is that inflationary? Let the officers in the Army and the Bureau of the Budget answer that question.

As one Member of this House I am not going to sell the enlisted men short. I have watched this administration spend billions and put billions of dollars in circulation for all sorts of New Deal schemes, and they did not seem to worry about inflation until the veterans became involved. I say again we should vote down this conference report and instruct our conferees to go back and fight it out with the conferees of the other body if it takes all summer.

Mr. THOMASON. Mr. Speaker, I yield 1 minute to the gentleman from South Dakota, [Mr. MUNDT].

Mr. MUNDT. Mr. Speaker, there is an old saying that nothing is new under the sun. I think that saying must be axiomatic at least when applied to the now-descending sun of the New Deal because as the gentleman from Iowa, [Mr. MARTIN], said, "There is something strangely reminiscent about the argument here today."

During the first 100 days of the New Deal in 1933 when there was talk of economy, the economy and cut-backs were leveled solely against the veterans. Now when we hear talk about the inflationary pressures, the attack against inflationary pressures is once again leveled solely against the veteran. It is a strange attitude, it seems to me, for you Democrats to take in a Congress in which the President's party controls both the executive branch and every single Congressional committee in both Houses as well as the steering committees and can put legislation on the calendar for action whenever he wants to do so.

For the majority to create and then capitalize on a situation where, in the closing days of the session with barely a quorum of our membership remaining in the Capitol, it is necessary to accept "this—or else" legislation giving the GI his terminal pay in bonds instead of cash is a distasteful record. I for one resent it as I am firmly of the opinion that GI Joe should get his terminal-leave pay in cash. He should get it the same as was awarded the majors, colonels, and generals who were treated so generously and who received their pay in cash without delay, without restrictions, and without the insulting insinuation that they needed "to be given a lesson in thrift" or had to be required by a paternalistic government to "use their bonds to buy insurance."

Mr. Speaker, since cash was the method of paying the terminal leave consideration for the officers and the "brass hats" then cash should be the method of awarding the same consideration to the enlisted man.

I must confess, Mr. Speaker, I am not highly impressed by the arguments so frequently advanced here this afternoon by speakers from the Democratic side of the aisle when they tell us that President Truman will veto this legislation if we pass it in the form in which it was approved by the House which requires the Government to pay cash to the enlisted men for their accumulated terminal leave. If the President desires to veto such legislation, that is his responsibility and not ours. It is our responsibility to legislate as an independent branch of this Government and to exercise that responsibility in conformity with what we believe to be right. For that reason I shall vote today as I did earlier to make these payments in cash. I signed the discharge petition to get this legislation before the House in the first instance and it then called for cash payments to the GI for his terminal leave and I stand today where I stood then, squarely in favor of such cash payments.

Should the House be forced by the situation created by the proximity of the adjournment date to accept the President's ultimatum and approve this payment by nonnegotiable bonds instead of by cash, I announce now that in the next Congress I shall support the move announced by our minority leader, the gentleman from Massachusetts, JOE MARTIN, and work and vote to have these nonnegotiable bonds made redeemable in cash at the will of their holders. In my opinion, sir, that is no more than simple justice to the enlisted men of this war who in my book certainly deserve to be protected against such discriminatory practices favoring their officers.

The so-called officers' lobby in Washington has a lot of influence and does a good job of taking care of its interests. However, GI Joe must depend upon his Congressman and the sound arguments supporting his cause. Certainly, in the matter of making payments for accumulated terminal leave, there is no valid reason or just argument for paying officers their comparatively large payments in cash while enlisted men are expected to accept their considerably smaller payments in nonnegotiable bonds.

Mr. Speaker, when GI Joe needs the assistance stemming from this terminal-leave pay is in the immediate future. He needs it to help with his schooling, he needs it to help pay the expenses of getting rehabilitated into civilian life, he needs it to help set up housekeeping with his young wife or to help finance his business, farming, or professional activities. Five years from now it is devoutly to be hoped that the great percentage of today's young veterans will be so securely established in some lucrative and constructive activity that the small amount involved in these terminal-leave payments, will be much less important and helpful to them than they are today. Let us therefore make these terminal-leave payments in cash the way the House intended.

To argue that to pay the enlisted man his terminal-leave consideration in cash would be inflationary is indeed a strange line of reasoning to come from the White House today. We heard no such argument when the much larger sum of money involved in the loan to Britain was being debated. Then we were urged to make this loan to make business better and to increase the purchasing power for American products. Surely if $3,750,000,000 loaned to Great Britain is not to be considered inflationary it is nothing more than the argument of expediency for the administration now to say that about half that much money paid to our own enlisted men would disrupt our economy. The slogan of the New Deal must be, "Cash for foreigners but only bonds for the American GI." If that is the slogan, Mr. Speaker, it is neither sensible nor sound. The GI who

today has to borrow money under the GI bill of rights pays 4 percent interest. It is not a square deal in my opinion to compel him to take a nonnegotiable bond bearing 2½ percent interest while GI Joe is asked to pay his Government 4 percent. This is especially true when his commanding officers all along the line were given their substantial and sizable terminal-leave payments in the good old folding money of our American currency.

Mr. Speaker, I hope we may yet work out an arrangement whereby the ultimatum served on us by the White House and the conferees to the effect that this legislation must be "this or else" can be modified so that we can pay these boys their cash in the manner the House prescribed. If, however, we are foreclosed from making such a decision today, I shall surely do all within my power to see that the next Congress corrects this injustice and makes these bonds immediately redeemable in cash. I have no sympathy with the point of view of the administration which talks and practices economy and inflationary controls only when matters concerning benefits for veterans and for our old people are up for consideration but which on all other considerations has the unchallenged record of being the most reckless spendthrift of any political party or political administration in American history.

In conclusion, may I state that there is a strange and startling inconsistency in the logic of the White House group which today argues that something like two billion dollars paid to our enlisted men to compensate them for their terminal leave is highly inflationary but which during most of the war insisted on paying out three times that much in subsidies so that the food bills of those who were at home during the war would be less, so that GI Joe upon his return to civilian life would have to help pay for those food bills through paying taxes to retire the debts created to get the money to pay them, and so that the politicians in the executive departments could continue to hope that such subsidies would seduce the public sufficiently so that Americans would continue to vote for Santa Claus.

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

The previous question was ordered.

CALL OF THE HOUSE

Mr. ARENDS. Mr. Speaker, I make the point of order that a quorum is not present.

The SPEAKER. Evidently a quorum is not present.

Mr. GORE. 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. 267]

Adams	Bell	Buffett
Allen, La.	Bender	Bunker
Almond	Bennet, N. Y.	Cannon, Fla.
Andersen, H. Carl	Blackney	Carlson
Anderson, Calif	Boren	Case, N. J.
Baldwin, Md.	Boykin	Case, S. Dak.
Baldwin, N. Y.	Bradley, Mich.	Celler
Barry	Brooks	Clements
Bates, Ky.	Brumbaugh	Clippinger
Bates, Mass.	Bryson	Cochran
Beckworth	Buck	Coffee
	Buckley	Cole, Kans.
Cole, N. Y.	Hoeven	Powell
Combs	Hoffman, Mich.	Price, Fla.
Cooper	Holifield	Priest
Courtney	Izac	Rains
Cravens	Jackson	Reece, Tenn.
Crawford	Jennings	Richards
Curley	Johnson, Calif.	Rivers
Daughton, Va.	Johnson, Tex.	Robinson, Utah
Davis	Kean	Robsion, Ky.
Dawson	Kee	Rockwell
Delaney, John J.	Keefe	Roe, N. Y.
	Kefauver	Rogers, N. Y.
Dolliver	Keogh	Russell
Dondero	Kerr	Ryter
Douglas, Ill.	Kilburn	Scrivner
Dworshak	Kilday	Shafer
Earthman	Landis	Sharp
Eaton	Lane	Sheppard
Elliott	Larcade	Sheridan
Elston	LeFevre	Short
Fellows	Ludlow	Slaughter
Fogarty	Lyle	Smith, Wis.
Gallagher	McCormack	Somers, N. Y.
Gary	McGehee	Sparkman
Gathings	McGregor	Starkey
Gibson	McKenzie	Stewart
Gifford	Mahon	Sumner, Ill.
Gillespie	Maloney	Sumners, Tex.
Gordon	Mansfield, Mont.	Taber
Gossett		Tarver
Grant, Ind.	Mansfield, Tex.	Thomas, N. J.
Gregory	Mason	Tolan
Gross	May	Torrens
Hagen	Merrow	Towe
Hale	Miller, Calif.	Trimble
Hall, Edwin Arthur	Miller, Nebr.	Voorhis, Calif.
	Morgan	Vorys, Ohio
Halleck	Norton	Wadsworth
Hare	O'Konski	Wasielewski
Harness, Ind.	O'Neal	Weaver
Harris	Outland	Welch
Hart	Patrick	West
Hartley	Patterson	White
Hébert	Peterson, Ga.	Wickersham
Heffernan	Pfeifer	Winter
Henry	Philbin	Wolfenden, Pa.
Hess	Ploeser	Wood
Hill	Plumley	

The SPEAKER. On this roll call 255 Members have answered to their names, a quorum.

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

ARMED FORCES LEAVE ACT OF 1946

The SPEAKER. The question is on the conference report.

The question was taken; and the Speaker announced that the ayes appear to have it.

Mr. FORAND. Mr. Speaker, I demand the yeas and nays.

The yeas and nays were refused.

So the conference report was agreed to.

A motion to reconsider was laid on the table.

STATUE OF NATHAN HALE

Mr. O'TOOLE. Mr. Speaker, I ask unanimous consent for the immediate consideration of the joint resolution (S. J. Res. 84) authorizing the erection in the District of Columbia of a statue of Nathan Hale.

The Clerk read the title of the joint resolution.

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

Mr. MARTIN of Massachusetts. Reserving the right to object, Mr. Speaker, do I correctly understand that this is a resolution authorizing the Government to accept a statue constructed at private expense and which calls for no expenditure?

Mr. O'TOOLE. The gentleman is correct.

Mr. MARTIN of Massachusetts. Where is this to be placed?

Mr. O'TOOLE. It will be placed in the District of Columbia wherever the National Commission of Fine Arts designates.

Mr. MARTIN of Massachusetts. Is this a unanimous report of the committee?

Mr. O'TOOLE. It is.

Mr. MARTIN of Massachusetts. I withdraw my reservation of objection, Mr. Speaker.

Mr. O'TOOLE. It may interest the gentleman on the other side of the aisle to know that Nathan Hale was a member of the Young Men's Republican Club of New Haven.

Mr. MARTIN of Massachusetts. That alone is sufficient reason for passing the resolution.

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

There was no objection.

The Clerk read the joint resolution, as follows:

Resolved, etc., That the Secretary of the Interior is hereby authorized and directed to grant authority to the Second National Bank, of New Haven, Conn., executor of the estate of the late George Dudley Seymour, to erect the bronze statue of Nathan Hale, bequeathed by him to the United States of America, including pedestal, on an appropriate site on grounds now owned by the United States in the District of Columbia: *Provided*, That the site chosen shall be approved by the National Commission of Fine Arts, and the United States shall be put to no expense in or by the erection of this statute: *Provided further*, That unless the erection of this statue is begun within 5 years from and after the date of passage of this joint resolution, the authorization hereby granted is revoked.

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

EXTENSION OF REMARKS

Mr. BARRY (at the request of Mr. PATMAN) was given permission to extend his remarks in the RECORD and include certain statements and excerpts.

KEETOOWAH INDIANS OF THE CHEROKEE NATION IN OKLAHOMA

Mr. STIGLER. Mr. Speaker, I call up the conference report on the bill (H. R. 341) relating to the status of Keetoowah Indians of the Cherokee Nation in Oklahoma, and for other purposes, and ask unanimous consent that the statement 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 Oklahoma?

There was no objection.

The Clerk read the statement.

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. 341) which relates to the status of the Keetowah Indians of the Cherokee Nation in Oklahoma, and for other purposes, having met, after full and free conference, have agreed to recommend and do recommend to their respective Houses as follows:

That the House recede from its disagreement to the amendment of the Senate to section 2 and agree to the same with an

amendment as follows: In lieu of the matter proposed to be inserted by the Senate amendment, section 2 is hereby amended to read as follows:

"SEC. 2. That there is hereby set aside for the use and benefit of the Indians of the Cheyenne and Arapaho Reservation in Oklahoma the remainder of the lands comprising the diminished Seger School Reserve containing approximately five hundred and thirty-seven acres, and the improvements thereon, in section 15, township 10 north, range 14 west, of the Indian meridian, Oklahoma.

"Subject to the consent of the business committee of the Cheyenne and Arapaho Tribes thereto, the Secretary of the Interior is authorized to enter into an agreement with the Colony Union Graded School District Numbered 1, Colony, Oklahoma, for the use by the district of all or any portion of the land, and improvements thereon, described in this Act: *Provided*, That any such agreement shall contain the express condition that the land therein described and the improvements thereon shall revert to the use of the Indians of the Cheyenne and Arapaho Tribes when no longer used by the said school district for school purposes."

That the House recede from its disagreement to the amendment of the Senate to the title of the bill and agree to the same with an amendment as follows: In lieu of the matter proposed to be inserted by the Senate amendment insert the following:

"That the title be amended by striking out the words 'Colony Union Graded School District Numbered 1, Colony, Oklahoma', and substitute therefor 'the Cheyenne and Arapaho Indians of Oklahoma.'"

And the Senate agree to the same.

HENRY M. JACKSON,
JOHN R. MURDOCK,
W. G. STIGLER,
KARL E. MUNDT,
Managers on the Part of the House.

ELMER THOMAS,
HENRIK SHIPSTEAD,
E. H. MOORE,
B. K. WHEELER,
JOSEPH C. O'MAHONEY,
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. 341) which relates to the status of the Keetowah Indians of the Cherokee Nation in Oklahoma, and for other purposes, submit the following statement in explanation of the effect of the action agreed upon and recommended in the accompanying conference report:

Section 2 has been rewritten in order that the original purpose of the Senate amendment might be properly construed. It was the intention of the Senate that this Seger Indian School land be set aside for the Cheyenne and Arapaho Indians and yet be kept available for school purposes so long as it was desired to be so used. Under the amended version of this bill the lands which are now reserved by the United States for school purposes are immediately reconveyed to the Cheyenne and Arapaho Indians. Subject to their approval, the Secretary of the Interior shall enter into an agreement with the Colony Union Graded School District No. 1, Colony, Okla., for the use by the district of all or any portion of this land.

The title of the bill has been amended so as to set out more explicitly the exact nature and intention which the Senate amendment originally purported to convey. The change in phraseology is primarily for clarification purposes.

HENRY M. JACKSON,
JOHN R. MURDOCK,
W. G. STIGLER,
KARL E. MUNDT,
Managers on the Part of the House.

Mr. MARTIN of Massachusetts. Just what does the bill do?

Mr. STIGLER. This bill only affects the State of Oklahoma. It allows two bands of Indians who call themselves Keetoowahs to organize and receive benefits under the Oklahoma Welfare Act. When the bill went to the Senate, it was amended there. The amendment which was worked out in conference allows the tribe to transfer title to the land and gives the use of the land to the school district. When the school district ceases to use the land for school purposes, the use and the title refers back to this tribe of Indians. It only affects the State of Oklahoma, as I said before.

The conference report was agreed to.

A motion to reconsider was laid on the table.

BUREAU OF MEDICINE AND SURGERY

Mr. DREWRY. Mr. Speaker, I ask unanimous consent for the immediate consideration of the bill (S. 2401) to amend the act of May 4, 1898 (30 Stat. 369), as amended, to authorize the President to appoint 250 acting assistant surgeons for temporary service.

The Clerk read the title of the bill.

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

Mr. MARTIN of Massachusetts. Mr. Speaker, reserving the right to object, will the gentleman explain this?

Mr. DREWRY. A similar House bill (H. R. 6992) was passed on the Consent Calendar.

Mr. MARTIN of Massachusetts. Mr. Speaker, I withdraw my reservation of objection.

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

There was no objection.

The Clerk read the bill, as follows:

Be it enacted, etc., That the act of May 4, 1898, entitled "An act making appropriations for the naval service for the fiscal year ending June 30, 1899, and for other purposes" (30 Stat. 369), as amended by the act of March 18, 1940 (54 Stat. 54), and as further amended by the act of March 17, 1941 (55 Stat. 43), is hereby further amended so that the last paragraph of the appropriation for the Bureau of Medicine and Surgery (30 Stat. 380) shall read as follows:

"The President is hereby authorized to appoint for temporary service 250 acting assistant surgeons, who shall have the rank and compensation of assistant surgeons: *Provided*, That not more than 250 of such acting assistant surgeons may be serving in the naval service at any one time: *Provided further*, That the Secretary of the Navy, in time of war or declared national emergency, may appoint, for temporary service with the compensation of assistant surgeons, such acting assistant surgeons as the exigencies of the service may require."

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

A similar House bill (H. R. 6992) was laid on the table.

EXTENDING BENEFITS UNDER THE UNITED STATES EMPLOYEES' COMPENSATION ACT

Mr. DREWRY. Mr. Speaker, I ask unanimous consent to take from the Speaker's desk the bill, H. R. 7039, an act to further amend section 304 of the Naval Reserve Act of 1938, as amended, so as to grant certain benefits to naval personnel engaged in training duty prior to official termination of World War II, with Senate amendments thereto, and concur in the Senate amendments.

The Clerk read the title of the bill.

The Clerk read the Senate amendments, as follows:

Page 2, line 6, strike out "This" and insert "The."

Page 2, line 6, after "amendment", insert "contained in section 1."

Page 2, after line 7, insert:

"SEC. 3. The act entitled 'An act to extend the benefits of the United States Employees' Compensation Act to members of the Officers' Reserve Corps and of the Enlisted Reserve Corps of the Army who are physically injured in line of duty while performing active duty or engaged in authorized training, and for other purposes," approved July 15, 1939 (U. S. C., 1940 edition, title 5, sec. 797), is amended by adding at the end thereof the following new section:

"'SEC. 2. As used in this act, the term "in time of peace" shall include that period after September 8, 1945 (the date of formal surrender by Japan), which is prior to the first day on which the United States is, by the action of the Congress or the President, or both, no longer engaged in any war in which the United States is engaged on the date of enactment of this section.'"

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

Mr. MARTIN of Massachusetts. Mr. Speaker, reserving the right to object, will the gentleman explain the Senate amendments?

Mr. DREWRY. The Senate amendments were put in to make this legislative enactment apply to the Army as well as the Naval Reserve.

Mr. MARTIN of Massachusetts. Is that agreeable to the Army?

Mr. DREWRY. It is agreeable to the Army. I have taken the matter up with the ranking minority member of the committee.

Mr. MARTIN of Massachusetts. Mr. Speaker, I withdraw my reservation of objection.

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

There was no objection.

The Senate amendments were concurred in.

A motion to reconsider was laid on the table.

MEDAL FOR SERVICE IN MERCHANT MARINE

Mr. BLAND. Mr. Speaker, I ask unanimous consent for the immediate consideration of the bill (S. 2236) providing for a medal for service in the Merchant Marine during the present war.

The Clerk read the title of the bill.

The SPEAKER. Is there objection to the present consideration of the bill?

Mr. MARTIN of Massachusetts. Mr. Speaker, reserving the right to object, this is a service medal for everyone who served in the Merchant Marine during the war?

Mr. BLAND. For as much as 30 days, between December 7 and VJ-day, as I recall. A similar bill was unanimously reported, H. R. 5892, by the Committee

on the Merchant Marine and Fisheries. I took the matter up with the ranking minority Member, and he is here, and I advised him that I was going to call this up.

The SPEAKER. Is there objection to the request of the gentleman from Virginia [Mr. BLAND]?

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

Be it enacted, etc., That the United States Maritime Commission is authorized and directed to procure a medal and suitable appurtenances of appropriate design, including an honorable discharge lapel button, to be awarded to (1) each person who served honorably in a war zone as an officer or member of the crew of vessels owned by or operated by or for the account of the Maritime Commission or the War Shipping Administration for 30 days during the period beginning December 7, 1941, and ending with September 3, 1945; and (2) each person who is entitled to receive a certificate of substantially continuous service pursuant to the provisions of Public Law 87, Seventy-eighth Congress, approved June 23, 1943 (57 Stat. 162). The medal may be awarded posthumously and, when so awarded, shall be presented to such representative of the deceased as shall be prescribed in the applicable regulations. Awards under this act shall be made pursuant to regulations prescribed by the Maritime Commission.

SEC. 2. The Maritime Commission is authorized to expend out of any funds available for expenditure by the Maritime Commission such sums as may be necessary to carry out the provisions of this act.

SEC. 3. The manufacture, sale, possession, or display of any insignia, decoration, medal, award, or device, or the ribbon, button, or rosette thereof, or any colorable imitation of any insignia, decoration, medal, award, or device, provided for in this act, is prohibited, except as authorized under such act or any rule or regulation issued pursuant thereo. Whoever violates any provisions of this section shall be punished by a fine not exceeding $250 or by imprisonment not exceeding 6 months, or both.

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

A similar House bill (H. R. 5892) was laid on the table.

THEODORE ROOSEVELT NATIONAL PARK

Mr. PETERSON of Florida. Mr. Speaker, I ask unanimous consent to take from the Speaker's table the bill H. R. 4435, an act to establish the Theodore Roosevelt National Park; to erect a monument in memory of Theodore Roosevelt in the village of Medora, N. Dak.; and for other purposes, with a Senate amendment, and agree to the Senate amendment.

The Clerk read the title of the bill.

The Clerk read the Senate amendment as follows:

Page 5, line 2, strike out all after "Park" down to and including "Interior" in line 5.

The SPEAKER. Is there objection to the request of the gentleman from Florida [Mr. PETERSON]?

Mr. MARTIN of Massachusetts. Mr. Speaker, reserving the right to object, will the gentleman explain the Senate amendment?

Mr. PETERSON of Florida. Mr. Speaker, this is one of those bill in which the original bill provided that title should be acceptable to the Secretary of the Interior. The Senate struck out that line.

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

There was no objection.

The Senate amendment was agreed to.

A motion to reconsider was laid on the table.

LEAVE OF ABSENCE

By unanimous consent, leaves of absence were granted as follows:

To Mr. CANFIELD, for 1 day, on account of official business.

To Mr. HINSHAW, for the remainder of this session, on account of official business.

To Messrs. HERTER, JACKSON, BARTLETT, and BLAND, to conduct hearings outside of Washington for the Merchant Marine and Fisheries Committee.

PROCEEDINGS AGAINST GEORGE MARSHALL

Mr. RANKIN. Mr. Speaker, I send to the Clerk's desk a privileged resolution.

The SPEAKER. The Clerk will report the resolution.

The Clerk read the resolution, as follows:

Resolved, That the Speaker of the House of Representatives certify the foregoing report of the House Committee on Un-American Activities as to the willful and deliberate refusal of the following persons to produce before the said committee for its inspection certain books, papers, and records which had been duly subpenaed, and to testify under oath concerning all pertinent facts relating thereto.

CALL OF THE HOUSE

Mr. MARCANTONIO. Mr. Speaker, a point of order. I make the point of order that a quorum is not present.

Mr. RANKIN. Mr. Speaker, I make the point of order that the gentleman is interrupting the reading of a resolution that is privileged.

Mr. MARCANTONIO. That is just too bad.

The SPEAKER. The resolution is privileged but a Member may make a point of no quorum at any time.

Evidently there is no quorum present.

Without objection, a call of the House is ordered.

There was no objection.

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

[Roll No. 268]

Adams	Buckley	Dolliver
Allen, La.	Buffett	Dondero
Almond	Bunker	Douglas, Ill.
Andersen, H. Carl	Cannon, Fla.	Dworshak
Anderson, Calif.	Carlson	Earthman
Andrews, N. Y.	Case, N. J.	Eaton
Arends	Case, S. Dak.	Elliott
Baldwin, Md.	Celler	Ellsworth
Baldwin, N. Y.	Clements	Elston
Barrett, Pa.	Clippinger	Fellows
Barry	Cochran	Fogarty
Bates, Ky.	Coffee	Gallagher
Bates, Mass.	Cole, Kans.	Gary
Beckworth	Cole, N. Y.	Gathings
Bell	Combs	Gibson
Bender	Cooper	Gifford
Bennet, N. Y.	Courtney	Gillespie
Blackney	Cox	Gordon
Bloom	Cravens	Gossett
Boren	Crawford	Grant, Ind.
Boykin	Curley	Gregory
Bradley, Mich.	Daughton, Va.	Gross
Brooks	Davis	Hagen
Brumbaugh	Dawson	Hale
Bryson	Delaney, John J.	Hall, Edwin Arthur
Buck	Dirksen	Halleck
Hare	Mankin	Russell
Harless, Ariz.	Mansfield, Mont.	Ryter
Harness, Ind.	Mansfield, Tex.	Scrivner
Harris	Mason	Shafer
Hart	May	Sharp
Hartley	Merrow	Sheppard
Hébert	Miller, Calif.	Sheridan
Heffernan	Miller, Nebr.	Short
Henry	Morgan	Slaughter
Hess	Morrison	Smith, Wis.
Hill	Murdock	Somers, N. Y.
Hinshaw	Norton	Sparkman
Hoeven	O'Konski	Spence
Hoffman, Mich.	O'Neal	Stewart
Holifield	Outland	Stigler
Izac	Pace	Sumner, Ill.
Jennings	Patrick	Taber
Johnson, Calif.	Patterson	Tarver
Johnson, Tex.	Peterson, Ga.	Thomas, N. J.
Kean	Pfeifer	Thomas, Tex.
Kee	Philbin	Tolan
Keefe	Ploeser	Torrens
Keogh	Plumley	Towe
Kerr	Powell	Traynor
Kilburn	Pratt	Trimble
Kilday	Price, Fla.	Vinson
Klein	Priest	Voorhis, Calif.
Landis	Rains	Vorys, Ohio
Lane	Randolph	Vursell
Larcade	Reece, Tenn.	Wadsworth
Lea	Rich	Wasielewski
LeFevre	Richards	Weaver
Ludlow	Rivers	Welch
Lyle	Robertson, Va.	West
McCormack	Robinson, Utah	White
McGehee	Robsion, Ky.	Wickersham
McGlinchey	Rockwell	Winter
McGregor	Roe, N. Y.	Wolfenden, Pa.
McKenzie	Rogers, Fla.	Wood
Mahon	Rogers, N. Y.	Zimmerman
Maloney		

The SPEAKER. On this roll call 230 Members have answered to their names, a quorum.

If there is no objection, further proceedings under the call will be dispensed with.

Mr. MARCANTONIO. Mr. Speaker, I object.

Mr. RANKIN. Mr. Speaker, I move that further proceedings under the call be dispensed with.

The SPEAKER. The question is on the motion of the gentleman from Mississippi [Mr. RANKIN].

The question was taken; and on a division (demanded by Mr. MARCANTONIO) there were—yeas 144, nays 2.

Mr. MARCANTONIO. 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.

SENATE BILL REFERRED

A bill of the Senate of the following title was taken from the Speaker's table and, under the rule, referred as follows:

S. 2000. An act to amend the Civil Service Retirement Act, approved May 29, 1930, as amended, so as to make such act applicable to officers and employees of the Columbia Institute for the Deaf; to the Committee on the Civil Service.

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. 6646. An act to establish the Office of Under Secretary of State for Economic Affairs.

The SPEAKER announced his signature to an enrolled bill and a joint resolution of the Senate of the following titles:

S. 1236. An act to amend the Mineral Leasing Act of February 25, 1920, as amended, in order to promote the development of oil

and gas on the public domain, and for other purposes; and

S. J. Res. 156. Joint resolution to extend the succession, lending powers, and the functions of the Reconstruction Finance Corporation.

BILL PRESENTED TO THE PRESIDENT

Mr. ROGERS of New York, from the Committee on Enrolled Bills, reported that that committee did on this day present to the President, for his approval, a bill of the House of the following title:

H. R. 6646. An act to establish the Office of Under Secretary of State for Economic Affairs.

ADJOURNMENT

Mr. MARTIN of Massachusetts. Mr. Speaker, I move that the House do now adjourn.

The motion was agreed to; accordingly (at 4 o'clock and 48 minutes p. m.) the House adjourned until tomorrow, Thursday, August 1, 1946, at 12 o'clock noon.

EXECUTIVE COMMUNICATIONS, ETC.

Under clause 2 of rule XXIV, executive communications were taken from the Speaker's table and referred as follows:

1513. A letter from the Acting Secretary of State, transmitting the second report of the Department of State on the disposal of United States surplus property in foreign areas; to the Committee on Expenditures in the Executive Departments.

1514. A letter from the Secretary of War, transmitting a letter from the Chief of Engineers, United States Army, dated May 8, 1946, submitting a report, together with accompanying papers and illustrations, on a preliminary examination and survey of San Diego River and Mission Bay, San Diego County, Calif., with a view to improvement for flood control and navigation, authorized by the flood control acts approved on May 6, 1936, and June 22, 1936, and the River and Harbor Act approved on March 2, 1945 (H. Doc. No. 760); to the Committee on Flood Control and ordered to be printed, with four illustrations.

1515. A letter from the Secretary of War, transmitting a letter from the Chief of Engineers, United States Army, dated May 20, 1946, submitting a report, together with accompanying papers and illustrations, on a preliminary examination and survey of and a review of reports on the Cumberland River and tributaries, Kentucky and Tennessee, authorized by the River and Harbor Act approved on August 30, 1935, and the Flood Control Act approved on August 28, 1937, and also requested by resolutions of the Committee on Rivers and Harbors, House of Representatives, adopted on February 14, 1936, November 21, 1938, and March 20, 1941 (H. Doc. No. 761); to the Committee on Rivers and Harbors and ordered to be printed, with two illustrations.

1516. A letter from the Administrator, National Housing Agency, transmitting a draft of a proposed bill, for the relief of James E. Culbreth; to the Committee on Claims.

REPORTS OF COMMITTEES ON PUBLIC BILLS AND RESOLUTIONS

Under clause 2 of rule XIII, reports of committees were delivered to the Clerk for printing and reference to the proper calendar, as follows:

Mr. WOOD: Committee on Un-American Activities submits a report on proceeding against George Marshall (Rept. No. 2707). Referred to the House Calendar.

Mr. WOOD: Committee on Un-American Activities submits a report on proceeding against Richard Morford (Rept. No. 2708). Referred to the House Calendar.

Mr. HEALY: Committee on the District of Columbia. S. 2374. An act authorizing the appointment of three additional judges of the municipal court for the District of Columbia, prescribing the qualifications of appointees to the municipal court and the municipal court of appeals, and for other purposes; without amendment (Rept. No. 2709). Referred to the Committee of the Whole House on the State of the Union.

Mr. WHITE: Committee on Mines and Mining. S. 2029. An act to authorize the Director of the United States Geological Survey to produce and sell copies of aerial or other photographs and mosaics, and photographic or photostatic reproductions of records, on a reimbursement of appropriations basis; without amendment (Rept. No. 2712). Referred to the Committee of the Whole House on the State of the Union.

Mr. MANASCO: Committee on Expenditures in the Executive Departments submits a report relative to communication from Corporation Audits Division, General Accounting Office, to the Reconstruction Finance Corporation (Rept. No. 2713). Referred to the Committee of the Whole House on the State of the Union.

ADVERSE REPORTS

Under clause 2 of rule XIII,

Mr. FLANNAGAN: Committee on Agriculture. House Resolution 721. Resolution requesting the Secretary of Agriculture to submit to the House of Representatives a list of all commodities rationed or allocated under his jurisdiction (Rept. No. 2710). Referred to the House Calendar.

PUBLIC BILLS AND RESOLUTIONS

Under clause 3 of rule XXII, public bills and resolutions were introduced and severally referred as follows:

By Mr. FERNANDEZ:

H. R. 7217. A bill to provide for a commission to adjudicate claims of American nations who were prisoners of war of Japan, for payment of its awards, and for other purposes; to the Committee on Foreign Affairs.

By Mr. KLEIN:

H. R. 7218. A bill to provide for immigration into the United States by displaced persons; to the Committee on Immigration and Naturalization.

By Mr. MAY:

H. R. 7219. A bill to extend dependency benefits to dependents of enlisted personnel of the armed forces who enlist or reenlist prior to July 1, 1949; to the Committee on Military Affairs.

By Mr. POWELL:

H. R. 7220. A bill to assure to all persons within the jurisdiction of the United States full and equal privileges with respect to public conveyances and places of public accommodation, resort, entertainment, amusement, assemblage, and institutions; to the Committee on the Judiciary.

By Mr. SAVAGE:

H. R. 7221. A bill to provide for a national cemetery at Vancouver, Wash.; to the Committee on Military Affairs.

By Mr. DE LACY:

H. R. 7222. A bill to establish a National Geriatrics Institute to promote longevity in the United States and to provide for study and research in the field of the prevention and cure of diseases and ailments common to old age and for the widespread dissemination of the results of such study and research in an effort to prolong the lives of all American citizens, and for other purposes; to the Committee on Interstate and Foreign Commerce.

By Mr. GEELAN:

H. R. 7223. A bill to provide retirement benefits for certain emergency officers of World War I; to the Committee on Military Affairs.

By Mr. WHITE (by request):

H. R. 7224. A bill embodying the Shafer prosperity plan to promote the general welfare, increase the national income, and insure full employment through the development of foreign trade; to the Committee on Interstate and Foreign Commerce.

By Mr. FLANNAGAN:

H. J. Res. 392. Joint resolution to increase the limitation on the amount which may be expended for salaries and other administrative expenses in the item "Conservation and use of agricultural land resources" under the head "Production and Marketing Administration" in the Department of Agriculture Appropriation Act, 1947; to the Committee on Appropriations.

PRIVATE BILLS AND RESOLUTIONS

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

By Mr. ROE of Maryland:

H. R. 7225. A bill for the relief of Mrs. Margaret Alice Burkhardt; to the Committee on Claims.

By Mr. WALTER:

H. R. 7226. A bill to record the lawful admission to the United States for permanent residence of Ante Jacob Roncevic; 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:

2140. By Mr. COLE of Missouri: Petition of Charles Carp, of Clarksdale, Mo., and 32 others, urging Congress to pass the Voorhis bill (H. J. Res. 325), which provides that as long as famine conditions exist, no grain shall be allowed for the manufacture of liquors or other nonessential purposes; to the Committee on Agriculture.

2141. By the SPEAKER: Petition of C. H. R. Hovde, M. D., Los Angeles, Calif., petitioning consideration of his resolution with reference to requested indictment against certain officials in office of Government; to the Committee on the Judiciary.

SENATE

THURSDAY, AUGUST 1, 1946

(Legislative day of Monday, July 29, 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:

Eternal God, Father of all, who art above all and through all and in all, without whom life has no spiritual source, no divine meaning or destiny, but with whom there is power for the present and hope for the future: We seek Thee as our fathers before us have sought Thee in former days when the difficulties they faced were as frowning heights before their climbing feet; yet by faith they were led over the peaks to the pleasant valleys and still waters beyond. So lead us on, for Thou only art our guide and deliverer.

Strengthen us with Thy might that the strain of these days may not break