to the Committee on Appropriations, and ordered to be printed.

630. A letter from the Comptroller General of the United States transmitting report on the survey of the accounting system of the Federal Public Housing Authority for the years ended June 30, 1945, and June 30, 1946 (H. Doc. No. 229); to the Committee on Expenditures in the Executive Departments, and ordered to be printed.

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:

Mrs. ROGERS of Massachusetts: Committee on Veterans' Affairs. H. R. 2181. A bill relating to institutional on-farm training for veterans; with amendments (Rept. No. 327). Referred to the Committee of the Whole House on the State of the Union.

PUBLIC BILLS AND RESOLUTIONS

Under clause 3 of rule XXII, public bills and resolutions were introduced and severally referred as follows:

By Mr. BROPHY:

H. R. 3264. A bill to amend the Federal-Aid Highway Act of 1944, approved December 20, 1944, and for other purposes; to the Committee on Public Works.

By Mr. DIRKSEN:

H. R. 3265. A bill to amend the Emergency Price Control Act of 1942, as amended, relating to actions for civil liabilities for violation of the Emergency Price Control Act; to the Committee on Banking and Currency.

By Mr. FARRINGTON:

H. R. 3266. A bill to authorize the issuance of certain public improvement bonds by the Territory of Hawaii; to the Committee on Public Lands.

By Mr. GROSS:

H. R. 3267. A bill to provide for the construction of a country home for the President in the Commonwealth of Pennsylvania, and for other purposes; to the Committee on Public Works.

By Mr. HAYS:

H. R. 3268. A bill to repeal section 13b of the Federal Reserve Act, to amend section 13 of the said act, and for other purposes; to the Committee on Banking and Currency.

By Mr. HORAN:

H. R. 3269. A bill to fix the amount of an annual payment by the United States to the government of the District of Columbia; to the Committee on the District of Columbia.

By Mr. McCORMACK (by request):

H. R. 3270. A bill relating to the promotion of certain officers and former officers of the Army of the United States; to the Committee on Armed Services.

By Mr. KEE:

H. R. 3271. A bill to provide for reimbursing Summers County, W. Va., for the loss of tax revenue by reason of the acquisition of land by the United States for the Bluestone Reservoir project; to the Committee on Public Lands.

By Mr. DOLLIVER:

H. R. 3272. A bill relating to the computation of length of service, for promotion purposes of certain employees who are transferred from one position to another within the postal service; to the Committee on Post Office and Civil Service.

By Mr. JUDD:

H. R. 3273. A bill to prohibit discrimination in employment because of race, religion, color, national origin, or ancestry; to the Committee on Education and Labor.

MEMORIALS

Under clause 3 of rule XXII, memorials were presented and referred as follows:

By the SPEAKER: Memorial of the Legislature of the Territory of Hawaii memorializing the President and the Congress of the United States to provide for the exploration, investigation, development, and maintenance of the fishing resources and the development of the high-seas fishing industry of the Territories and island possession of the United States in the tropical and subtropical Pacific Ocean and intervening seas; to the Committee on Merchant Marine and Fisheries.

PRIVATE BILLS AND RESOLUTIONS

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

By Mr. HEFFERNAN:

H. R. 3274. A bill for the relief of Joseph H. Dowd; to the Committee on the Judiciary.

By Mr. JUDD:

H. R. 3275. A bill to confer a classified civil-service status upon certain special-delivery messengers in the post office at Minneapolis, Minn.; to the Committee on Post Office and Civil Service.

By Mr. KLEIN:

H. R. 3276. A bill for the relief of Benedict Kleitsch; to the Committee on the Judiciary.

By Mr. MARCANTONIO:

H. R. 3277. A bill for the relief of Mrs. Catherine Maurice; to the Committee on the Judiciary.

PETITIONS, ETC.

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

405. By Mr. HARLESS of Arizona: Petition of the Arizona State Legislature, relating to lasting peace; to the Committee on Foreign Affairs.

406. Also, petition of the Arizona State Legislature, requesting Congress to support certain legislation beneficial to veterans and others; to the Committee on Veterans' Affairs.

407. Also, petition of the Arizona State Legislature, requesting Congress to create the Petrified Forest National Park; to the Committee on Public Lands.

408. By Mr. MURDOCK: Petition of the State Legislature of Arizona, relating to lasting world peace; to the Committee on Foreign Affairs.

409. Also, petition of the State Legislature of Arizona, requesting Congress to create the Petrified Forest National Park; to the Committee on Public Lands.

410. Also, memorial of the State Legislature of Arizona, pertaining to legislation beneficial to veterans and others; to the Committee on Veterans' Affairs.

411. By Mrs. SMITH of Maine: Memorial of the Senate and House of Representatives in the State of Maine to the Honorable Clinton P. Anderson, United States Secretary of Agriculture, petitioning against the order of April 9 for further reduction in milk prices because of the increase in cost of milk production due to advances in feed prices in the State; to the Committee on Agriculture.

412. By Mr. THOMASON: Petition of El Paso Post, No. 36, American Legion, urging that Public, 663, Seventy-ninth Congress, be amended to extend the time in which veterans who have lost their limbs may apply for an automobile to be furnished them by the Government; to the Committee on Veterans' Affairs.

413. By Mr. WOLCOTT: Petition of 24 residents of St. Clair County, Mich., expressing interest in proposed legislation which seeks to prohibit the transportation of alcoholic-beverage advertising in interstate commerce and over the radio; to the Committee on Interstate Commerce.

414. By the SPEAKER: Petition of the Tulsa County Bar Association, petitioning consideration of their resolution with reference to endorsement of H. R. 1639; to the Committee on the Judiciary.

415. Also, petition of the board of trustees of the National Petroleum Association, petitioning consideration of their resolutions with reference to taxation of cooperatives, taxation of reclaimed oil, and taxation of lubricating oil; to the Committee on Ways and Means.

SENATE

THURSDAY, MAY 1, 1947

(Legislative day of Monday, April 21, 1947)

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

The Chaplain, Rev. Peter Marshall, D. D., offered the following prayer:

Our Father, we would not weary Thee in always asking for something. This morning we would pray that Thou wouldst take something from us. Take out of our hearts any bitterness that lies there, any resentment that curdles and corrodes our peace. Take away the stubborn pride that keeps us from apology and confessing fault and makes us unwilling to open our hearts to one another. For if our hearts are closed to our colleagues, they are not open to Thee.

We ask Thy mercy in Jesus' name. Amen.

DESIGNATION OF ACTING PRESIDENT PRO TEMPORE

The Chief Clerk read the following letter:

UNITED STATES SENATE,
PRESIDENT PRO TEMPORE,
Washington, D. C., May 1, 1947.

To the Senate:

Being temporarily absent from the Senate, I appoint JOHN W. BRICKER, a Senator from the State of Ohio, to perform the duties of the Chair during my absence.

A. H. VANDENBERG,
President pro tempore.

Mr. BRICKER thereupon took the chair as Acting President pro tempore.

THE JOURNAL

On request of Mr. WHERRY, and by unanimous consent, the reading of the Journal of the proceedings of Wednesday, April 30, 1947, was dispensed with, and the Journal was approved.

MESSAGE FROM THE PRESIDENT—APPROVAL OF BILLS

A message in writing from the President of the United States was communicated to the Senate by Mr. Miller, one of his secretaries, and he announced that on April 30, 1947, the President had approved and signed the following acts:

S. 547. An act to provide for annual and sick leave for rural letter carriers; and

S. 736. An act authorizing the Commissioners of the District of Columbia to establish daylight-saving time in the District of Columbia during 1947.

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 Senate to the bill (H. R. 2849) making appropriations to supply deficiencies in certain appropriations for the fiscal year ending June 30, 1947, and for other purposes, and that the House had receded from its disagreement to the amendment of the Senate No. 42 to the bill and concurred therein.

The message also announced that the House had passed a joint resolution (H. J. Res. 153) providing for relief assistance to the people of countries devastated by war, in which it requested the concurrence of the Senate.

NOTICE OF HEARING ON NOMINATION OF JED JOHNSON TO BE JUDGE, UNITED STATES CUSTOMS COURT

Mr. WILEY. Mr. President, on behalf of the Committee on the Judiciary, and in accordance with the request of the subcommittee chairman, I desire to give notice that a second public hearing has been scheduled for Monday, May 5, 1947, at 9:30 a. m., in the Senate Judiciary Committee room, room 424, Senate Office Building, upon the nomination of Hon. Jed Johnson, of Oklahoma, to be a judge of the United States Customs Court, vice Hon. William J. Keefe, resigned. At the indicated time and place, all persons interested in the nomination may make such representations as may be pertinent. The subcommittee consists of the Senator from Kentucky [Mr. COOPER], chairman, the Senator from West Virginia [Mr. REVERCOMB], and the Senator from Nevada [Mr. MCCARRAN].

NOTICE OF HEARING ON NOMINATION OF JOHN CASKIE COLLET TO BE JUDGE, UNITED STATES CIRCUIT COURT OF APPEALS, EIGHTH CIRCUIT

Mr. WILEY. Mr. President, on behalf of the Committee on the Judiciary, and in accordance with the rules of the committee, I desire to give notice that a public hearing has been scheduled for Thursday, May 8, 1947, at 10 a. m., in the Senate Judiciary Committee room, room 424, Senate Office Building, upon the nomination of Hon. John Caskie Collet, of Missouri, to be judge of the United States Circuit Court of Appeals for the Eighth Circuit, vice Hon. Kimbrough Stone, retiring May 15, 1947. At the indicated time and place, all persons interested in the nomination may make such representations as may be pertinent. The subcommittee consists of the Senator from Missouri [Mr. DONNELL], chairman, the Senator from Oklahoma [Mr. MOORE], and the Senator from Mississippi [Mr. EASTLAND].

MEETING OF SUBCOMMITTEES OF THE COMMITTEE ON PUBLIC WORKS AND THE COMMITTEE ON THE JUDICIARY

Mr. WHERRY. Mr. President, I ask unanimous consent that the Subcommittee on Rivers and Harbors of the Committee on Public Works and the subcommittee of the Committee on the Judiciary, presided over by the Senator from North Dakota [Mr. LANGER], be permitted to sit during the session of the Senate today.

The ACTING PRESIDENT pro tempore. Without objection, permission is granted.

MEETING OF SUBCOMMITTEE OF THE COMMITTEE ON LABOR AND PUBLIC WELFARE

Mr. TAFT. Mr. President, I ask unanimous consent that the subcommittee of the Committee on Labor and Public Welfare dealing with the education bill be permitted to sit tomorrow during the session of the Senate.

The ACTING PRESIDENT pro tempore. Without objection, permission is granted.

HEARINGS BEFORE IRRIGATION AND RECLAMATION SUBCOMMITTEE OF THE COMMITTEE ON PUBLIC LANDS

Mr. MILLIKIN. Mr. President, the Subcommittee on Irrigation and Reclamation of the Committee on Public Lands will hold hearings starting next week, and I ask unanimous consent that they may be held during the sessions of the Senate.

The ACTING PRESIDENT pro tempore. Without objection, permission is granted.

CHIEF DISBURSING OFFICER, DIVISION OF DISBURSEMENT, TREASURY DEPARTMENT

The ACTING PRESIDENT pro tempore laid before the Senate a letter from the Acting Secretary of the Treasury, transmitting a draft of proposed legislation to authorize relief of the Chief Disbursing Officer, Division of Disbursement, Treasury Department, and for other purposes, which, with an accompanying paper, was referred to the Committee on Expenditures in the Executive Departments.

PETITIONS AND MEMORIALS

Petitions, etc., were presented and referred as indicated:

By Mr. TYDINGS:

A petition of sundry citizens of the State of Maryland, praying for the enactment of Senate bill 265, to prohibit the transportation of alcoholic-beverage advertising in interstate commerce; to the Committee on Interstate and Foreign Commerce.

A resolution adopted by the Frederick County (Md.) Bar Association, favoring the enactment of House bill 242, to amend the Employers' Liability Act so as to limit venue in actions brought in United States district courts or in State courts under such act; to the Committee on the Judiciary.

A resolution adopted by the executive committee of the Bar Association of Baltimore City, Md., favoring the principles embodied in House bill 2657, to protect the public with respect to practitioners before administrative agencies; to the Committee on the Judiciary.

A petition signed by sundry employees of the Railway Express Agency, Baltimore, Md., praying for the enactment of the so-called Crosser amendments to the Railroad Retirement Act; to the Committee on Labor and Public Welfare.

NEVADA LEGISLATURE JOINT RESOLUTIONS

Mr. MCCARRAN. Mr. President, I ask unanimous consent to present for appropriate reference and printing in the RECORD a joint resolution of the Legislature of Nevada memorializing the Representatives of the State of Nevada in the Congress of the United States to support certain legislation beneficial to veterans and others.

Also a joint resolution of the Legislature of the State of Nevada memorializing Congress to oppose the recommendation of the Secretary of the Interior that all federally owned mineral land be kept in permanent Federal ownership.

Also a joint resolution of the Legislature of the State of Nevada memorializing the Congress to abolish the Civilian Production Administration and to do away with all controls on buildings and construction materials, and on the construction of buildings.

Also a joint resolution of the Legislature of Nevada memorializing the Congress and the Nevada Representatives in Congress to retain the name "Boulder Dam."

The ACTING PRESIDENT pro tempore. Without objection, the joint resolutions presented by the Senator from Nevada will be received, appropriately referred, and, under the rule, be printed in the RECORD.

To the Committee on Finance:

"Assembly joint resolution memorializing the Representatives of the State of Nevada in the Congress of the United States to support certain legislation beneficial to veterans and others

"Whereas there are now pending in the Congress of the United State. two certain bills affecting the rights of veterans, prisoners of war, and other persons in territory occupied by the Japanese forces, which are referred to as H. R. 881 and H. R. 1199; and

"Whereas this legislation extends to veterans, prisoners of war, and other persons in territory occupied by the Japanese during the war, certain benefits by way of exemption under and in connection with the internal revenue code of the United States; and

"Whereas the legislation represented by H. R. 881 and H. R. 1199 will be of material benefit to the veterans and other persons therein throughout the United States as well as in the State of Nevada.

"Resolved by the Assembly and Senate of the State of Nevada (jointly), That the Representatives of the State of Nevada in the Congress of the United States be memorialized to lend their support toward the passage of those certain bills now pending in the Congress designated as H. R. 881 and H. R. 1199; and be it further

"Resolved, That duly certified copies of this resolution be transmitted to the Senators and Representatives representing the State of Nevada in the Congress of the United States.

"Approved March 27, 1947.

"VAIL PITTMAN,
"Governor."

To the Committee on Public Lands:

"Assembly joint resolution memorializing Congress to oppose the recommendation of the Secretary of the Interior that all federally owned mineral land be kept in permanent Federal ownership

"Whereas it has been reported that the Secretary of the Interior of the United States has recommended to the Congress that all mineral land owned by the Government of the United States be kept in permanent Federal ownership in such manner as to prohibit the location and patenting of such land, and further to repeal the present mining laws which permit the location and patenting of mineral-bearing land; and

"Whereas the development of mineral-bearing lands by location and patenting under the existing laws has contributed materially to the well-being of the Western States of the United States by making such property subject to taxation and in developing many areas and sections of the Western States; and

"Whereas the proposed recommendation of the Secretary of the Interior will materially affect the economy of the Western States and will prevent the development of min-

eral-bearing areas throughout the Western States; and

"Whereas the proposed recommendation represents an unjust encroachment upon the development of the western mining States and the rights of private citizens to attempt mining ventures: Now, therefore, be it

"*Resolved by the Assembly and Senate of the State of Nevada (jointly)*, That the Congress of the United States be memorialized to oppose any recommendation or plan of legislation having as its object the permanent continuance of Federal ownership of mining lands in the United States, or the repeal of existing mining laws which permit the location and patenting of mining lands; and be it further

"*Resolved*, That duly certified copies of this resolution be forwarded by the secretary of the State of Nevada to the President of the United States, the Secretary of the Interior, and to the Representatives of the State of Nevada in the Senate and House of Representatives of the United States Congress.

"Approved March 27, 1947.

"VAIL PITTMAN,
"Governor."

To the Committee on Banking and Currency:

"Assembly joint resolution memorializing Congress to abolish the Civilian Production Administration and to do away with all controls on building and construction materials, and on the construction of buildings

"Whereas the Civilian Production Administration, a bureau of the Federal Government, has promulgated rules and regulations restricting the use of building and construction materials; and

"Whereas the Civilian Production Administration has arbitrarily, and without any foundation in reason or in fact, administered such rules and regulations to suit its own ends, and without regard for the best interests of the United States, its citizens, and the veterans of its wars; and

"Whereas the unreasonable, arbitrary, self-serving and discriminatory rules and restrictions enforced through color of law by the Civilian Production Administration have operated to favor one section of the Nation against another, to set one class of citizens against another, to stir up internal strife, and have in no appreciable way contributed to the welfare of the Nation, nor the needs of its citizens, nor have they provided any portion of the houses needed for veterans: Now, therefore, be it

"*Resolved by the Assembly and Senate of the State of Nevada (jointly)*, That the Congress of the United States be memorialized to enact such legislation as may be necessary to abolish the Civilian Production Administration, or any similar agency restricting or retarding building or construction, and further to repeal any and all laws in any manner restricting or placing limitations upon such building or construction; and be it further

"*Resolved*, That copies of this resolution, duly certified by the secretary of state of the State of Nevada, be sent to the President of the United Sates and to the Representatives of the State of Nevada in the Congress of the United States.

"Approved March 27, 1947.

"VAIL PITTMAN,
"Governor."

Ordered to lie on the table:

"Assembly joint resolution memorializing Congress and the Nevada Representatives in Congress to retain the name 'Boulder Dam'

"Whereas the Boulder Dam located in the Black Canyon of the Colorado River was completed in the year 1935; and

"Whereas prior to its completion it was officially named and designated as 'Boulder Dam'; and

"Whereas because it is the highest dam in the world it has become widely known and heralded, described in current encyclopedias, and delineated upon maps under its official name, 'Boulder Dam'; and

"Whereas Boulder City, located in the immediate vicinity of the dam, and being the city which serves the dam, bears its name because of the official name and designation of the dam itself; and

"Whereas it is the sense of the Assembly and the Senate of the State of Nevada that the dam, being a national monument of outstanding importance, its name should not be changed or redesignated: Now, therefore, be it

"*Resolved by the Assembly and the Senate of the State of Nevada (jointly)*, That the Legislature of the State of Nevada hereby memorialize and petition that the Congress of the United States retain the name and designation, to wit: 'Boulder Dam'; and be it further

"*Resolved*, That the secretary of state of the State of Nevada be, and he hereby is, authorized and directed to transmit properly certified copies of this resolution to our Senators and Representative in Washington, and to the President of the United States Senate, and to the Speaker of the House of Representatives.

"Approved March 27, 1947.

"VAIL PITTMAN,
"Governor."

FUNDS FOR EDUCATIONAL BENEFITS TO VETERANS

Mr. McMAHON. Mr. President, yesterday I received a telegram from Dr. Charles Seymour, president of Yale University, which I should like to read into the RECORD. Dr. Seymour says in the telegram:

NEW HAVEN, CONN., *April 30, 1947.*

Hon. BRIEN MCMAHON,
Washington, D. C.:

Abrupt termination of educational benefits to veterans has brought acute financial distress to 5,000 students at Yale lasting until passage of deficiency appropriation bill to provide necessary funds for the Veterans' Administration. Earnestly request your aid in expediting.

CHARLES SEYMOUR,
President.

Mr. President, I sincerely trust that before the day is ended the Senate will approve the conference report on the deficiency bill, which I understand was agreed to yesterday by the House of Representatives, so that the situation with regard to veterans' benefits, which is very deplorable, may be relieved.

THE PALESTINE PROBLEM—TELEGRAM FROM SENATOR BREWSTER TO HON. WARREN R. AUSTIN

Mr. BREWSTER. Mr. President, I ask unanimous consent to have printed in the RECORD a telegram which I sent to Hon. Warren R. Austin, Chief of the United Nations Mission, regarding the Palestine situation and our position in relation to the Jewish agency being represented, a matter with respect to which I am fully in accord with the sentiments expressed yesterday by the Senator from Florida [Mr. PEPPER]. I ask that this telegram be printed in the RECORD in order to clarify my own position.

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

APRIL 30, 1947.

Ambassador WARREN AUSTIN,
Chief, United Nations Mission,
New York, N. Y.:

I believe the American people will be profoundly shocked in any maneuvers which result in five Arab states using the United Nation Assembly for sounding board on Palestine without any comparable opportunity for Jewish agency to reply when the Jewish agency is recognized in the Mandate of the League of Nations and the treaty between Great Britain and the United States as the official agency to represent Jewish interests in Palestine. The United States has tremendous responsibilities to insure justice and fair play in this situation.

OWEN BREWSTER,
United States Senator.

SAN DIEGO (CALIF.) AQUEDUCT (S. REPT. NO. 149)

Mr. AIKEN. Mr. President, from the Committee on Expenditures in the Executive Departments, I ask unanimous consent to submit a report relative to the complaint of the Comptroller General that the Navy Department illegally expended $14,000,000 in constructing an aqueduct for the city of San Diego, Calif., and I request that it be printed.

The ACTING PRESIDENT pro tempore. Without objection, the report will be received and printed, as requested by the Senator from Vermont.

FEDERAL CIVILIAN PERSONNEL—ADDITIONAL REPORT OF JOINT COMMITTEE ON REDUCTION OF NONESSENTIAL FEDERAL EXPENDITURES

Mr. BYRD. Mr. President, Federal employment, both continental and abroad, decreased 19,603 during the month of March, 1947. The February total of 2,251,746 was reduced to 2,232,143 for March. The reduction is due mostly to the large decreases in War and Navy Departments. By excluding these two departments from the total the reduction shown amounts to only 1,820. Within the continental United States Federal employment decreased from the February total of 1,969,864 to the March total of 1,949,645, a reduction of 20,219. Excluding War and Navy Departments again there was a reduction of 2,378. Outside the United States the employment increased 516 to a total of 282,398 for March.

Twenty-five establishments increased personnel during March. Three of these increases were substantial. Interior Department increase 1,051; Post Office Department increased 2,529, and Federal Security Agency increased 1,427. The most substantial reduction was 15,984 in the War Department. Veterans' Administration decreased 2,117 during the month, the Navy Department reduced 1,799, and the War Assets Administration reduced 2,949. In all, 25 establishments, excluding War and Navy, reduced a total of 8,467, or an average of about 340 per agency.

During the year and one-half since VJ-day the War and Navy Departments have reduced a total of 1,573,649. Yet the over-all reduction during this period is

only 1,417,626. This means that the departments and agencies other than War and Navy have increased 156,023 since the end of the war. Instead of a reduction in personnel resulting from the termination of war functions, new functions were established and old functions were continued under new titles in order to maintain employment and continue the self-perpetuation philosophies as practiced in the executive branch of Government.

Personal services is the largest individual item of cost in Government departmental operation. It is a very important figure in the national budget and in order to reduce the budget the pay roll must be cut. In order to do this it is imperative that personnel be reduced, not to a prewar level, but to a level that is most economical. This also means that unnecessary and overlapping functions be abolished.

I ask unanimous consent that the additional report of the Joint Committee on Reduction of Nonessential Federal Expenditures with respect to the personnel of the Federal Government may be printed in the RECORD.

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

ADDITIONAL REPORT OF THE JOINT COMMITTEE ON REDUCTION OF NONESSENTIAL FEDERAL EXPENDITURES, CONGRESS OF THE UNITED STATES, PURSUANT TO SECTION 601 OF THE REVENUE ACT OF 1941 ON FEDERAL PERSONNEL, FEBRUARY-MARCH 1947

FEDERAL PERSONNEL IN THE EXECUTIVE BRANCH, MARCH 1947, AND COMPARISON WITH FEBRUARY 1947

(All figures compiled from reports submitted by the heads of Federal establishments or their authorized representatives)

According to monthly personnel reports submitted to the Joint Committee on Reduction of Nonessential Federal Expenditures, Federal personnel within the United States during the month of March decreased 20,219 from a total of 1,969,864 in February to 1,949,645 in March. Excluding War and Navy Departments, personnel decreased 2,378 from the February total of 1,219,271 to the March total of 1,216,893. The War Department within the continental United States decreased 15,984 from the February total of 428,750 to the March total of 412,766. The Navy Department within the United States decreased 1,857 from the February figure of 321,843 to the March figure of 319,986. (See table I.)

Outside the continental United States, Federal personnel increased 516 from the February total of 281,882 to the March total of 282,398. The majority of these employees are industrial workers. (See tables II and IV.) Exclusive of War and Navy Departments, there was an increase of 458 from the February figure of 56,028 to the March figure of 56,486.

The consolidated table, presenting data with respect to personnel inside and outside the continental United States, shows a total decrease of 19,603 from the February total of 2,251,746 to the March total of 2,232,143. Excluding War and Navy Departments' reductions of 17,783 there was a decrease of 1,820 employees in the executive branch of the Federal Government from the February figure of 1,275,299 to the March figure of 1,273,479. (See table III.)

Industrial employment during the month of March decreased 7,997 from the February total of 618,500 to the March total of 610,503. The War Department figures for employment outside the United States are unavailable for the month of March. War Department reductions inside the United States totaled 7,234. The term "industrial employees" as used by the committee refers to unskilled, semiskilled, skilled, and supervisory employees paid by the Federal Government, who are working on construction projects, such as airfields and roads, and in shipyards and arsenals. It does not include maintenance and custodial employees. (See table IV.)

TABLE I.—*Federal personnel inside continental United States employed by executive agencies during March 1947, and comparison with February 1947*

Departments or agencies	February	March	Increase (+) or decrease (−)
EXECUTIVE DEPARTMENTS (EXCEPT WAR AND NAVY DEPARTMENTS)			
Agriculture Department	77,812	78,116	+304
Commerce Department	34,810	35,343	+533
Interior Department	44,939	45,981	+1,042
Justice Department	23,939	24,127	+188
Labor Department	7,278	7,379	+101
Post Office Department	457,737	460,260	+2,523
State Department	8,485	8,285	−200
Treasury Department	103,060	103,004	−56
EMERGENCY WAR AGENCIES			
Office of Defense Transportation	96	93	−3
Office of Scientific Research and Development	149	110	−39
Selective Service System	8,770	8,502	−268
POSTWAR AGENCIES			
Council of Economic Advisers	28	41	+13
Office of Government Reports	149	145	−4
Office of Housing Expediter	1,926	1,527	−399
Office of Temporary Controls:			
Office of War Mobilization and Reconversion	133	116	−17
Office of Price Administration	13,458	12,675	−783
Civilian Production Administration	3,835	3,480	−355
Philippine Alien Property Administration	2	2	
Price Decontrol Board	6	6	
U. S. Atomic Energy Commission	4,280	4,189	−91
War Assets Administration	51,415	48,403	−3,012
INDEPENDENT AGENCIES			
American Battle Monuments Commission	3	3	
Bureau of the Budget	611	610	−1
Civil Aeronautics Board	518	526	+8
Civil Service Commission	3,523	3,533	+10
Export-Import Bank of Washington	117	116	−1
Federal Communications Commission	1,351	1,333	−18
Federal Deposit Insurance Corporation	1,184	1,188	+4
Federal Power Commission	783	776	−7
Federal Security Agency	31,003	[1] 32,569	[1] +1,566
Federal Trade Commission	592	591	−1
Federal Works Agency	24,551	24,537	−14
General Accounting Office	11,045	10,944	−101
Government Printing Office	8,037	7,973	−64
Interstate Commerce Commission	2,287	2,288	+1
Maritime Commission	11,444	11,081	−363
National Advisory Committee for Aeronautics	5,617	5,630	+13
National Archives	396	396	
National Capital Housing Authority	283	284	+1
National Capital Park and Planning Commission	17	18	+1
National Gallery of Art	310	308	−2
National Housing Agency	16,041	15,623	−418
National Labor Relations Board	883	850	−33
National Mediation Board	100	103	+3
Panama Canal	522	526	+4
Railroad Retirement Board	2,788	2,791	+3

[1] Includes 1,071 employees of Howard University and 90 employees of Columbia Institute for the Deaf, previously not included.

TABLE I.—*Federal personnel inside continental United States employed by executive agencies during March 1947, and comparison with February 1947*—Continued

Departments or agencies	February	March	Increase (+) or decrease (−)
INDEPENDENT AGENCIES—continued			
Reconstruction Finance Corporation	8,336	7,964	−372
Securities and Exchange Commission	1,195	1,190	−5
Smithsonian Institution	502	504	+2
Tariff Commission	224	229	+5
Tax Court of the United States	121	121	
Tennessee Valley Authority	13,566	13,609	+43
Veterans' Administration	229,014	226,895	−2,119
Total, excluding War and Navy Departments	1,219,271	1,216,893	−8,746 / +6,368
Net decrease, excluding War and Navy Departments			−2,378
Navy Department	321,843	319,986	−1,857
War Department	428,750	412,766	−15,984
Total, including War and Navy Departments	1,969,864	1,949,645	−26,587 / +6,368
Net decrease, including War and Navy Departments			−20,219

TABLE II.—*Federal personnel outside continental United States employed by executive agencies during March 1947, and comparison with February 1947*

Departments or agencies	February	March	Increase (+) or decrease (−)
EXECUTIVE DEPARTMENTS (EXCEPT WAR AND NAVY DEPARTMENTS)			
Agriculture Department	1,283	1,323	+40
Commerce Department	2,498	2,585	+87
Interior Department	4,426	4,435	+9
Justice Department	521	489	−32
Labor Department	97	103	+6
Post Office Department	1,411	1,417	+6
State Department	13,471	13,835	+364
Treasury Department	722	742	+20
EMERGENCY WAR AGENCIES			
Selective Service System	82	84	+2
POSTWAR AGENCIES			
Office of Housing Expediter	3	3	
Office of Temporary Controls:			
Office of Price Administration	52	50	−2
Civilian Production Administration	20	18	−2
Philippine Alien Property Administration	62	69	+7
War Assets Administration	400	463	+63
INDEPENDENT AGENCIES			
American Battle Monuments Commission	75	77	+2
Civil Aeronautics Board	11	12	+1
Civil Service Commission	5	5	
Export-Import Bank of Washington	2	2	
Federal Communications Commission	37	37	
Federal Deposit Insurance Corporation	3	3	
Federal Security Agency	966	827	−139
Federal Works Agency	308	329	+21
Maritime Commission	339	338	−1
National Housing Agency	54	50	−4
National Labor Relations Board	3	4	+1
Panama Canal	27,234	27,255	+21
Reconstruction Finance Corporation	110	96	−14
Smithsonian Institution	8	8	

TABLE II.—*Federal personnel outside continental United States employed by executive agencies during March 1947, and comparison with February 1947*—Continued

Departments or agencies	February	March	Increase (+) or decrease (−)
INDEPENDENT AGENCIES—continued			
Veterans' Administration	1,825	1,827	+2
Total, excluding War and Navy Departments	56,028	56,486	+652 −194
Net increase, excluding War and Navy Departments			+458
Navy Department	52,080	52,138	+58
War Department	173,774	[1] 173,774	
Total, including War and Navy Departments	281,882	282,398	+710 −19
Net increase, including War and Navy Departments			+516

[1] As of Feb. 28, 1947, figure for month of March 1947 unavailable.

TABLE III.—*Consolidated table of Federal personnel inside and outside continental United States employed by the executive agencies during March 1947, and comparison with February 1947*

Departments or agencies	February	March	Increase (+) or decrease (−)
EXECUTIVE DEPARTMENTS (EXCEPT WAR AND NAVY DEPARTMENTS)			
Agriculture Department	79,095	79,439	+344
Commerce Department	37,308	37,928	+620
Interior Department	49,365	50,416	+1,051
Justice Department	24,460	24,616	+156
Labor Department	7,375	7,482	+107
Post Office Department	459,148	461,677	+2,529
State Department	21,956	22,120	+164
Treasury Department	103,782	103,746	−36
EMERGENCY WAR AGENCIES			
Office of Defense Transportation	96	93	−3
Office of Scientific Research and Development	149	110	−39
Selective Service System	8,852	8,586	−266
POSTWAR AGENCIES			
Council of Economic Advisers	28	41	+13
Office of Government Reports	149	145	−4
Office of Housing Expediter	1,929	1,530	−399
Office of Temporary Controls:			
Office of War Mobilization and Reconversion	133	116	−17
Office of Price Administration	13,510	12,725	−785
Civilian Production Administration	3,855	3,498	−357
Philippine Alien Property Administration	64	71	+7
Price Decontrol Board	6	6	
U. S. Atomic Energy Commission	4,280	4,189	−91
War Assets Administration	51,815	48,866	−2,949
INDEPENDENT AGENCIES			
American Battle Monuments Commission	78	80	+2
Bureau of the Budget	611	610	−1
Civil Aeronautics Board	529	538	+9
Civil Service Commission	3,528	3,538	+10
Export-Import Bank of Washington	119	118	−1
Federal Communications Commission	1,388	1,370	−18
Federal Deposit Insurance Corporation	1,187	1,191	+4
Federal Power Commission	783	776	−7
Federal Security Agency	31,969	33,396	+1,427
Federal Trade Commission	592	591	−1
Federal Works Agency	24,859	24,966	+107
General Accounting Office	11,045	10,944	−101
Government Printing Office	8,037	7,973	−64
Interstate Commerce Commission	2,287	2,288	+1
Maritime Commission	11,783	11,419	−364
National Advisory Committee for Aeronautics	5,617	5,630	+13
National Archives	396	396	
National Capital Housing Authority	283	284	+1
National Capital Park and Planning Commission	17	18	+1
National Gallery of Art	310	308	−2
National Housing Agency	16,095	15,673	−422
National Labor Relations Board	886	854	−32
National Mediation Board	100	103	+3
Panama Canal	27,756	27,781	+25
Railroad Retirement Board	2,788	2,791	+3
Reconstruction Finance Corporation	8,446	8,060	−386
Securities and Exchange Commission	1,195	1,190	−5
Smithsonian Institution	510	512	+2
Tariff Commission	224	229	+5
Tax Court of the United States	121	121	
Tennessee Valley Authority	13,566	13,609	+43
Veterans' Administration	230,839	228,722	−2,117
Total, excluding War and Navy Departments	1,275,299	1,273,479	−8,467 +6,647
Net decrease, excluding War and Navy Departments			−1,820
Navy Department	373,923	372,124	−1,799
War Department:			
Inside continental United States	428,750	412,766	−15,984
Outside continental United States	173,774	[2] 173,774	
Total, including War and Navy Departments	2,251,746	2,232,143	−26,250 +6,647
Net decrease, including War and Navy Departments			−19,603

[1] Includes 1,071 employees of Howard University and 90 employees of Columbia Institute for the Deaf, previously not included.

[2] As of Feb. 28, 1947, March 1947 figure unavailable.

TABLE IV.—*Industrial employees [1] of the Federal Government inside and outside the continental United States, employed by executive agencies during March 1947, and comparison with February 1947*

Departments or agencies	February	March	Increase (+) or decrease (−)
EXECUTIVE DEPARTMENTS (EXCEPT WAR AND NAVY DEPARTMENTS)			
Commerce Department	1,139	1,183	+44
Interior Department	5,408	5,623	+215
State Department	320	314	−6
Treasury Department	5,474	5,402	−72

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

TABLE IV.—*Industrial employees of the Federal Government inside and outside the continental United States, employed by executive agencies during March 1947, and comparison with February 1947*—Con.

Departments or agencies	February	March	Increase (+) or decrease (−)
POSTWAR AGENCIES			
U. S. Atomic Energy Commission	0	601	+601
INDEPENDENT AGENCIES			
National Housing Agency	16	11	−5
Panama Canal	2,625	2,492	−133
Tennessee Valley Authority	6,511	6,578	+67
Total, excluding War and Navy Departments	21,493	22,204	+927 −216
Net increase, excluding War and Navy Departments			+711
Navy Department	258,577	257,103	−1,474
War Department:			
Inside continental United States	201,349	194,115	−7,234
Outside continental United States	137,081	[2] 137,081	
Total, including War and Navy Departments	618,500	610,503	+927 −8,924
Net decrease, including War and Navy Departments			−7,997

[2] As of Feb. 28, 1947, figure for month of March 1947 unavailable.

NEWSPRINT SUPPLY AND DISTRIBUTION—INTERIM REPORT OF SPECIAL COMMITTEE TO STUDY PROBLEMS OF AMERICAN SMALL BUSINESS (S. REPT. NO. 150)

Mr. CAPEHART. Mr. President, from the Special Committee To Study Problems of American Small Business, I ask unanimous consent to submit, pursuant to Senate Resolution 20, agreed to January 24, 1947 appointing a Special Committee To Study Problems of American Small Business, an interim report on newsprint supply and distribution, and I request that it be printed, with illustrations.

I request that a statement by me as chairman of the Newsprint and Paper Shortage Subcommittee of the Senate Committee To Study Problems of American Small Business be printed in the RECORD.

The ACTING PRESIDENT pro tempore. Without objection, the report will be received and printed as requested by the Senator from Indiana, and, without objection, the statement will be printed in the RECORD.

The statement was ordered to be printed in the RECORD, as follows:

STATEMENT BY SENATOR HOMER E. CAPEHART (REPUBLICAN, INDIANA), CHAIRMAN OF THE NEWSPRINT AND PAPER SHORTAGE SUBCOMMITTEE OF THE SENATE SMALL BUSINESS COMMITTEE, IN CONNECTION WITH THAT COMMITTEE'S PRESENTATION TO THE SENATE OF AN INTERIM REPORT ENTITLED "NEWSPRINT SUPPLY AND DISTRIBUTION"

The chairman of the Senate Small Business Committee has designated me to present to the Senate an interim report entitled "Newsprint Supply and Distribution," which has

been approved by a majority of the members of that committee. This report was prepared for the committee as a result of recent investigations and hearings conducted by the Newsprint and Paper Shortage Subcommittee, of which I am chairman.

This initial inquiry by the committee was directed toward a solution of newsprint "shortage," which was claimed by the many complaints received by the committee to be the most urgent problem—and one that was forcing many smaller publications to the wall.

I believe the Senate will be interested in some of the facts developed in the report and in the conclusions reached by the committee as a result of its investigation.

The newsprint problem which has been causing so much difficulty to smaller publications in this country has been generally termed a "shortage." As a matter of fact, the immediate problem is that of equitable distribution of unusually large supplies of newsprint produced in this country as well as that shipped into the United States from Canada and Newfoundland.

While it is true that there is a world shortage of newsprint—due to war conditions—we in this country are getting by far the greater proportion of the world's supply. Consumption of newsprint in the United States in 1946 totaled 4,296,268 tons—representing an increase of 28.4 percent over 1945, and thousands of tons more than peak consumption in prewar years.

It is also amazing to find that 83 percent of our newsprint consumption is imported from sources outside of our national borders. In 1946 Canada supplied us with 78 percent and Newfoundland with 5 percent of our national supply. United States mills produce only 17 percent of the newsprint we use.

The committee was told by Canadian and American newsprint mills that 95 percent of the newsprint they produce for the United States is sold to newspaper publishers who have contracts with the mills. A few smaller publishers have contracts, but at least 90 percent of the smaller newspapers and other publications in this country must depend upon jobbers who have contracts with the mills—and who receive only the remaining 5 percent of the production.

This division of production might prove adequate under normal conditions, because the newsprint needs of smaller newspapers and publications are only a small fraction of national consumption. But when there is a business boom and the pressure of greatly expanded advertising linage and circulation demands by larger publishers hits the market the smaller publisher find his normal sources of supply disappearing.

A brief check of advertising and circulation figures, undertaken by the subcommittee for a list of 100 leading newspapers in the United States, shows that expansion of advertising and circulation, 1946 over 1945, paralleled the increased production percentage of newsprint to a remarkable degree. For the 100 newspapers checked, the average increase was 26.2 percent in advertising linage and 5.3 percent in circulation. At least 10 of the larger newspapers recorded advertising linage increases ranging from 30 to 73 percent.

These comparisons are not conclusive, but the trend is sufficiently strong to indicate that increased production of newsprint in 1946 went toward gratifying expanded circulations and increased advertising demands—predominantly among larger publications.

Meanwhile, similar jobbers and publishers have reported that they are not receiving any portion of newsprint production increases and are being held to 1945 usage, or lower.

Other factors have also contributed to a lessened supply of newsprint for smaller publishers. Jobbers have cut off regular small customers to sell at higher prices to new buyers; larger publishers have purchased newsprint mills to assure output for their own use; and some newsprint mills have converted to the manufacture of other and more profitable types of papers.

Additional supplies from Europe are unpredictable at this time, and, at any rate, would likely go to fill reviving needs abroad, or be offered to this country at prices prohibitive to smaller publications. New mill construction in the United States and Alaska, if and when undertaken, will require 2 to 3 years to reach a point of production. Canadian mills may produce two or three hundred thousand more tons of newsprint in 1947, but we have no assurance that this tonnage will reach the United States.

In my opinion, as chairman of the Newsprint and Paper Shortage Subcommittee, the quickest solution to the situation is voluntary action by the larger users of newsprint to share the very small percent of newsprint (about 1½ to 2 percent) needed to relieve the distribution problems of the smaller publications. If voluntary action along this line is not taken by the industry, it is my belief that regulatory legislation may again be imposed upon the industry—and this possibility is as undesirable to me as I am sure it is to the businessmen of the publishing and newsprint industry. To ration, in a peacetime economy, a product—83 percent of which is supplied by a foreign country—presents difficulties too numerous to mention at this time. In fact, the committee has been warned by the Canadian newsprint manufacturers that any effort to ration or control newsprint shipments to this country would likely result in their diversion of newsprint production to profitable overseas markets.

The position taken in this interim report is that demand for newsprint will continue high, and emergency conditions, unfavorable to smaller publications, will exist for many months to come. For these reasons it is recommended:

That voluntary action be taken by newspaper publishers, newsprint manufacturers, newsprint distributors and magazine publishers in the formation of an over-all industry committee which will act to relieve hardship cases among all types of publications, investigate such needs, and supply newsprint by means of voluntary contributions from within the industry;

That legislation to implement the organization of such an industry committee and provide for its immunization against antitrust prosecution for a limited period of time be introduced to the Congress.

Such legislation was introduced by me, for myself, Senator WHERRY, Senator CAIN, and Senator MARTIN, on April 9, and has been referred to the Committee on Interstate and Foreign Commerce.

The members of the Senate Small Business Committee who participate in this report consider the establishment of a voluntary industry committee the most effective and desirable way to handle the emergency situation. The committee has taken steps to lay the groundwork for industry cooperation in meetings and conferences held with representatives of the publishing and newsprint industry over the past month. Over 100 leading newspaper publishers, as well as officials of newsprint mills and newsprint distributing concerns, met with the Senate Small Business Committee a few weeks ago to originate plans for voluntary action. I believe their response to the idea is indicative of a willingness to participate in a voluntary effort to correct their industry's distribution problems without Government control or interference.

The only barrier to such cooperation appears to be a fear of antitrust prosecution, to which an unauthorized industry committee might be susceptible. The bill which has been introduced, S. 1080, is designed to remove this obstacle.

The Senate Small Business Committee will continue its efforts to secure enactment of this legislation, and organization of a voluntary industry committee free to operate in correcting the distribution problems which are threatening the welfare and survival of many smaller newspapers and reducing their effectiveness to the communities which they serve.

BILLS INTRODUCED

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

By Mr. WATKINS:

S. 1204. A bill to authorize the expenditure of the unexpended balances remaining after July 1, 1947, in the appropriation provided in Public Law 548 of the Seventy-ninth Congress for the payment of premiums for the production of and exploration for ores of copper, lead, and/or zinc; to the Committee on Banking and Currency.

By Mr. JOHNSON of Colorado:

S. 1205. A bill for the relief of Paul Manesis; and

S. 1206. A bill for the relief of Jack O'Donnell Graves; to the Committee on the Judiciary.

By Mr. TYDINGS:

S. 1207. A bill to exempt articles purchased for the use of volunteer fire companies from the manufacturer's excise tax imposed by chapter 29 of the Internal Revenue Code; to the Committee on Finance.

S. 1208. A bill for the relief of Calvin D. Lynch & Son; W. Thomas Lockerman; Sudlersville Supply Co.; George C. Moore and H. A. Moore; J. McKenny Willis & Son, Inc.; Hobbs & Jarman; and Royse R. Spring; and

S. 1209 (by request). A bill for the relief of Peter August Escher; to the Committee on the Judiciary.

By Mr. WATKINS (for himself and Mr. MALONE):

S. 1210. A bill to amend section 27 of the act of May 18, 1916 (39 Stat. 159), an act making appropriations for the Bureau of Indian Affairs for the fiscal year ending June 30, 1917; to the Committee on Public Lands.

By Mr. FERGUSON:

S. 1211. A bill for the extension of admiralty jurisdiction; to the Committee on the Judiciary.

REDUCTION OF INCOME TAX—AMENDMENTS

Mr. YOUNG and Mr. FULBRIGHT each submitted an amendment intended to be proposed by them, respectively, to the bill (H. R. 1) to reduce individual income-tax payments, which were referred to the Committee on Finance, and ordered to be printed.

WATER-POLLUTION CONTROL—AMENDMENT

Mr. GREEN. Mr. President, I ask unanimous consent to submit amendments intended to be proposed by me to the bill (S. 418) to provide for water-pollution-control activities in the United States Public Health Service, and for other purposes. I request that the amendments be referred to the committee to which the original bill was referred.

There being no objection, the amendments were received, referred to the Committee on Public Works, and ordered to be printed.

HOUSE JOINT RESOLUTION REFERRED

The joint resolution (H. J. Res. 153) providing for relief assistance to the people of countries devastated by war,

was read twice by its title, and referred to the Committee on Foreign Relations.

CONDITIONS IN RUSSIA—AMERICAN LETTER OF THE WHALEY-EATON SERVICE

Mr. BYRD. Mr. President, I ask unanimous consent to have printed in the body of the RECORD, as a part of my remarks, a reproduction of what is known as the American Letter of the Whaley-Eaton Service, as of April 26, 1947.

I do this because it contains a very realistic statement regarding conditions in Russia, which I think should be made a matter of record for public information.

This comes from a staff representative of a very reliable service who has made first-hand investigations of the conditions which are discussed in the letter.

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

WHALEY-EATON SERVICE,
Washington, D. C., April 26, 1947.

DEAR SIR:

1. Our staff representative at the Moscow Conference is the first American correspondent to return home with an uncensored picture of Russia's position today. His views, based on travels within the great Moscow-Stalingrad-Leningrad triangle—the heart of the Russian homeland—are summarized below. They deal largely with economic and general living conditions and not high policies, which Secretary Marshall will cover in his radio address.

2. People: Russian individuals claim that 20,000,000 people were lost in the war. This may be an exaggeration, but it is true that most heavy labor is now relegated to women and war prisoners; few young men are seen anywhere, and there are great numbers of cripples. Tuberculosis rates are fantastically high in all the cities. Women appear more resistant in this respect than men. The Russian people will require a generation or more to recover their vigor.

3. Production: Production of civilian goods ceased entirely during the war and is being sacrificed to heavy-industry outputs now. But rehabilitation is slow. There has been little effort to clear up war damage, steel and machinery production goes forward in buildings whose roofs are a sieve of bomb holes. Transportation and raw-materials shortages are unrelieved. Literally hundreds of German war plants were boxed up and carted away, but shortages of raw materials, of skilled labor and of technical know-how have prevented their use. Such machinery lies rusting in the fields alongside the railroads. A great tractor plant turns out only 35 finished units a day. It was considered a great achievement when 600 automobiles were completed for the use of conference delegations.

4. It is ludicrous to think of Russia engaging in a major war with the western powers. It has apparently much fine artillery and has developed a tank better than the best the Germans had. Military leaders have great faith in rockets. There are hints, too, of a secret biological weapon that would devastate an enemy. Nevertheless, the production and transportation facilities needed for modern warfare have yet to be built. The Russian man-in-the-street expresses amazement that other countries have any fear of war until the economy is wholly rebuilt—including a new generation of young men.

5. Transportation: The western world has no understanding of how utterly deficient are all forms of transportation in Russia. Rail equipment is poor, far out-of-date, and limited in quantity. The crack Red Arrow takes 14 hours to go from Moscow to Leningrad, an average speed of about 30 miles per hour. Highway transportation is even worse, there are few roads, virtually none paved, and even in the major cities what paving there is consists of some asphalt but is mostly brick or cobblestones. The long periods of apparent inaction during the Russian victory drives in the latter stages of the war were due to lack of roads. Supplies moved up to the fronts slowly in cumbersome carts dragged by horses, oxen, or even manpower. The inland waterways system, though excellent in many respects, is correspondingly slow.

6. Living conditions: A small hierarchy at the top has its automobiles, summer homes, good apartments, and ample food, but the vast majority of the Russians live in conditions approximating those of the American pioneer. Exploitation of the proletariat is almost as brutal as before the revolution, and the poor are just as poor. Living standards are low in every respect. The full time of at least one member of every family must be spent each day standing in line to make necessary food purchases. Average pay of 700 rubles per month is insufficient to support a family. Consequently, either one member must hold two jobs, working 16 hours a day, or others must be gainfully employed. Even this buys only the bare necessities. The average Russian is constantly harassed by crowded living conditions, long hours of work, and other hours spent laboriously going great distances to and from work, by inadequate and unvarying diet, and by harsh police supervision.

7. Reconstruction: It is a common saying in Moscow that only the Kremlin has a roof which does not leak. Eight families will live in four basement rooms. Few efforts have been made at rebuilding the devastated cities. Stalingrad was 85 to 97 percent destroyed in its three major sections; it is only 5 percent rebuilt. Yet 300,000 people are living in its ruins. Underground life breeds tuberculosis. Moreover, even in Moscow a high proportion of the individual buildings are log cabins; in the southern (Crimean) areas houses are of turf and thatch. All buildings, even those undamaged by war, are in a high state of decay. The Russians always used too much sand in their mortar.

8. Background: Foreign observers feel that there has been little fundamental change in Russia or the Russians since Ivan the Terrible. The people live under a harsh feudal system, the government has grandiose plans for modernization, but this is a matter for generations, not years. What the leaders are ashamed of, they hide. Little news has filtered out respecting last year's crop failure in the Ukraine, but it was serious and thousands died of starvation. Visitors are given a few peeks at busy industrial plants, but no real opportunity to analyze production results. The people still live on promises of the Utopia, but the leaders, significantly, no longer promise ample supplies of civilian goods by any specific year.

9. Inflation: Beyond the few basic rationed necessities, price levels in Russia are heavily inflated. Prices of nonrationed goods for sale at special stores bear no relation to production costs. Rubles have one value in one set of Government establishments, quite another in others. Thus, army officers of the rank of colonel and higher (including all top Government officials) are the only permitted customers at certain stores at which very low prices prevail. The ruble is valued officially at five to the dollar, but foreigners generally are allowed to exchange on a 12-for-1 basis; the real value seems to be somewhere around 50 to the dollar. Banks accept savings accounts, but individual checking accounts are unknown.

10. Comment: Conclusions from the foregoing are obvious. It will be years before Russia can wage a modern, aggressive war; the country is in desperate need of the very things the United States can supply and it is elementary that economic cooperation with America should be the prime objective of the Kremlin's diplomacy; communism is not democracy but is, on the contrary, a rigid caste system; a main purpose of the iron curtain is to conceal the deplorable conditions inside Russia. Molotov and the higher officials of the Soviet are much alike.

They are "Oriental traders," accustomed to haggling and completely distrustful of anyone else. They are characterized by slyness and untrustworthiness; their every effort must be to perpetuate their regime.

11. Pressures: Some of his political advisers insisted up to the very last that the President use his New York speech of last Monday to lambast big business. This is reminiscent of the pressure employed 18 months ago to have him denounce industrial establishments as unconscionably greedy, on the grounds that President Roosevelt had promised to do so, postwar, in support of labor's wage demands. No proof was forthcoming that Roosevelt ever made such a commitment, and Truman not only refused to believe it, but would not have felt bound by it, anyhow.

RURAL ELECTRIFICATION—ADDRESS BY SENATOR YOUNG

[Mr. YOUNG asked and obtained leave to have printed in the RECORD an address on rural electrification, delivered by him at the National Convention of REA Cooperatives, held at Spokane, Wash., April 24, 1947, which appears in the Appendix.]

WHAT IS AHEAD IN AVIATION?—ADDRESS BY SENATOR BREWSTER

[Mr. BREWSTER asked and obtained leave to have printed in the RECORD an address entitled "What Is Ahead in Aviation?" delivered by him before the Advertising Club of Washington on April 29, 1947, which appears in the Appendix.]

PROGRAM OF THE REPUBLICAN PARTY—ARTICLE BY FRANK R. KENT

[Mr. ROBERTSON of Wyoming asked and obtained leave to have printed in the RECORD an article entitled "Denunciation of GOP and Program Comes Too Heavily and Too Early," by Frank R. Kent, from the Washington Star of April 30, 1947, which appears in the Appendix.]

TRYING TO DO TOO MUCH—EDITORIAL FROM THE NEW YORK WORLD-TELEGRAM

[Mr. IVES asked and obtained leave to have printed in the RECORD an editorial relating to labor legislation entitled "Trying To Do Too Much," from the New York World-Telegram of April 30, 1947, which appears in the Appendix.]

MR. WALLACE EXPLAINS — EDITORIAL FROM THE WASHINGTON POST

[Mr. McCLELLAN asked and obtained leave to have printed in the RECORD an editorial entitled "Mr. Wallace Explains," from the Washington Post of April 30, 1947, which appears in the Appendix.]

THE NEED FOR HOUSING LEGISLATION—EDITORIAL FROM THE PHILADELPHIA INQUIRER

[Mr. MYERS asked and obtained leave to have printed in the RECORD an editorial entitled "To Ease the Housing Shortage: Pass These Bills," published in the Philadelphia Inquirer of April 25, 1947, which appears in the Appendix.]

APPROPRIATIONS FOR FOREIGN RELIEF—EDITORIAL FROM THE PHILADELPHIA BULLETIN

[Mr. MYERS asked and obtained leave to have printed in the RECORD an editorial entitled "Letting Marshall Down," published in the Philadelphia Bulletin of May 1, 1947, which appears in the Appendix.]

THE TARIFF PROBLEM

[Mr. TAYLOR asked and obtained leave to have printed in the RECORD a discussion of the tariff problem by M. E. Cope and Ethel Browning, of Idaho, which appears in the Appendix.]

UNITED NATIONS COMMITTEE ON FUTURE GOVERNMENT OF PALESTINE

[Mr. TAYLOR asked and obtained leave to have printed in the RECORD a memorandum sent to the Secretary-General of the United Nations for submission to the General Assembly, prepared by the Nation Associates, the CIO, the Farmers Educational and Cooperative Union, the Council for Democracy, the Church of Peace Union, and the Progressive Citizens of America, which appears in the Appendix.]

LABOR RELATIONS

The Senate resumed the consideration of the bill (S. 1126) to amend the National Labor Relations Act, to provide additional facilities for the mediation of labor disputes affecting commerce, to equalize legal responsibilities of labor organizations and employers, and for other purposes.

The ACTING PRESIDENT pro tempore. The question is on agreeing to the amendment, as modified, proposed by the Senator from Minnesota [Mr. BALL] for himself, the Senator from Virginia [Mr. BYRD], the Senator from Georgia [Mr. GEORGE], and the Senator from New Jersey [Mr. SMITH], to insert certain language on page 14, line 6, after the word "coerce."

Mr. MURRAY. Mr. President, in the presentation of the pending bill, no effort has been made by its proponents to place before the Senate the history of the long and bitter conflict between labor and management which culminated in the system of laws now on the statute books regulating labor-management relations. The labor laws which are now in force regulating the relations between labor and management did not spring up overnight. They are not the product of the New Deal. They grew up under many national administrations, both Democratic and Republican. The history of the emergence of American labor from the rule of the jungle—the fight of labor to establish its right in our American economy—shows a long and painful development.

Yet by the pending bill it is proposed in one fell swoop to emasculate and in some instances completely wipe out of existence labor's vital safeguards which were won after years of patient effort and sacrifice.

The bill, of course, is dressed up with many pious protestations and expressions of good intentions. It is stated in the bill that its purpose is the elimination of the causes of industrial strife, the promotion of industrial peace, and the removal of barriers to interstate commerce. In the face of present economic trends threatening deflation, unemployment, and great national danger, the purposes stated should be the hope and aim of every American.

But, Mr. President, I am convinced that the bill in its present form will not achieve the purposes expressed by its proponents. I say this because it ignores the underlying causes of industrial strife and sorely needed constructive approaches to industrial peace. I say this, too, because the net effect of its provisions is to indict the organized workers of the United States, and hold them responsible for many of our postwar dislocations, including the present inflation. I say this also for the reason that by its very language it is designed to weaken and render ineffective the large body of wisely planned legislation which, with great pains, has been built up over the years and which brought to an end the strife and bloodshed which widely prevailed in an earlier period.

Before the proposed legislation was introduced, the country was deluged with propaganda to lay the foundation for a program of vindictive legislation. It was sought to create in the public mind the idea that labor failed effectively to perform its patriotic duty in the war; that labor has set up a monopoly and a dictatorship in the United States, and that it is responsible for the present economic inflation and threatened collapse of our economic system.

This propaganda has sought to create the impression that in the postwar period labor has willfully precipitated wholly unwarranted strikes and has made unjustified demands for wage increases destructive of the national welfare. It has left entirely out of consideration the serious disadvantage workers have suffered through the break-down of price controls and the tremendous increase in living costs.

Mr. President, these harsh and unfounded charges are resented by the workers of the country. They feel that they are being made the victims of a vicious scheme to weaken and undermine their strength and render them powerless effectively to assert and defend their rights in the bargaining processes. Of course, we have had disputes and strikes growing out of wage demands since the war ended, but they have clearly been the result of economic conditions. No intelligent person can say that these industrial disputes have arisen because labor and management want them. Certainly they do not occur, as the pending bill would have us believe, because labor is unreasonable and monopolistic.

No Senator on this side of the aisle will dispute that there is need of some corrective legislation. At the last session of Congress I and many of my colleagues on this side of the aisle expressed a desire, as we have at this session, to cooperate in working out sound legislative reforms designed to render justice and equity to both labor and management. In the Labor and Public Welfare Committee of the Senate, while this bill was under study, the minority members indicated a desire to assist in writing a bill which would carry into effect the President's proposals for a fair, reasonable, and sound program of remedial labor legislation.

In his message to the Congress on January 6, 1947, the President recommended:

> We should enact legislation to correct certain abuses and to provide additional governmental assistance in bargaining. But we should also concern ourselves with the basic causes of labor-management difficulties.

The President outlined certain immediate steps to be taken, which will be discussed later during the consideration of this bill.

We all agree with the committee majority that legislation is desirable to remedy a number of evils which have developed, such as jurisdictional strikes and secondary boycotts; that something should be done about Nation-wide strikes in vital industries affecting the public interests.

We also agree that there should be some regulation of the right of supervisors to organize and bargain collectively with their employers, providing they do not belong to the union to which the production employees belong, or to any organization under the domination or control of a union to which the production employees belong. It should be admitted, however, that the long history of successful union activities on the part of supervisors in many industries refutes any suspicion of conflict with or betrayal of employers on the part of such supervisors; and that to outlaw such organizations will only lead to industrial unrest. When the bill was before the Labor and Public Welfare Committee, I supported many provisions designed to clarify and improve the collective-bargaining processes.

But, Mr. President, I reject the extreme features of this bill as destructive of industrial peace. Industrial disputes do not occur because leaders of labor or management want them. They do not occur, as the bill would seem to have us believe, because the National Labor Relations Board has three members rather than seven; or because mediation is carried on by a Conciliation Service in the Department of Labor rather than by a Mediation Service outside it, nor because some employers claim they are deprived of the right of free speech. These are not the causes of strikes, neither are the cures for strikes so simple.

There are those who speak of strikes as though they believed that workers like to strike. Such a notion is utterly without foundation, but, unfortunately, propaganda has led many people to believe this fiction. In any strike, be it successful or unsuccessful, it is the workers who suffer most. Workers do not forego their wages and jeopardize the welfare of their families for light or capricious reasons. To them, a strike is a matter of utmost urgency, to be undertaken only for the most compelling reasons.

Those reasons can be summed up in one word, "insecurity," the fear of want; the fear of unemployment; the fear of illness; the fear of industrial accidents; the fear of an impoverished old age; yes, and the fear that there is a movement on foot to break the the unions which have accomplished so much toward the expansion of industry and improvement of the standards of living of American workers.

The Congress must not make the mistake of making light of these fears. They hang over the American workman as a constant threat to his security and the security of his family. During the Democratic administration since 1933, a start was made toward removing some

of those fears; but only a start; yet, that start constituted a major contribution to improved labor-management relations.

The President has repeatedly called on the Congress to expand and modernize our social security, health, and welfare system; but his recommendations have gone unheeded.

When the average factory worker sees his earnings fall, as they did in 1945, from $47.50 to $40.77, in a few months, while the cost of living crept upward, is it any wonder that he tries to protect the standard of living of himself and his family by any legitimate means? Let the statisticians tell him that his wages were still higher than in 1939; he remembers that in 1939 there were 8,000,000 workers unemployed, with poverty and suffering in every corner of the land. He knows that $47.50 buys many things for his wife and children that $40 will not buy.

When the average worker sees the cost of living rise, as it did in 1946, by 15 percent in a few months, while his earnings rose only half as much, is it any wonder that he looks to a second round of wage increases to restore his lost purchasing power? Critics of workers' wage demands may tell him to wait for prices to come down, but he knows that he lives today by what his wages will buy today.

Last year, the coal miners were severely criticized on the floor of the Senate for demanding, through collective bargaining, a health and welfare fund. Since then, we have seen the tragedy of Centralia. We have heard a report by an admiral of the Navy describing the shocking neglect of health conditions in many of the Nation's mining communities. This comes as no surprise to those of us who for years have advocated modern health and welfare legislation for this country. But the Congress has neglected to pass such legislation.

Is it any wonder that the miners strike against such conditions? And what solution is offered to the country? Nothing to improve the health and welfare of the miners, or to assure their safety; but a prohibition is demanded against collective bargaining for health and welfare funds. As though that would insure industrial peace.

Today, the American workman hears on every hand rumors of pending "recession" or "depression." He hears it freely predicted that unemployment will rise—but maybe "only a few million." Is it any wonder if he takes the short view, if he demands increased earnings now, when industry is earning fabulous profits, rather than wait for the fulfillment of shadowy promises when prices come down? And businessmen, too, although profits are now high, ask themselves how long it will last, and whether they will be able to pay next year the wage increases they grant now. And what solution is offered to us? Nothing to forestall depression; nothing to stabilize our economy, or to cushion the shocks of depression when it comes; nothing to broaden or strengthen the protection against unemployment, sickness, or the poverty of old age. Merely a fruitless effort to blame all our postwar ills on the workers of the Nation; merely a reckless attack on the so-called monopoly of labor; merely a program to hamstring the unions and weaken their efforts to bargain collectively for what they cannot secure individually. As though that would insure industrial peace.

This is the central issue in management-labor relations. Management is uncertain of the future of demand, apprehensive of high costs and high prices, fearful of committing itself to production, price and wage policies based on sustained demand. Labor is insecure in the face of rising living costs and shrunken purchasing power, fearful that a recession may lead to unemployment. There are the basic causes of industrial disputes, and in this sense, full employment with maximum production and purchasing power should be both the objective and the solution of management-labor relations.

Nearly a year ago, in addressing the Senate when the Case bill was under consideration, I pointed out that the ordeal of war is invariably followed by a painful period of reconversion to peace. I reminded the Senate that the years 1919 and 1920 were filled with labor strife and economic disorder. As a matter of fact, there were nearly as many strikes, involving nearly as many workers in 1919 as in 1945–46, although the number of workers organized in unions was far smaller. I pointed out that if we had been wise and more foresighted, we would have profited by that hard lesson. We would have provided means for helping labor to reconvert to postwar conditions as we provided liberal means, at the cost of billions of dollars to the Government, for helping business to reconvert.

But we did not. On the contrary, with haste that was reminiscent of the regime of so-called normalcy in the 1920's, we cast aside our responsibility for an orderly return to a peacetime economy. While we were still in the throes of industrial strife over wages, we ignored the President's warnings and proceeded to cripple price control beyond recognition and beyond recovery. It is not my purpose here to retrace the dreary history of the collapse of price control. When it became evident that control was fatally weakened by the action of the Congress, goods were withheld from the market in the expectation that they would command higher prices later on. Black-market operators became bolder. It became evident that controls were no longer workable and the President reluctantly ordered them abandoned.

What happened then was the most unrestrained burst of price increases that we have any record of in this country. The cost of living shot up 15 percent in 6 months—two and one-half times as much as in the preceding 3 years. Wholesale prices rose 25 percent in the same 6 months—nearly three times as much as in the preceding 3 years. Not only meat—which some people seem to regard as a luxury in this land of plenty—but bread and milk, and clothing prices, rose sharply. Bread is up 35 percent in a year; milk 25 percent; and clothing 20 percent. Incomes did not rise as fast, so there was nothing for people to do but to buy less. Now we see the result: 8 percent less food is being bought now than a year ago; 10 to 15 percent less milk; 15 percent less clothing and other soft goods. By wrecking price control, we have literally taken food out of the mouths of our people.

I remember the prophecies of those who argued for abandoning controls. "Let prices go," they said. "They will go up for a while, and then come down as supply catches up with demand." Well, supplies are at an all-time high and so are prices. Half of the prophecy was right. When controls were lifted, prices did go up, faster than they had ever gone up before, and then they went up some more. And while wages were rising slowly, in hopeless pursuit of relief from high prices, profits soared as never before in time of peace.

Let those who would try to blame the price increases on labor's modest wage gains have a look at the profit statements of the various industrial corporations. The profits of the last part of 1946 show that it was not wages that sent prices up. The profits of industrial corporations before taxes in the fourth quarter were approximately one-third of the wages of all industrial workers. Now add to all this the fact that the profits in the first quarter of 1947 are so much larger than those of 1946 that conservative business journals have referred to them as embarrassing.

As the consequence of these fantastic increases in prices and profits, we are now faced with the threat of recession. In his economic report to the Congress in January, the President said:

> Chief among the unfavorable factors is the marked decline in real purchasing power of great numbers of consumers, resulting from the large price increases in the second half of last year. Maximum production and employment this year would yield a substantial increase in the available supply of consumer goods and services, especially in the area of durable goods. This requires higher real purchasing power to take the goods off the market.
>
> If prices and wage adjustments are not made—and made soon enough—there is danger that consumer buying will falter, orders to manufacturers will decline, production will drop, and unemployment will grow unless consumers resort to large additional borrowing and use of past savings to buy the increased supply of goods. These temporary expedients are limited in power and even if available would merely postpone the day of reckoning.

Recently he has repeated that warning in even more emphatic terms. Businessmen are repeating it to each other, as they wait for the storm to break. And yet prices continue to rise.

Should we expect American workmen to sit supinely by and fail to assert their rights? Indeed no. That is not the way of a free people. Workers have sought through their unions to redress their grievances through collective bargaining. They have asked for increased wages to meet increased prices and costs of living. As the worker sees the situation, industry, after a long period of high prices, had bulging treasuries while labor was being forced to live on a thin diet due to lack of adequate wages.

Yet, in seeking to find relief from some of these problems, labor is attacked by some groups as unpatriotic; labor is being denounced as a vicious monopoly

seeking to disrupt and destroy our American system and substitute in its stead labor dictatorship.

But I tell the Senate this is a misreading of the facts. The danger to free enterprise in our country comes not from labor but from misguided industrial management which fails to recognize and improve its human relations with the public—that is its workers and its customers as human beings.

As long ago as 1938, the editorial columns of Fortune magazine preached a pretty good sermon on this subject. That magazine pointed out that American business, while asserting its rights, has been overlooking some of its responsibilities. In the June 1938 issue of Fortune magazine, I find the following:

The fact is that in operating the capitalist economy, American business has consistently misappropriated the principles of democracy. American business has made use of those principles to its own enormous profit, but it has failed entirely to grasp the social implications of its profit making. As representing the capitalist economy, business has an obligation to build a workable economic system. But by 1932, it was evident that it had failed to do this. It had failed, and it has since failed to provide them with a livelihood, to say nothing of democratic opportunity. And in so failing it has created a class of persons for whom income and sustenance are more immediately important than the preservation of those political assumptions upon which business grew to power.

So, in the break-down of the economics of free capitalism, business is confronted with a realistic political fact: Namely that a majority of the American people, with the penniless third as a nucleus, are beginning to measure the virtue of their Government mainly in terms of the guaranties it makes concerning their income. * * *

The path ahead of American business is indeed a narrow path but it is perfectly clear. If the principles of democracy and of private enterprise are to be preserved, it is evident that private enterprise must admit into its affairs, as representative of the people, a government profoundly concerned with the successful operation of the economic system.

It should in the future be the object of business not to obstruct Government intervention at any cost, but to see to it that the intervening Government is enlightened in economic matters.

Commenting on the foregoing editorial from Fortune, the Washington Daily News of May 24, 1938, said:

Even though Fortune will be charged with being a traitor to its class and with picking on a sick man, we think that the more of those in business who read the article, the better it will be.

Business in this country today is divided into two groups. One, and unfortunately the smaller, has come to realize that the world does move; that the only thing certain in life is change; that we are 20 years behind England for example, in accepting such principles as collective bargaining and social security, and that to go against the tide is to drown. The other is the nostalgic delegation, dreaming of the good old days, yearning for the high-collared past, hating Roosevelt but not realizing that Roosevelt after all is just a potent sign of the times, and serving on the committees that write the resolutions at the annual meetings of the United States Chamber of Commerce.

If the first group could only get busy and vocal to the extent of selling the second that it's time to wake up, the futile fight between business and government might be turned into an harmonious advance toward better days and finer democracy.

But, Mr. President, instead of recognizing the need of sound labor-management relations and aiding in the strengthening of the bargaining processes which have been set up in this country, there are some in this country, aided and abetted by the National Manufacturers Association, seeking to encourage the passage of drastic labor laws which will crush, or at least seriously cripple, labor organizations. While we see these forces at work, we also observe the continued advance of industrial concentration and dangerous monopolistic practices which threaten our system of free enterprise.

As the Federal Trade Commission stated on July 1, 1946, to the House Small Business Committee:

In the opinion of the Commission, the present, and still growing, concentration of economic power in the United States constitutes today's greatest domestic challenge to the American theory of competitive enterprise, and, along with it, all that is embodied in the meaning of the somewhat intangible, but nonetheless real, meaning of "the American way of life" and "freedom of economic enterprise." * * * Large corporate consolidations make cooperation within each industry or trade group easier and lead inevitably to cartel organizations in America as well as Europe * * * We do not have to wait years (when it may be too late to take corrective action) for a practical demonstration of the effects of cartelization on our economic and political life. The experience in Europe, which will be repeated here if monopoly is not adequately controlled, is spread on the record for all to see. The story of the supergovernment of I. G. Farben is a good example of what can happen here.

Also private supergovernment in industry leads almost inevitably to political supergovernment.

Let me cite a few facts, as reported to the Senate Small Business Committee, on how far concentration of economic control had gone prior to the outbreak of the war:

1. The 45 largest transportation corporations owned 92 percent of all the transportation facilities of the country.

2. The 40 largest public-utility corporations owned more than 80 percent of the public-utility facilities.

3. The country's 20 largest banks held 27 percent of the total loans and investments of all the banks.

4. The largest life-insurance companies accounted for over 81.5 percent of all the assets of all life-insurance companies.

5. The 200 largest nonfinancial corporations owned about 55 percent of all the assets of all the nonfinancial corporations in the country.

6. One-tenth of 1 percent of all the corporations owned 52 percent of the total corporate assets.

7. One-tenth of 1 percent of all the corporations earned 50 percent of the total corporate assets.

8. Less than 4 percent of all the manufacturing corporations earned 84 percent of all the net profits of all manufacturing corporations.

9. No less than 33 percent of the total value of all manufactured products was produced under conditions where the four largest producers of each individual product accounted for over 75 percent of the total United States output.

10. More than 57 percent of the total value of manufactured products was produced under conditions where the four largest producers of each product turned out over 50 percent of the total United States output.

11. One-tenth of 1 percent of all the firms in the country in 1939 employed 500 or more workers and accounted for 40 percent of all the nonagricultural employment in the country.

12. In manufacturing, 1.1 percent of all the firms employed 500 or more workers and accounted for 48 percent of all the manufacturing employment in the country.

13. One-third of the industrial-research personnel were employed by 13 companies. Two-thirds of the research workers were employed by 140 companies, and the remaining third were employed by 1,582 concerns. About 150,000 industrial corporations were without research laboratories.

These statistics are found in the report of the Smaller War Plants Corporation to the Senate Special Committee To Study Problems of American Small Business, entitled "Economic Concentration and World War II."

This concentration was still further increased during the war years. In 1939 firms with less than 50 employees accounted for but 34 percent of all the employees of American trade and industry and for 30 percent of the dollar value of the total pay roll. By 1943 the share of these small firms had shrunk to 25 percent of all employees and 19 percent of the total pay roll. On the other hand, in 1939 firms with over 1,000 employees accounted for 30 percent of the total employment and 36 percent of the total pay roll of American trade and industry.

By 1943 these figures had risen to 44 and 53 percent, respectively. The report of the Smaller War Plants Corporation which I referred to a moment ago states:

It is clear that during the war these large companies have come to dominate not only American manufacturing but the entire economy as a whole.

And now big business is using its war-increased strength to attain still greater concentration of power. As recently reported by the Federal Trade Commission, over 1,800 formerly independent competitive firms in the manufacturing and mining industries with assets valued at $4,100,000,000 have disappeared as a result of mergers and acquisitions since 1940.

The merger movement—

Says the report—

has been particularly pronounced since VJ-day. In the fourth quarter of 1945 it reached the highest level in the last decade and a half, and the trend is continuing at a relatively high level.

The Federal Trade Commission report goes on to say:

One of the outstanding characteristics of the current merger movement lies in the fact that most of the actions have consisted of the acquisition of small companies by large corporations.

In this connection, Mr. President, there appeared in the Washington Post this morning an article discussing the same subject. I refer to a column by Mr. Marquis Childs, which I ask to have printed in the RECORD at this point in my remarks.

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

GROWTH OF INDUSTRIAL MONOPOLY

(By Marquis Childs)

The visitor from Mars—and if we accept the word of our more romantic scientists, he may be here any day now—is bound to find many puzzling contradictions on our troubled planet. Here in the United States he is certain to be confused by the way in which the word "monopoly" is bandied back and forth.

It figures largely in the drive for restrictive labor legislation. The National Association of Manufacturers is spending a great deal of money on advertisements hitting at industry-wide bargaining. The public is being told that this is a monopoly of a little clique of labor leaders.

But, curiously enough, at the same time, we find the NAM growing red in the face with anger at anyone who dares to say that monopoly in the ownership of business is growing at a new and accelerated pace. It is only "left-wingers" and "collectivists" who would dare to say such a thing.

Specifically, Earl Bunting, head of NAM, attacks a report issued by the Federal Trade Commission. Now, the Federal Trade Commission is a respectable old-line agency that existed long before the New Deal was ever heard of. Yet Bunting interprets the report as sinister evidence that the FTC has been captured by "left-wingers."

The NAM president has chosen an odd way to refute the FTC report on the growth of monopoly. He, or his economists for him, takes the number of corporations that have been absorbed by merger since 1940 and compares it with the total number of business firms. Thus he reaches the conclusion that, at this rate, it would take a thousand years to monopolize American industry and therefore we are perfectly safe.

In so doing, he ignores the major conclusion of the report. That was the fact that the 1,800 companies which were merged with larger companies represented 5 percent of the total value of all manufacturing corporations. Most of those mergers took place in the last 2 or 3 years.

The total number of companies is not the important point. The important point is that 5 percent, which is not to be derided as the bogey of left-wingers and collectivists. Five percent is a sizable chunk of our economy. The threat of merger and absorption is a very real one to thousands of smaller businesses throughout the country.

Name calling is so silly and futile. It is always the last resort of a man with a bad case or a bad conscience.

Senator JOSEPH C. O'MAHONEY, of Wyoming, is no left-winger. He has been fighting for the past 10 years to keep the free-enterprise system free by keeping it competitive. He has had the courage to say that the giant corporations are in reality collectivism—a kind of private socialism. And being wise in the ways of politics and human behavior, he knows that private socialism will sooner or later in a democracy become public socialism.

O'MAHONEY and Representative ESTES KEFAUVER, of Tennessee, have a bill before Congress which would stop one of the loopholes in our antitrust laws. The law, as it stands today, says that one corporation may not acquire the stock of another where that would help to create a monopoly. It says nothing about acquiring the physical assets—plants and machines—of another corporation.

Most of the mergers in recent years have been by the latter method. The O'Mahoney-Kefauver bill would close that gap.

If Congress is going to attack the labor monopoly by law, as the NAM wants, then Congress cannot very well ignore the monopoly that exists in many fields of business. There seems to me to be little point in arguing which monopoly came first. Industry-wide bargaining may have grown up because of the existence of industry-wide trade associations and industry-wide price-fixing. But like the argument over which came first, the chicken or the egg, this is irrelevant.

"Now is the time," said NAM President Bunting, "to clean out the system changers from the temple of government." As Senator O'MAHONEY sees it, the system changers are those who would monopolize all business and thereby prepare the way for the all-dominant state.

Mr. MURRAY. Nearly three-fourths of the total number of firms which have disappeared since 1940 have been absorbed by larger corporations with assets of more than $5,000,000. The Federal Trade Commission report concludes:

The figures indicate conclusively that the major impetus behind the current merger movement had been the desire of giant corporations to consolidate their wartime gains and to expand the scope of their domination through acquisitions of smaller, independent enterprise.

It is this type of monopoly, not the so-called labor monopoly, which is the great menace now confronting our free-enterprise system.

On February 17, 1947, on the floor of the Senate, this menace to our country was commented on by the able Senator from Wyoming [Mr. O'MAHONEY] in connection with pending legislation seeking to protect our free-enterprise system, when he said:

Everybody agrees that the concentration of economic power is a menance to what we popularly call the American way of life, but the concentration of economic power proceeds year by year, month by month, and even day by day.

The magazine America, a publication noted for its fairness and impartiality in treating public questions, under date of April 26, 1947, says:

When you stop to think of it, this is an astonishing phenomenon in a country whose businessmen worship at the shrine of free enterprise and whose legislators are never too busy to spare time for the problems of small business. It is doubly astonishing these days when there is so much righteous talk in industrial circles about the huge labor monopolies which are strangling the country, and so much fear about the spread of collectivism abroad. You would think that this competition-conscious country would be exceptionally sensitive right now to the first faint signs of monopoly, that the press would be alert to expose and condemn the slightest tendency toward anticompetitive amalgamations, that politicians would be trust-busting up and down the Middle West as in days gone by, raising the specter of Wall Street.

Mr. President, I think it is clear that if labor has become "big" it is not for the purpose of destroying our American system and substituting in its stead a labor dictatorship. On the contrary, labor has been obliged to grow in size and strength in order to survive—in order to cope with big business and to maintain democratic rights for workers in industry.

Mr. President, this is a subject which has been before the country for many years. Back in 1938, when we were going through a recession, the magazine Fortune made a study of the problem of the growth of monopoly in America and pointed out the great dangers which confronted us in this field. An article on the subject is found in Fortune magazine for June 1938, entitled "Business and Government." It proposes that the trend should be reversed and that means should be found to bring about a decentralization of business in the United States. It reads as follows:

BUSINESS AND GOVERNMENT—A DIVISION OF INDUSTRY INTO SMALLER UNITS MIGHT RESULT IN SOME SURPRISING PROFITS

In the progress of mankind there are times for everything. There was a time for the Dark Ages, another for the Renaissance, another for an industrial revolution. There was a time for the building of America, for the creation of bigger markets and bigger pay rolls, and, inevitably, bigger industrial units. And that is our time. In our time men have been conditioned to the idea of bigness. They believe that to grow big is almost of necessity to progress. They believe that the expansion of American enterprise necessarily involves the corporate expansion of its units. And they are taught that the corporate expansion of the units should result in bigger profits, individually and to the economy as a whole.

But it is possible to question this: not that our time has been wrong, but that it may be time for something else. It may be time to reexamine our ideas of progress in the light of where we wish to go. It may be time to weigh the notion that there is some necessary connection between economic expansion and corporate bigness. It may be time to wonder whether profits and the national income would not be bigger if the corporate units of industry were not so big.

Consider what has been happening.

American business was founded upon the principle of free competition, maintained through free markets. But during the era of bigness, when American business was, so to speak, winding up, the units of business became so big that they developed a fear of price wars; they dared not compete against themselves, and no one dared to compete against them. There consequently emerged the superunits — well-defined industrial groups whose members act in concert and whose aim is not price competition but, on the contrary, price stabilization. The efforts of the superunit produce the reverse effect of the competitive effort. When the market falls off the superunit tries to keep prices up. And often it does not consider it advisable to lower prices until recovery actually sets in.

Now, this technique of bigness, involving the artificial control of prices and other basic factors, is a collectivist technique. And the operation of the collectivist technique has created for business a precarious situation. Business has carried collectivism so far in its private affairs that its affairs are no longer private, but by the bigness of their impact, public. It is untenable, indeed, to suppose that the policies of the steel industry with regard to prices, production, and employment are strictly private matters. These policies involve directly 570,000 employees, $976,000,000 of annual pay rolls, and a $5,000,000,000 investment. They have repercussions throughout most of business, affecting at least remotely millions of people and eventually the entire economy. But inasmuch as they impinge upon and invade the sphere of public welfare, they impinge upon and invade the functions of Government. By its very office, Government must intervene. And the method of intervention which is easiest and most obvious, and which was encouraged during NIRA days by businessmen themselves, is the method of direct regulation—of price, for instance, of production, of profit itself.

Thus collectivism in industry begets collectivism in Government. And if this is not

collectivism as practiced in the so-called collectivist states, it is only a couple of theoretical steps removed from it. Carried to its extreme, it means the downfall of the economy upon which American business has been reared; the perversion of the democratic order; the destruction of the right to risk and profit; and—all too easily—the loss of those civil liberties that are at present based upon the principle of the limitation of governmental power.

Last month, in the New Deal: Second Time Round, Fortune predicted that new forces within the administration were about to assert themselves. They began to assert themselves, indeed, while the February issue was on the presses, and they have since become known as the New Deal's antimonopoly program. From the beginning, the precise nature of this program has been ambiguous, and the purpose of the two business-and-Government articles in this issue (What Do They Mean: Monopoly? and Robert H. Jackson) is to clear up the ambiguity as far as possible. Whether the program will result in any immediate moves it is impossible to predict—indeed, it would seem that the only prediction that can safely be made concerning the New Deal at present is that it will sooner or later have to spend a great deal of money. But even if antimonopoly is merely a program for the long pull; even if its immediate results turn out to be nothing more substantial than a congressional investigation for the preparation of legislation and the streamlining of the antitrust laws, it merits the attention of business. For the basic purpose of the program is to stop the progress of collectivism and to turn business back to the democratic, competitive order. Only thus, it is argued, can Government also return to its original, democratic principles.

But here it is necessary to state flatly that any scheme to break down American industry into smaller units must inevitably fail if it cannot show a profit. This has been the trouble all along with Government policemanship. It is true that businessmen must operate within the limitations of the public welfare; but they must also and simultaneously operate within the limitations of the profit-and-loss statement. The businessman is of necessity uncooperative toward those regulations that disregard the logic of profits, or that limit so severely (and he might add, unfairly) the possibility of profits that the capital with which he is entrusted is in danger. This is a principle that men sitting in their offices in Washington are prone to underrate, with the result that the laws they promulgate cause misunderstanding, fear, uneasiness, resentment, and elaborate evasions that reach the goal—i. e., profit—by devious and even underground means.

But with this point firmly in mind it is permissible to inquire whether business could conceivably profit by a transformation of itself. And the answer, of necessity perfunctory within the present limitations of space, would seem to be that some of it could. If the winding-up process of the last 70 years has been an extremely profitable process, there is no reason to suppose that an unwinding process could not be profitable too. Indeed, the greatest obstacle in visualizing the possibilities inherent in such a reversal of the economy would seem to lie chiefly in a habit of mind that has conditioned every businessman to think of mergers as inevitably more profitable than the sum of their constituent units.

There is no question but that this has often proved to be true. The making of a merger on paper is one of the most exciting games in the world just because the potential increase in profit is enormous. Comparative balance sheets show that inventories, cash, and fixed-asset requirements for one big company would be considerably less than for several small ones. Expenses can be slashed everywhere—on paper. Managements can be unified, buying can be done in quantity, distribution can be made more efficient. It all yields wonderful copy for the prospectus writer. But the enthusiast forgets how many mergers have failed to work, and how many more have succeeded only after 10 or 15 yeras of disappointing earnings. In 1919 Arthur S. Dewing examined 35 industrial mergers and showed that, after 10 years of operations, the average earnings of 22 of them were less than the previous combined earnings of their constituent units. Only four of them realized promoters' estimates in their first year of operation, and only two of these kept the record unblemished for 10 years.

Dewing's table is too old to be taken literally today, and unhappily the depression makes a fair examination of recent mergers extremely difficult. But the principle is clear that few mergers do what they are supposed to do. There may be water in the capitalization. Management trouble may develop; management loses contact, becomes impersonalized and confused, indulges in grandiose schemes and unprofitable appendages. Almost certainly some of the units develop losses, and these are carried for years because of some special situation in the capital structure, or because the company is obligated, or maybe just because the management refuses to admit defeat. These losing units suck up the earnings. The return on invester capital dwindles from a projected 10 percent to 5, to 3, maybe to less than 1; and if in the meantime a big funded debt has been acquired, the company may become ossified—a problem child of the expansion economy.

In an accompanying article the problem of bigness is discussed from the point of view of Government, and the various schemes there suggested for breaking up bigness are Government schemes. But the theme here is not that of Government, but of business. And the standard here suggested is simply the profit standard. If American industry should undertake to unwind itself it would naturally begin with the unprofitable enterprises. Speaking theoretically, there seems to be no good reason why General Motors, for example, should be in the business of vacuum cleaners and the business of electric refrigerators, besides the automobile business. But General Motors makes a handsome profit, and hence, strictly from the business point of view, the burden of proof lies on him who argues that it ought to be broken up. On the other hand, there are a number of big combines that have not shown decent earnings for years. Their preferred stocks may be in arrears from $20 to $60; they yield nothing to the investor; their very size is a liability. Companies in this fix are hereby invited to examine themselves, to see whether everybody concerned would not profit if they were unmerged into their constituent parts.

Not as a concrete example, but merely to illustrate the general point, imagine a combine, A, simplified by the absence of funded debt. Suppose that it is susceptible to a logical dissolution into three moderate-sized operating companies, B, C, and D. Suppose that the most profitable enterprises are put into B, the medium ones and the losers into C and D. The original shareholders in this event receive three certificates for their old one, the B certificate representing an extremely prosperous enterprise, the C and D certificates representing speculative ones. Suppose that both of these speculations fail and that the C and D certificates become worthless. Nevertheless it is almost inevitable that the B certificate will be worth more than the original A stock. In actual practice, of course, C and D might be set up with special considerations, so that they would not be certain losses, but outside chances. The correct determination of such factors would be a question of proper balance.

But besides a profit to shareholders, there would be other profits. Management would profit in that young men, up till then submerged under a hierarchy, might be given the chance of their lives at the head of the speculative C and D companies. And the chances of survival for these companies would thereby be improved. Wall Street itself would profit, for Wall Street would get the commissions on the reorganization and the reshuffling of the securities. And finally the national economy would profit, for if C or D goes bankrupt, bad investments have thereby been liquidated with the least possible disruption to business as a whole.

This Simon-simple A-B-C-D example is not put forward as a concrete suggestion, but as an illustration of the principle that a redemocratization of industry would not have to be done at a total loss. Moreover, it is important to make firm note of two points. The program suggested here is not aimed at bigness per se. The error of bigness does not lie in the gross sales, but in the net functions. How big does a business have to be to operate efficiently? The answer, of course, varies with every specific case, and in every industry. As a general rule, whenever a business can look into itself honestly and find that its shareholders would profit by a dissolution, then maybe it is too big. And as a general ideal, there should be enough units in every industry to preserve the competitive character of that industry pricewise. But these are highly theoretical considerations and would take years to work out. It has taken 70 years to build business up to its present collectivist peak. It might take 70 years to build another industrial order, the basically democratic order here suggested. The unwinding process would, of course, be enormously complicated by funded debts, debentures, preferred equities, minorities, and a thousand and one variations of each. But it is safe to say that if American business wanted to move in this direction it could move in this direction. And it is safe to say that, if accomplished by private initiative, the unbuilding might be highly profitable, and might indeed stimulate an actual expansion of business and an increase in the national income, comparable to the expansions and increases of the past.

If, on the other hand, businessmen wait for the United States marshal to grab them by the collar, the reformation of the economy is not apt to be healthy. In that event, the unbuilding process will simply degenerate into a dog fight in the courts. The same old cycle will establish itself. Government will sue, courts will hedge, Congress will legislate, and business will evade. And meanwhile what happens to the national income is all too easy to guess.

But, if, finally, neither business nor Government makes any moves whatever in the direction of breaking down industry into smaller, more compact, more mobile, and better earning units; if bigness is allowed to remain as the standard concept of the economy: then the American businessman, and the American politico, and in short all American citizens, must prepare themselves for a different order of things; an order in which the powers of Government are not limited; in which the right to risk-and-profit is not clear; and in which the making, the selling, and even the buying of the products of the biggest show in history are all mysteriously directed from above.

Mr. President, the figures quoted in the Fortune article from which I have just read have greatly increased for the period between 1938 and 1947.

Mr. President, at the hearings on the pending bill Hon. Harold E. Stassen, former Governor of Minnesota, and one of the leading Republican candidates for

the Presidency, who probably is one of the best informed men in the country on labor, protested against legislation which might break down labor. He pointed out that in our economy, labor must be maintained in a strong position in order to cope with industry and prevent a lowering of standards of living, and ultimate collapse and unemployment. He recognized, as we all do, that there is need for some legislation to correct abuses and to limit excessive powers, but he pointed out that we must not go too far. Instead of quoting his exact language from the record of the hearings, as it appears on pages 559, 570, 572, 575, and 576 of the hearings, I shall simply point out that on Tuesday, as I recall, the Senator from Florida [Mr. PEPPER] read into the RECORD in the course of his remarks numerous extracts from the testimony given by Mr. Stassen before the committee, so I shall not undertake to repeat those portions of his testimony at this time.

Mr. President, the wage patterns and the price patterns of American industry are determined, not by small business, but by the giants of industry—Big Steel, the Big Four meat-packing companies, the Big Three auto companies, and so forth—and by the small but powerful group of men who control them. We cannot leave industry big and make labor small without endangering the gains for which labor has fought for many decades, and for which our country is justly proud.

In this connection, I wish to comment briefly on the position taken by certain Senators who wish to prohibit industry-wide or area-wide collective bargaining, a position which the Labor Committee has wisely opposed. Industry-wide or area-wide bargaining is not a novel idea or even a New Deal innovation. Examples can be found as far back as the 1880's. It exists in one form or another in such important industries as the railroads, coal mining, shipping, shipbuilding, and hosiery.

There are two basic reasons for its development. One I have already indicated—namely, the ever-increasing concentration of American industry and business and the need for labor to achieve a bargaining position on a par with that of capital. The other reason is the natural desire of labor to standardize wages and working conditions throughout an industry or area in order to prevent work standards from being undermined by the marginal employers. Here let me quote from the testimony given by Governor Stassen before the Labor Committee:

> Clearly in some industries this is the only basis on which negotiations can be successfully conducted. One group of producers cannot very well make a change in working conditions unless their competitors are to make the same change. If we break up this bargaining it will also tend to cause labor to select some particular segment of a closely related industry, probably a weak segment, to make its test. This segment in turn will practically be prevented from reaching a settlement unless it is certain that its competitors will reach the same settlement. The result would appear to me to be more chaotic than even those we have experienced in the last year.

The PRESIDENT pro tempore. Will the Senator from Montana yield so that there may be a quorum call preceding the joint meeting with the House of Representatives? The Senator will be recognized when the Senate returns to its Chamber.

Mr. MURRAY. I yield for that purpose.

JOINT MEETING OF THE TWO HOUSES—ADDRESS BY THE PRESIDENT OF MEXICO

The PRESIDENT pro tempore. Under the order heretofore made the Senate was to recess at 12:15 o'clock today for the purpose of enabling Senators to attend the joint meeting with the House of Representatives, but it is necessary that the Senate recess at 12:10 o'clock instead of 12:15, and, without objection, the order will be amended accordingly.

The Chair announces that immediately after the joint meeting is concluded Senators will immediately return to the Senate Chamber, and the consideration of the pending business will be resumed. The Senator from Montana will be recognized. In the meantime, the Chair thinks a quorum should be called.

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

The PRESIDENT pro tempore. The clerk will call the roll.

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

Aiken	Hatch	O'Conor
Baldwin	Hawkes	O'Daniel
Ball	Hayden	O'Mahoney
Barkley	Hickenlooper	Overton
Brewster	Hill	Pepper
Bricker	Hoey	Reed
Bridges	Holland	Revercomb
Buck	Ives	Robertson, Va.
Bushfield	Jenner	Robertson, Wyo.
Butler	Johnson, Colo.	Russell
Byrd	Johnston, S. C.	Saltonstall
Cain	Kem	Smith
Capehart	Kilgore	Sparkman
Capper	Knowland	Stewart
Chavez	Langer	Taft
Connally	Lodge	Taylor
Cooper	Lucas	Thomas, Okla.
Cordon	McCarran	Thomas, Utah
Donnell	McCarthy	Thye
Downey	McClellan	Tydings
Dworshak	McFarland	Umstead
Eastland	McGrath	Vandenberg
Ecton	McKellar	Watkins
Ellender	McMahon	Wherry
Ferguson	Magnuson	Wiley
Flanders	Malone	Williams
Fulbright	Millikin	Wilson
George	Moore	Young
Green	Murray	
Gurney	Myers	

Mr. WHERRY. I announce that the Senator from Illinois [Mr. BROOKS] is absent by leave of the Senate to attend the funeral of his law associate.

The Senator from Pennsylvania [Mr. MARTIN] is absent by leave of the Senate.

The Senator from Oregon [Mr. MORSE] and the Senator from New Hampshire [Mr. TOBEY] are necessarily absent.

Mr. LUCAS. I announce that the Senator from South Carolina [Mr. MAYBANK] is absent by leave of the Senate.

The Senator from New York [Mr. WAGNER] is necessarily absent.

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

In accordance with the order heretofore entered, the Senate will now stand in recess, and proceed to the Hall of the House of Representatives for the joint meeting with the House to receive the President of the United Mexican States. Senators will return to the Senate Chamber immediately after the ceremony.

Thereupon (at 12 o'clock and 10 minutes p. m.) the Senate, preceded by the Secretary (Carl L. Loeffler), the Sergeant at Arms (Edward F. McGinnis), and the President pro tempore, proceeded to the Hall of the House of Representatives to greet and to listen to the address to be delivered by Hon. Miguel Aleman, President of the United Mexican States.

(For the address delivered by the President of Mexico, see House proceedings, p. 4378.)

At 1 o'clock and 3 minutes p. m. the Senate returned to its Chamber, and, the recess having expired, was called to order by the President pro tempore.

MEETING OF THE SENATE COMMITTEE ON FOREIGN RELATIONS

The PRESIDENT pro tempore. On behalf of the Senate Committee on Foreign Relations, request is made that the committee be permitted to sit tomorrow morning during the session of the Senate. Without objection, the request is granted.

LEAVE OF ABSENCE

Mr. McCLELLAN. Mr. President, I find it necessary to be absent from the Senate tomorrow, and I ask that I may be excused.

The PRESIDENT pro tempore. Without objection, the order is made.

LABOR RELATIONS

The Senate resumed the consideration of the bill (S. 1126) to amend the National Labor Relations Act, to provide additional facilities for the mediation of labor disputes affecting commerce, to equalize legal responsibilities of labor organizations and employers, and for other purposes.

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

The PRESIDENT pro tempore. The clerk will call the roll.

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

Aiken	Hatch	O'Conor
Baldwin	Hawkes	O'Daniel
Ball	Hayden	O'Mahoney
Barkley	Hickenlooper	Overton
Brewster	Hill	Pepper
Bricker	Hoey	Reed
Bridges	Holland	Revercomb
Buck	Ives	Robertson, Va.
Bushfield	Jenner	Robertson, Wyo.
Butler	Johnson, Colo.	Russell
Byrd	Johnston, S. C.	Saltonstall
Cain	Kem	Smith
Capehart	Kilgore	Sparkman
Capper	Knowland	Stewart
Chavez	Langer	Taft
Connally	Lodge	Taylor
Cooper	Lucas	Thomas, Okla.
Cordon	McCarran	Thomas, Utah
Donnell	McCarthy	Thye
Downey	McClellan	Tydings
Dworshak	McFarland	Umstead
Eastland	McGrath	Vandenberg
Ecton	McKellar	Watkins
Ellender	McMahon	Wherry
Ferguson	Magnuson	Wiley
Flanders	Malone	Williams
Fulbright	Millikin	Wilson
George	Moore	Young
Green	Murray	
Gurney	Myers	

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

The question is on agreeing to the amendment, as modified, proposed by the

Senator from Minnesota [Mr. BALL] for himself and other Senators.

The Senator from Montana is recognized.

Mr. MURRAY. Mr. President, at the time of the recess I was discussing the situation in the country with reference to centralization of business, growth of monopoly, and the need to preserve labor as a strong bargaining factor. I will now proceed with a discussion of the matters involved in the proposed legislation, such as the problem of collective bargaining and Nation-wide bargaining.

Mr. President, industry-wide or area-wide collective bargaining has generally worked well. A study by the Department of Labor, Monthly Labor Review, March 1947, reveals, for example, that in the pressed- or blown-glassware industry, one of the branches of glass and glassware having national bargaining, no major strike throughout the industry has occurred since collective bargaining began with an employer's association in 1888. Similar conditions have prevailed in the pottery industry since 1922. The experience of other industries has been equally satisfactory. Where labor disputes have occurred, it has not been because industry-wide or area-wide collective bargaining is practiced but because of the basic economic conditions to which I earlier referred. To eliminate or prohibit this form of collective bargaining would be to destroy the results of decades of experience and to run counter to a natural development inherent in our American economy.

The labor laws which we now have, with some appropriate improvements, such as have been suggested by the President, and in the minority report, can accomplish everything necessary to overcome our present labor difficulties. Of course, Mr. President, the underlying reasons, the basic causes of discontent and unrest among the workers of the country, must be eradicated. In his state of the Union message, delivered to the Congress January 6, 1947, the President recommended that—

> We should enact legislation to correct certain abuses and to provide additional governmental assistance in bargaining but we should also concern ourselves with the basic causes of labor-management difficulties.

The President went on to recommend a four-point program to reduce industrial strikes. Point 1 was the early enactment of legislation to prevent jurisdictional strikes and certain kinds of secondary boycotts, and to provide machinery for settling disputes concerning the interpretation of collective agreements through arbitration.

Point 2 was the extension of facilities within the Department of Labor for assisting collective bargaining.

Point 3 was the broadening of our program of social legislation to alleviate the causes of workers' insecurity. In this connection the President said:

> The solution of labor-management difficulties is to be found not only in legislation dealing directly with labor relations but also in a program designed to remove the causes of insecurity felt by many workers in our industrial society. * * * The Congress should consider the extension and broadening of our social-security system, better housing, a comprehensive national health program, and provision for a fair minimum wage.

Point 4 was the appointment of a commission to undertake a broad study of the entire field of labor-management relations.

The existing laws have been construed in the courts over the years and have become firmly embedded in our industrial system. The laws being proposed will simply create greater dissension and confusion and lay the foundation for endless litigation and bitterness between labor and management. This was pointed out at the hearings by a number of witnesses whose patriotism and standing in the country cannot be questioned. Such was the testimony of Gov. Harold E. Stassen, candidate for the Republican nomination for President of the United States.

Mr. President, no one contends that the labor laws of this country are perfect beyond need of improvement. I voted for proper changes in the committee and will support changes that are designed to correct any recognized weaknesses in our system of collective bargaining.

But, Mr. President, these improvements alone will not prevent the strikes that we all fear—no, nor all the prohibitions and boards and cooling-off periods and financial statements we can devise. Mr. President, I am neither a prophet nor the son of a prophet, but I want the RECORD to show that I sincerely believe this bill will provoke more disputes than it will ever settle.

A year ago, in debating the Case bill, the Senate was told:

> The Senate of the United States could much better afford to spend some time adopting amendments to the social-security laws and to the safety laws * * * than to sit here trying to figure out ways of placing strait-jacket restrictions upon free labor in America.

Those are not my words, but the words of the distinguished Senator from Oregon [Mr. MORSE], one of the best informed men on labor problems in the United States. They are as true today as when he uttered them.

Let us get down to the fundamentals of industrial strife. What have we done to improve labor-management relations or remove the causes of strife?

Has the Congress made a move to ward off the threat of depression? No, it has not. The Joint Committee of the Congress on the Economic Report found the President's warnings too controversial and laid his message aside.

Has the Congress broadened and strengthened our social-security and health laws? It has not. The majority party in Congress has been too much preoccupied with a program designed to make labor a scapegoat in the approaching depression, for which it is responsible.

Has the Congress given genuine tax relief to our workingmen? It has not. It has been too busy trying to keep rash political promises to big business and war profiteers.

Has the Congress raised minimum wages to bring them into line with 1947 living costs? It has not.

Has the Congress enacted a housing program which would give our people adequate shelter? It has not.

Has the Congress made an attack on the problems of real monopoly—the dangerous concentration of economic power and authority in the hands of a few who seek to dictate the kind of labor laws we should have? Of course the answer to that question is no. Economic concentration is advancing day by day.

I ask that a very able discussion of this matter by Robert E. Freer of the Federal Trade Commission appearing in the Washington Post of Monday, April 28, 1947, be printed in the RECORD at the close of my remarks.

The PRESIDING OFFICER (Mr. MCGRATH in the chair). Without objection, it is so ordered.

(See exhibit A.)

Mr. MURRAY. Mr. President, I think I can confidently say without fear of successful contradiction that Congress will not solve these problems of industrial discord and strife until it first solves the social and economic problems which are the basic causes of labor disputes. It is for this reason that the President has called for a commission to study these conditions before we attempt the enactment of far reaching labor legislation.

Mr. President, the report of the Twentieth Century Fund on Economic Trends which has just been released, points out that maintenance of our economic strength, preservation of our social gains, defense of our democratic system, and success of our foreign policy depend upon the continued growth of our productivity. This in turn depends more upon intangible, psychological factors than upon physical ones. Thus it poses a problem in the human relations of American industry. As a Nation we have spent billions of dollars on research in the physical sciences and have been well repaid in technological progress, but we have done comparatively little to develop the social sciences that deal with human relations and might guide us in finding the true reactions of American workers and consumers to this problem.

Mr. President, a business columnist, Mr. C. F. Hughes, whose column appeared in the business section of the New York Times of Sunday, April 27, 1947, made some serious comments on this subject. He refers to the economic conditions of 1920–37, comparing them to the present conditions now threatening deflation. He then goes on to say:

> What our critics see at present is that business which got into the dog house in 1932 and then retrieved itself so nicely by its war record, is now in imminent danger of being banished again. Business itself can raise the cry against labor and the farmers and the Government but it still cannot erase those profits statements. Last week, however, the labor-management agreements came through which for a time appeared doubtful. The steel settlement was followed by the automobile pact which will set the pattern for the industry. Thus labor peace seems assured in the basic industries in spite of pending legislation in Congress that stirs up furious union resentment.

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

Mr. MURRAY. I yield.

Mr. PEPPER. Has it not been the observation of the Senator from Montana that, generally speaking, in view of the fact that most of the strikes of importance occur over wages, when management approaches the wage question in a fair and conciliatory manner, as has frequently been done in recent weeks by some of the major industries, labor and management can get together and we can have industrial peace?

Mr. MURRAY. Mr. President, the Senator from Florida is exactly correct. That has been demonstrated time and again, and I think recent negotiations which have ended so satisfactorily to both sides prove that what the Senator just said is true.

The writer, to whom I referred a moment ago, also points out that the stakes involved now are far greater than in the period of 1920–37 by reason of the fact, as he states it:

> That the free-enterprise system here is engaged in a final struggle against the rival systems of totalitarianism and socialism. The stalling tactics of Russia at the Moscow Conference which has ended without results are attributed with good reason to a Soviet desire to await what happens here.

The columnist I have just mentioned is a well-known and highly thought of writer, a man of great ability, and a profound student of economic problems. I have been reading his column for many years, and I regard him to be very sound in his economic views.

Lower living costs, better and cheaper housing, higher minimum wages, more protection against unemployment and the hazards of illness, accidents, and old age—these are the basic remedies. Many intelligent businessmen recognize this and are calling for a more enlightened program to preserve our free-enterprise system.

In the New York Times of April 2, 1947, I find the following statement:

> In the grand ballroom of a big hotel in Chicago last week various speakers warned a meeting of the American Management Association that the future of the free-enterprise system depended upon business and industry improving their human relations with the public; that is, with their workers and their consumers as human beings. Top management was held to be fumbling the ball in this important and difficult field. In the lobbies of the same hotel and in the nearby business offices and streets of Chicago's famous Loop, the nerve center of the great Midwest industrial and agricultural regions which come together there, this reporter found strong support for such a view of the current public relations of the American economic system.

Mr. President, that is the consensus of opinion of a group of businessmen whose interest in the management-labor problem cannot be doubted.

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

Mr. MURRAY. I yield.

Mr. PEPPER. I am glad the Senator from Montana referred to that enlightened and forward-looking attitude on the part of some businessmen. No doubt their point of view is that business is already enjoying the highest profits it has ever gained in the Nation's history, and that if anything were done at the present time violently to affect the economy it would probably impair the very unprecedented prosperity which now prevails. Is not that the conclusion drawn by the Senator from Montana?

Mr. MURRAY. That is my conclusion drawn from my observation of the situation and confirmed by the statement published in the press in connection with the management meeting held in Chicago. There is a feeling among the members of management associations that something must be done to improve the relations between management and workers if we are to have industrial peace and high productivity, and a movement exists among them to bring about such improvement. I am satisfied that the forward-looking men in industry realize that if we are to have peace and prosperity and high production it must come about not by laws the purposes of which are to hamstring and break down the power of labor but by bringing about a better understanding and better spirit of cooperation between management and labor.

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

Mr. MURRAY. I yield.

Mr. PEPPER. It is admitted, I think by everyone, that the legislation now pending before the Senate represents a violent departure from our past national policy in the management-labor field. I will ask the Senator if it is likely that anyone today would advocate legislation the effect of which would be to increase the profits of management, which are already at unprecedented heights, and is it not almost inevitable that any violent change in the management-labor policy of the country will not only add to swollen profits but will inevitably beat down the wages of the workers, diminish the purchasing power of the workers, and contribute to the very depression which the Russians, as the Senator says, are expecting in the American economy?

Mr. MURRAY. Certainly not; and that seems to be the conclusion of all reputable economists. It is the conclusion of the Economic Council which has been established by the Congress under laws enacted last year. It seems to me that no one can look at the situation confronting our country today without realizing that unless we curb the expansion of monopoly, unless we make an effort to bring about a better and more equitable distribution of the proceeds of industry, serious conditions will plague us in the future. Undoubtedly if the conditions which prevail today continue, a serious recession, if not a serious depression, will occur which will create a very dangerous situation.

No fair-minded person can deny the conclusions stated in the New York Times article. What we need in this country is an end to the struggle between labor and capital for dominance. Only through a spirit of cooperation will we be able to overcome the dangerous economic difficulties confronting the country today.

Mr. President, let us act now to make those amendments which are justified and required and which the whole country will approve, and leave the questionable changes proposed for a more mature study under the commission to be set up as recommended by the President.

Many businessmen and a large section of the conservative press see this as the correct course to pursue. We cannot afford to mix statesmanship with hysteria. We cannot approach the delicate problem of labor relations in an atmosphere of emotionalism and confusion. Such a course was advocated by the Wall Street Journal when similar radical legislation was proposed in the Case bill, which the President was forced to veto last year. The Wall Street Journal, discussing the extreme provisions in the Case bill, said:

> None of the labor measures recently brought forward deals at all thoroughly with the fundamentals of national labor legislation. Any one of them, if enacted, would leave Federal laws on the subject a patchwork of inconsistent and partly conflicting provisions for the courts to struggle with. The real need is not of more law but of less. Of simpler and more precisely expressed statutes designed first of all to render men and groups of men equal before the law. Federal labor laws should be thoroughly revised and codified. Until it is ready to tackle that job in an atmosphere of relative industrial peace, Congress would do well not to legislate on labor.

Here we see one of the leading journals representing industry fearful that Congress may attempt to go too far in the field of labor legislation.

The truth of the Wall Street Journal observations is exemplified by an editorial appearing in the Evening Star of Friday, April 25, 1947, pointing out the lack of wisdom in the proposed abolishment of the Conciliation Service and setting up an independent agency in its stead. That editorial states:

> The reasons for this move are obscure. One theory seems to be that since the Department of Labor is charged with the duty of representing labor, a subordinate agency of the Department cannot function fairly in a mediatory role. Another argument is that the present set-up brings the Government into labor disputes in a partisan role.
>
> Actually, however, no evidence has been produced to show that the Conciliation Service has functioned either as a prolabor or as a political agency. On the contrary, there is much testimony on the record from spokesmen for management and labor that the Service as currently constituted has functioned impartially and effectively. One of the few recommendations upon which the President's labor-management conference of 1946 could agree called for reorganization of the United States Conciliation Service to the end that it will be established as an effective and completely impartial agency within the Department.
>
> The reorganization of the Service within the Department has taken place; its effectiveness is attested by the settlement of more than 13,000 disputes last year, and there is no complaint of partiality. So why take it out of the Labor Department? Another proposed change which deserves more scrutiny is the provision for a 60-day waiting period before a labor contract can be abrogated. At best, the usefulness of this is dubious, and many experienced negotiators believe that it actually makes more difficult the adjustment of disputes. * * *
>
> The Conciliation Service has been doing a good job. But Congress now is considering a reduction in its funds and a complete revamping of its organizational structure.

That is from the Washington Star, which is recognized as one of the leading independent newspapers of the country.

In conclusion, Mr. President, I wish to reemphasize some of the points which I have made in my remarks so far.

First, let me say no Senator on this side of the aisle will dispute the proposition that there is need of some corrective legislation in the field of labor-management controversy. The minority members of the committee have set forth in their statement of minority views the provisions of the bill which they believe to be constructive and acceptable. We agree with the President that there is need for an investigation of the whole field of labor-management relations. We believe that machinery should be set up for procuring adherence to collective-bargaining contracts. We think it is fair to provide that it should be an unfair labor practice for a union to interfere in the designation of employer representatives. We are of the view that carefully drawn legislation restricting jurisdictional strikes and unjustified secondary boycotts should be enacted. We think that employers in dealing with their employees are entitled to liberty of speech, which does not under the circumstances contain any threat of reprisal or force or offer of benefit. We believe that the clarification in the relations between Federal and State labor relations boards provided for in the bill represents a wise solution to a difficult problem. We recognize that there are other provisions in the bill which, either as they stand or with appropriate amendment, would improve procedures of collective bargaining.

The difficulties with the proposed bill do not arise out of any belief that the problems with which it deals are not proper subjects for Federal legislation. They go rather to the methods proposed for dealing with those problems and the remedies which are provided for violations of the proposed legislation. I think it is a serious mistake, for example, to remove the Conciliation Service from the Department of Labor. As I have said, I see no need for such a proposal, and I believe that it will have detrimental effects on the functions of the Government's mediation and conciliation activities. The great vice of the bill now before us is that while dealing with legitimate problems it strikes down legitimate rights and sets up illegitimate remedies.

I urge a more constructive approach to this important national problem to the end that we may bring about a spirit of genuine cooperation and an end to the senseless warfare between capital and labor which is demoralizing our whole economic system.

I urge that if we seek industrial peace we should proceed to the enactment of that character of legislation which is soundly devised to remedy clearly established abuses; legislation which will be consistent with the protection of labor's hard-won rights of organization and free collective bargaining.

EXHIBIT A

INDUSTRIAL MERGERS

(By Robert E. Freer)

DANGEROUS TREND TO MONOPOLY

(EDITOR'S NOTE.—Mr. Freer is a member of the Federal Trade Commission and a trustee of George Washington University.)

We have a declared public policy regarding monopoly that is rooted in the principles of the common law and which has been embodied in and implemented by a series of antitrust statutes, including the Sherman and Clayton Acts. But in the dynamic development of industry based on modern technology, the facts of concentration constantly tend to outrun the law.

The factual diagnosis showing the relation of corporate mergers to concentration is as complete and as exact as specialists in the field can make it. Today's choice is one between legislative action recommended by the Federal Trade Commission to plug a loophole in the present laws against such mergers and continued frustration of our declared public policy.

Simply stated, the Commission's proposal is that the Clayton Act be so amended that acquisition by a corporation engaged in interstate commerce of the assets of a competing corporation also engaged in interstate commerce be made unlawful where the result tends to monopoly. Presently only stock (not asset) acquisitions so tending are unlawful under that act, and legal actions against even such unlawful acquisitions easily may be defeated.

More than 1,800 formerly independent manufacturing and mining concerns have been swallowed up through merger and acquisition since 1940. Their combined asset value was $4,100,000,000, or nearly 5 percent of the total asset value of all manufacturing concerns in 1943. Moreover, it was the larger corporations, each having assets of over $5,000,000 (in many instances achieved through earlier acquisitions), that accounted for some three-fourths of these recent 1,800 acquisitions.

The war contributed powerfully to the trend of concentration. Government purchases and Government financing of productive facilities were channeled predominantly into the hand of corporations which already occupied positions of dominance. Surplus profits created by such channeling have contributed powerfully to the trend by providing funds for additional wartime and postwar expansion through acquisition of former competitiors. Out of $175,000,000,000 of Government contract awards between June 1940 and September 1944, $107,000,000,000, or 67 percent, went to only 100 of the more than 18,000 corporations receiving such awards. During the war 68 corporations received two-thirds of the $1,000,000,000 appropriated by the Government for research and development purposes in industrial laboratories.

The most recent information on the wartime growth of concentration available from the Bureau of Internal Revenue shows that the larger manufacturing corporations, those with assets of $50,000,000 or more each, increased their share of total assets from 42 percent in 1939 to 52 percent in 1943.

The degree of prewar concentration in the economy as a whole and in manufacturing industries in particular was stated in the report of the Senate Small Business Committee, submitted in January 1946:

The 200 largest nonfinancial corporations owned about 55 percent of all the assets of all the nonfinancial corporations in the country. One-tenth of 1 percent of all the corporations owned 52 percent of the total corporate assets. Less than 4 percent of all the manufacturing corporations earned 84 percent of all the net profits of all manufacturing corporations.

More than 57 percent of the total value of manufactured products was produced under conditions where the four largest producers of each product turned out over 50 percent of the total United States output. One-tenth of 1 percent of all the firms in the country in 1939 employed 500 or more workers and accounted for 40 percent of all the nonagricultural employment in the country. One-third of the industrial research personnel were employed by 13 companies.

More mergers and acquisitions in the manufacturing and mining industries took place in 1946 than in any of the previous 15 years. In 1946, the number of mergers were 26 percent above the number in 1945, and 225 percent above the annual average of the years 1940–41. Years of greatest business activity and high-price levels are the years in which the greatest number of mergers take place. In 1920, the number of mergers increased more than six times over the number during 1919.

The stock market crash of 1929 which heralded the onset of the great depression was preceded by a great wave of corporate mergers and a wild speculation in their securities. Today speculation in the future of merged concerns, supported by war-swollen profits, is again operating as one of the important causes of the present upward trend in merger activity. This speculation, which stems from the expectation of greater profits resulting from the elimination of formerly competing concerns, leads inexorably to the elimination of our competitive economy and thus to the elimination of the possibility of legitimate speculation.

Assuming as we must that the Government, acting in the general public interest, can, if Congress so directs, prevent the further growth of monopolistic power through mergers of competing corporations, the question is one of ways and means of halting mergers that tend toward monopoly regardless of whether consummated by sale of stock or of assets.

When section 7 of the Clayton Act was passed in 1914, it was assumed that consummated monopolies could be dissolved under the Sherman Act, pursuant to the Supreme Court's decrees of dissolution in the Standard Oil and American Tobacco cases decided in 1911. It was assumed that the only remaining problem was how to prevent the formation of monopoly.

However, about the time that the Federal Trade Commission began to institute a number of proceedings for enforcement of section 7 the Supreme Court interpreted the Sherman Act to mean that huge size and power acquired through acquisition of competing corporations did not necessarily violate the act and that it was only the abuse of such power and not its existence which would make such acquisitions unlawful. A few years later when the Commission's cases under section 7 reached the Court, it was held that the Commission had no power under section 7 to halt the incipient monopolies where the unlawful acquisition of stock was followed by an acquisition of the physical properties without which the stock had no value, and where this was done before the Commission could complete the hearings and enter its order requiring divestiture of the stock unlawfully acquired.

The practical status of section 7 is that no matter how unlawful an acquisition of stock in a competing corporation may be, the remedy provided by the statute easily can be defeated, leaving the acquiring corporation in possession of the assets which are the fruits of its unlawful acquisition of stock. And if the assets are acquired directly without any intervening acquisition of stock, as has become the prevailing method, there has never been any legal ground for a contention that this was prohibited under section 7.

Thus the brave start, under the Clayton Act, has ended in complete frustration. And at the same time, the Sherman Act has been so construed that it seldom has served to unscramble corporate mergers, no matter how great the size and power of the acquiring or of the consolidated corporation. The contrast between the rapid evolution of economic concentration of power and the feebleness and slowness with which effective legal remedies have been and are being applied is striking. It is sufficient to call in question the reality of our faith in the validity of the competition presupposed by the free-enterprise competitive system.

A paradoxical aspect of this problem is that while corporate mergers and acquisitions proceed unrestrained and unrestrainable by law toward an ultimate maximum in unified ownership and concentrated economic power, we still enforce the law against the more transient and more vulnerable forms of trade restraint represented by price agreements and conspiracies among competitors. The process of corporate acquisition proceeds side by side with such forms of trade restraint among competitors. The presence of large-scale unified ownership in any industry is a most powerful guaranty of success in the operation of a price-fixing combination among the competitive units of that industry. The very success of law enforcement against such combinations highlights the advantage of unified corporate ownership as a legally invulnerable means of accomplishing similar ends. Carried to its logical result, there will probably be less and less opportunity to score victories against price-fixing combinations as corporate mergers immune from legal attack take their place.

No one has summarized the danger of monopoly any better than President William Howard Taft, under whose administration some of the most far-reaching antitrust actions of all time were taken. On December 5, 1911, he stated:

"When all energies are directed not toward the reduction of the cost of production for the public benefit by a healthful competition, but toward new ways and means for making permanent in a few hands the absolute control of the conditions and prices prevailing in the whole field of industry, then individual enterprise and effort will be paralyzed and the spirit of commercial freedom will be dead."

The facts of the present situation constitute an increasing threat not only to our traditional antitrust policy but also to the American system of free competitive enterprise which that policy is designed to foster and to protect.

MESSAGES FROM THE PRESIDENT

Messages in writing from the President of the United States were communicated to the Senate by Mr. Miller, one of his secretaries.

MESSAGE FROM THE HOUSE

A message from the House of Representatives, by Mr. 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 Senate to the bill (H R. 2157) to define and limit the jurisdiction of the courts, to regulate actions arising under certain laws of the United States, and for other purposes.

REORGANIZATION PLAN NO. 1 OF 1947—MESSAGE FROM THE PRESIDENT (H. DOC. NO. 230)

The PRESIDENT pro tempore. The Chair lays before the Senate a message from the President of the United States transmitting so-called Reorganization Plan No. 1 of 1947. The message is of considerable length. Without objection, it will be printed in the RECORD and referred to the Committee on Expenditures in the Executive Departments, together with the accompanying paper.

There being no objection, the message, together with the accompanying paper, was referred to the Committee on Expenditures in the Executive Departments, and the message was ordered to be printed in the RECORD.

(For President's message, see today's proceedings of the House of Representatives on p. 4380.)

REORGANIZATION PLAN NO. 2 OF 1947—MESSAGE FROM THE PRESIDENT (H. DOC. NO. 231)

The PRESIDENT pro tempore. The second message from the President of the United States on the same general subject transmits so-called Reorganization Plan No. 2 of 1947, which, without objection, will be printed in the RECORD and referred.

The question of reference at this point is not so simple as in the other case. We again collide with one of those situations under the Reorganization Act in which several different references might be argued. In the opinion of the Chair, however, since Reorganization Plan No. 2 refers entirely and exclusively to the Department of Labor, this message should be referred to the Committee on Labor and Public Welfare, and, without objection, that order will be made.

There being no objection, the message, together with the accompanying paper, was referred to the Committee on Labor and Public Welfare, and the message was ordered to be printed in the RECORD.

(For President's message, see today's proceedings of the House of Representatives on p. 4382.)

FIRST DEFICIENCY APPROPRIATION BILL, 1947—CONFERENCE REPORT

Mr. BRIDGES. Mr. President, I submit a conference report on House bill 2849, the first deficiency appropriation bill, 1947. It is important that the conference report be acted on this afternoon, because several payments, such as those to veterans are being held up until the report is agreed to. I therefore ask unanimous consent for its present consideration.

The PRESIDENT pro tempore. The clerk will read the report for the information of the Senate.

The legislative clerk read the report, as follows:

The committee of conference on the disagreeing votes of the two Houses on the amendments of the Senate to the bil. (H. R. 2849) making appropriations to supply deficiencies in certain appropriations for the fiscal year ending June 30, 1947, and for other purposes, having met, after full and free conference, have agreed to recommend and do recommend to their respective Houses as follows:

That the Senate recede from its amendments numbered 25, 26, and 79.

That the House recede from its disagreement to the amendments of the Senate numbered 1, 2, 3, 4, 5, 6, 7, 8, 9, 10, 11, 12, 14, 15, 16, 18, 19, 20, 21, 22, 23, 24, 33, 37, 38, 39, 40, 43, 44, 45, 46, 47, 48, 50, 51, 52, 53, 54, 55, 56, 57, 58, 59, 60, 61, 62, 63, 64, 65, 66, 67, 68, 69, 70, 71, 72, 73, 74, 75, 76, 77, and 78, and agree to the same.

Amendment numbered 13: That the House recede from its disagreement to the amendment of the Senate numbered 13, and agree to the same with an amendment as follows: In line 7 of the matter inserted by said amendment strike out the figure "$20,000" and insert in lieu thereof "$15,000"; and the Senate agree to the same.

Amendment numbered 17: That the House recede from its disagreement to the amendment of the Senate numbered 17, and agree to the same with an amendment as follows: In lieu of the sum proposed by said amendment insert "$282,500"; 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: In lieu of the sum proposed by said amendment insert "$626,000"; 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: In lieu of the sum proposed by said amendment insert "$60,825"; and the Senate agree to the same.

Amendment numbered 29: That the House recede from its disagreement to the amendment of the Senate numbered 29, and agree to the same with an amendment as follows: In lieu of the sum proposed by said amendment insert "$200,000"; and the Senate agree to the same.

Amendment numbered 30: That the House recede from its disagreement to the amendment of the Senate numbered 30, and agree to the same with an amendment as follows: In lieu of the sum proposed by said amendment insert "$350,000"; and the Senate agree to the same.

Amendment numbered 31: That the House recede from its disagreement to the amendment of the Senate numbered 31, and agree to the same with an amendment as follows: In lieu of the sum proposed by said amendment insert "$260,000"; and the Senate agree to the same.

Amendment numbered 32: That the House recede from its disagreement to the amendment of the Senate numbered 32, and agree to the same with an amendment as follows: In lieu of the sum proposed by said amendment insert "$2,934,425"; and the Senate agree to the same.

Amendment numbered 34: That the House recede from its disagreement to the amendment of the Senate numbered 34, and agree to the same with an amendment as follows: In lieu of the sum proposed by said amendment insert "$4,000,000"; and the Senate agree to the same.

Amendment numbered 35: That the House recede from its disagreement to the amendment of the Senate numbered 35, and agree to the same with an amendment as follows: In lieu of the sum proposed by said amendment insert "$350,000"; and the Senate agree to the same.

Amendment numbered 36: That the House recede from its disagreement to the amendment of the Senate numbered 36, and agree to the same with an amendment as follows: In lieu of the sum proposed by said amendment insert "$164,631,000"; and the Senate agree to the same.

Amendment numbered 41: That the House recede from its disagreement to the amendment of the Senate numbered 41; and agree to the same with an amendment, as follows: In lieu of the sum proposed by said amendment insert "$17,000"; and the Senate agree to the same.

Amendment numbered 49: That the House recede from its disagreement to the amendment of the Senate numbered 49, and agree to the same with an amendment as follows: Restore the matter stricken out by said amendment amended to read as follows: ": *Provided*, That not exceeding $42,000,000 of the funds appropriated under this head shall be available for providing the necessary water transportation and transportation facilities including surplus ships which may be made available"; and the Senate agree to the same.

Amendment numbered 80: That the House recede from its disagreement to the amendment of the Senate numbered 80, and agree to the same with an amendment as follows: In lieu of the sum proposed by said amendment insert "$1,925,675"; and the Senate agree to the same.

Amendment numbered 81: That the House recede from its disagreement to the amendment of the Senate numbered 81, and agree to the same with an amendment as follows: In lieu of the sum proposed by said amendment insert "$4,529,350"; and the Senate agree to the same.

The committee of conference report in disagreement amendment numbered 42.

STYLES BRIDGES,
C. WAYLAND BROOKS,
CHAN GURNEY,
JOSEPH H. BALL,
KENNETH MCKELLAR,
CARL HAYDEN,
MILLARD E. TYDINGS,
Managers on the Part of the Senate.

JOHN TABER,
ALBERT J. ENGEL,
KARL STEFAN,
FRANCIS CASE,
FRANK B. KEEFE,
CLARENCE CANNON,
JOHN H. KERR,
Managers on the Part of the House.

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

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

LABOR RELATIONS

The Senate resumed the consideration of the bill (S. 1126) to amend the National Labor Relations Act, to provide additional facilities for the mediation of labor disputes affecting commerce, to equalize legal responsibilities of labor organizations and employers, and for other purposes.

Mr. PEPPER. Mr. President, the pending amendment simply adds to the restrictive provisions affecting labor organizations which already appear in the bill. It tends to weaken, even to a further extent than does the bill itself, the effective power of labor organizations to represent the workers. It adds an additional harassment to labor organizations in their efforts to protect their members as the working people of the country. Let me affirm that that is the general character of the bill itself, and I shall show what is the background of the bill to which it is proposed that this amendment shall be added.

The majority report, on page 3 thereof, gives a rather fair general summary of the provisions of the bill. I read from the report:

> The bill is divided into four titles: Title I amends the National Labor Relations Act to achieve the purposes to which reference has been made. Title II creates a new Federal Mediation Service, which transfers the functions of the Department of Labor in the field of conciliation, along with the property and personnel of the present Service. It also provides special procedures for the Attorney General and the President to utilize in national emergencies. Title III gives labor unions the right to sue and be sued as legal entities for breach of contract in the Federal courts. Title IV establishes a joint committee of the Congress to make a long-range study of certain aspects of labor relations, concerning which further information was thought desirable by the committee. Title V contains definitions.
>
> The major changes which the bill would make in the National Labor Relations Act may be summarized as follows:
>
> 1. It eliminates the genuine supervisor from the coverage of the act as an employee and makes it clear that he should be deemed a part of management.

Mr. President, I interpolate at that point that what it does, in substance, is to deny to supervisory personnel, whom we usually think of as foremen, the right of collective bargaining, the right of making common cause against management in order to better their wages and working conditions. It denies to the supervisor class what I contend is essential industrial democracy. We have never contended that a foreman should have a right to become a member of the union to which the employees en masse belong. I think of a foreman as related to the industrial organization, as being like a sergeant in the Army; I recognize the necessity for certain distinctions between even noncommissioned officers and those who serve in the ranks in our armed forces; but, Mr. President, to exclude foremen from membership in the union to which the mass of the workers belongs does not mean that we have to deny to the foremen the right to make common cause to better their common lot. Yet that is what this bill essentially does. It denies foremen the right which they presently enjoy in that respect, because, under the present rules of the National Labor Relations Board and under the decisions of the United States Supreme Court, today foremen are protected by the National Labor Relations Act. They have the right of collective bargaining. They have the power to require the employer to recognize their rights under the Wagner Act. But they are denied, under this provision as stated in the summary set forth in the report, the protection to which I have adverted.

That does not mean that they do not have the right of bargaining together with the employer, provided he recognizes them or provided they may enforce that kind of cooperation, but it does mean that they do not have the right, which they have today, to become a collective-bargaining group under the National Labor Relations Act. So there is another patent instance of a deprivation, through the measure now pending before the Senate, of the rights of workingmen which they now enjoy under the law, under the practices of the National Labor Relations Board, and under the decisions of the highest Court of the land.

I read again from the majority report:

> 2. It abolishes—

That is, the bill which the committee recommends to the Senate—

> It abolishes the closed shop but permits voluntary agreements for requiring such forms of compulsory membership as the union shop or maintenance of membership, provided that a majority of the employees authorize their representatives to make such contracts.

There, again, the bill does nothing to management; it diminishes no right that management has under the present law in that respect, but it takes away from the workers the right of the closed shop, the right of insisting upon the closed shop in collective bargaining, because the bill, as I have just read from the committee report, abolishes the closed shop.

More than half the collective-bargaining agreements now in effect in the United States are closed-shop agreements. Approximately 4,800,000 workers were covered by closed and union shop with preferential hiring provisions in 1946 compared to 4,250,000 in 1945. Union-shop clauses without preferential hiring covered almost 2,600,000 workers in 1946 compared with 2,000,000 in 1945. The closed shop has come to be recognized as an essential instrument on the part of the workers to protect their standards of wages and working conditions. It is primarily for the protection of the worker. Yet, I read again from the committee report, that the bill presented to the Senate by the committee abolishes the closed shop.

It does permit a kind of union security arrangement; it permits a kind of a union shop; but only, Mr. President, when the majority of the employees authorize their representatives to make such contracts. It does two things: First, it changes the existing law. Under the existing law, if a bargaining agent has been chosen by a group of workers in a lawful way, that agent can enter into a contract with management for a closed shop, if management is agreeable to such a provision in the contract. That is free enterprise; that is freedom of contract; that is truly free collective bargaining. The agent of the workers duly chosen as their collective-bargaining agent, and chosen in accordance with the rules of law and under the regulations and supervision of the National Labor Relations Board, labor's representative, speaks for labor in bargaining with the employer; and of course the stockholders' representatives, duly chosen, speak for the stockholders.

Those representative agencies got together in the past and worked out collective-bargaining agreements, and, as I have said, in more than half of the collective-bargaining agreements now in force there is a provision recognizing the closed shop. I say, Mr. President, that the closed shop was arrived at in a democratic way; that management and labor had a right, and they should have in the future such a right, to agree to such a provision in the contract. Yet the bill, as the committee says, abolishes the closed shop. It denies to the parties to the contract the right to write the contract according to their best judgment.

Mr. President, I thought Senators said they believed in free enterprise. I thought they had claimed that they are the champions of the entrepreneur system in our economy, the system of initiative by individuals in working out

things that they deem to be to their own interest and to the public interest.

Yet the pending measure would deny to management and labor the right to write their own contract. Is not that an undue intervention into the affairs of management and labor? There are many instances where management would not give up the closed shop, because it has found it to be to the best interests of the enterprise. Yet, the Senate of the United States is asked by its committee to outlaw that kind of a provision in a contract between management and labor, however freely it may have been entered into between representatives of the two groups.

Mr. MAGNUSON and Mr. TAFT addressed the Chair.

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

Mr. PEPPER. I yield, first, to the Senator from Washington.

Mr. MAGNUSON. Mr. President, I wish to ask the Senator from Florida whether such a provision does not in itself have some features of illegality? In effect, that provision of the law would say to you and to me that we cannot write a contract that is legal in itself, thereby denying us our fundamental legal rights.

Mr. PEPPER. Mr. President, it seems to me inescapable that that is the effect of the proposal to which I have adverted.

I now yield to the Senator from Ohio.

Mr. TAFT. Mr. President, I wish to point out that the Senator did not object, however, to the fact that the law prohibited an employer and an employee from writing a contract which precluded the employee from joining a union. That certainly is a limitation of contract. Furthermore we do not hesitate to limit contracts if what is contracted for is against public policy.

Mr. PEPPER. Mr. President, I contend that it is not contrary to public policy to let the representatives of labor and the representatives of management write a contract governing their relationships and governing employment conditions in a given industry. I think the workers have a right to determine the standards and conditions upon which they will work in an industry; and I think that management, as a proprietor, likewise has a right to determine what the conditions shall be; and when the two agree upon mutually satisfactory conditions, I do not deem it to be in the interest of public policy that the Congress declare what they have done to be illegal.

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

Mr. PEPPER. I yield.

Mr. TAFT. I wish to point out that we have long since outlawed the so-called yellow-dog contract, in which two men, perfectly willing to do so, sit down together and make a contract for the employment of the prospective employee, and he contracts that he will not join a union. We said that was against public policy, so we outlawed it. We limited the freedom of contract in that case.

So why should not we also limit the freedom of contract, if we wish to do so, if we think that is the proper policy, in the case of a man who sits down with a labor leader and says, "I will employ nobody in my plant, I will exclude millions of people who may want to work for me, unless you say I can employ them, unless they are members of your union." Certainly it is perfectly within the range of public policy to say that that limitation on the right of contract, not between the individual workingmen and the employer, but between a man who happens to be president of a labor union and the employer, is against public policy. As a matter of fact, in the pending measure, we do not go that far. But I can see no legitimate argument, from the Senator's point of view, that this is in any way an interference with the free right of contract.

Mr. PEPPER. Mr. President, I should like to try to answer that argument of the Senator from Ohio. The yellow-dog contract was, generally speaking, a contract between one prospective employee and management, the heads of which represented all the stockholders, and were chosen by the stockholders, and they represented the concerted power of all the dollars which were invested in the particular enterprise. Ordinarily that was the case, and that one man was required to enter into a contract to the effect that he accepted as a condition of employment in that enterprise the giving up of what I regard as an essential civil right which he had as a citizen to enter into contracts with other people, to enter into relations with other people, that might be desirable to him. In support of my point I cite the opinion of the Supreme Court in *J. I. Case Co.* v. *National Labor Relations Board* (321 U. S. 332):

> The very purpose of providing by statute for the collective agreement is to supersede the terms of separate agreements of employees with terms which reflect the strength and bargaining power and serve the welfare of the groups.

I make a distinction, therefore, and then I wish to make a second point; and then I shall yield further to the Senator from Ohio. I make a distinction between a case where the chosen representatives of management sit down with the chosen representatives of labor and agree to general conditions governing the relationship of those two groups, and the laying down of conditions with respect to other people not parties to the contract, and who, I insist, have no inherent right to become a party to the contract or a member of that enterprise. I distinguish that case from the case set forth by the Senator from Ohio, where management, representing all the dollars invested in the enterprise, makes as a condition to the right of one man to work in that enterprise his giving up of a civil right, which I believe he has, namely, the right to associate himself with other people in a labor union, or the right to do other things he believes to be for his best interests.

Therefore, Mr. President, I lay down the premise and the proposition that the two cases are not analogous, but that there is legitimate reason to strike down the case cited by the Senator from Ohio as being against public policy, because in that case the man signing the contract is made to give up the right which he has to join a union. But in the case to which I refer, the two groups are merely permitted to get together to agree that all the workers in the given plant shall belong to the union, that the management will recognize the union, and that everyone who works in the plant must meet the condition which they jointly have laid down, namely, membership in the union. I submit that that is a valid distinction.

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

Mr. PEPPER. I yield.

Mr. TAFT. Let me call the Senator's attention to another limitation of contract, namely, the Wagner Act itself. Can the Senator from Florida imagine any greater limitation on the right of contract than the Wagner Act, which says that an employee cannot deal with his employer except through someone whom he may not recognize as in any way representing him? The Wagner Act says that employee A cannot enter into a contract with his employer B, but that the employer must deal with someone elected by a majority of the employees, against whom employee A may have voted when he had a chance to vote on the question of electing persons to represent him. Can the Senator from Florida imagine any greater limitation on the right of contract than an act which says that A, an employee, a free American citizen, cannot even go to his employer and make a contract with his employer about the terms of his employment?

Mr. PEPPER. Mr. President, there, again, I urge that there is a distinction; and I remind the Senator from Ohio that before the Wagner Act was passed, an individual stockholder in a corporation had no legal right to negotiate about corporate affairs with the employees of the company. The law has already determined that when the stockholders acted with respect to the employees, they had to act through their chosen representatives; they could not act individually and in that way make a contract.

All that the Wagner Act was doing was putting the two on a basis of parity, recognizing that if $1,000,000 was speaking through the president of a corporation, if an arrangement were not made so that the employees could likewise act cooperatively and speak through their representatives, there would not be equality and fairness of bargaining between the two groups.

On this point the United States Supreme Court pointed out, *National Labor Relations Board* v. *Jones & Laughlin Steel Corp.* (301 U. S. 331), that a single employee generally was helpless in dealing with the employer on whom the employee was dependent for his daily wage for support. Union was essential to give laborers opportunity to deal on an equality with their employer.

So, Mr. President, I remind the able Senator from Ohio that long before the Wagner Act ever was passed, a stockholder had absolutely no power or right to enter into a contract about terms of employment with the workers in an enterprise in which he was a stockholder.

That right was submerged into the management of the corporation, which had to be chosen in a representative way.

So we did not do for the individual worker anything which had not long before been done for the individual stockholder, except we tried at long last to put the two groups on something like an equal bargaining basis.

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

Mr. PEPPER. I yield.

Mr. TAFT. I do not think the two are in any way analogous. But I wish to say to the Senator that I am not arguing against the principles of the Wagner Act; I am merely pointing out that in the discussion of labor relations we have limited the right of contract in the case of a particular contract which is against public policy. So, on the question of the closed shop, or the limitation of the right of the closed shop, we are not plowing any new ground.

I wish to suggest to the Senator also that the Railway Labor Act has worked very well, and it contained a prohibition against the closed shop. That prohibition has been in effect for years in the railroad industry, and the Senator has never protested, so far as I know, against that provision of the Railway Labor Act.

Mr. PEPPER. No; I have not protested against that, because, apparently, the workers have been satisfied with the law under which they operate. It has had a long history, and evidently it has worked out all right. Nor has the Senator from Ohio offered any amendment to any other provision of the Railway Labor Act, so far as I know. We have accepted that act as it was written, unless some initiative came to us from one group or the other. I think the act is working satisfactorily.

But I also desire to remind again the able Senator that more than half the collective-bargaining agreements now in effect, and there are millions of workers covered by them, contain a provision for the closed shop, and they are also working all right.

I should like to read a paragraph from a bulletin of the Bureau of Labor Statistics called Union Security, published in September 1946:

> The first step toward "union security" may be said to have been accomplished when an employer voluntarily, or following National Labor Relations Board certification, recognizes the union as sole or exclusive bargaining agent of the workers in the bargaining unit of the plant. Following recognition, the employer and union, or their representatives, enter into collective bargaining to determine the terms and conditions of employment, including union security going beyond simple recognition. The position of the union is based upon the simple proposition that all workers who share the benefits of the collective agreement should at the same time share the costs and obligations of the union. Membership in good standing in the union is regarded as the principal obligation. For the most part, management has opposed union security because it has feared that the control over the supply and quality of its labor force would thereby be placed in the hands of the union. However, the thousands of union agreements which contain union security provisions of one type or another afford ample evidence of the fact that employers and unions have, through the process of collective bargaining, found a basis for reconciling their differences.

Just as I am not trying to change the Railway Labor Act, I oppose the effort of the Senator from Ohio and those who are associated with him, to outlaw those agreements which are already in effect, and that principle which has had such wide recognition in industry, and which I believe is meeting the test of experience and efficacy in our economy.

Mr. HAWKES. Mr. President, will the Senator from Florida yield?

Mr. PEPPER. I yield to the Senator from New Jersey.

Mr. HAWKES. The Senator from Florida is extremely well informed on labor laws and the Railway Labor Act, and I wish to call to his attention an incident that came to my attention regarding the attitude of union leaders.

About 30 years ago, I was told by Mr. Alexander Whitney himself, a large group of railway employees met at convention in Cleveland and a resolution was presented to the convention which in simple terms provided that no one should be permitted to work on a railroad unless he became a member of one of the railroad brotherhoods. The president of the organization was present, and before there was a chance for adoption of the resolution he stepped to the front of the platform and said, "I ask the gentleman who has made the motion to withdraw it, because I consider it inimical to the best interests of the men working on the railroads. The American people do not want the closed shop. They do not want anything forced on anyone. I ask that the motion be withdrawn, or in the event of its not being withdrawn, I ask for its defeat, because in my opinion our great objective in the railroad brotherhoods should be to make our unions so good, and make them deliver so much of value to the membership, that we will not have to force men to join, but they will join because they want to become members and receive the benefits."

I am merely repeating to the Senator what Alexander Whitney, who is well known to him and to me, a man I have known for a number of years, told me himself. He is old enough to have been at the convention, and he recited what happened. The resolution providing that no one could work on a railroad unless he belonged to one of the unions was withdrawn.

Mr. PEPPER. I thank the Senator from New Jersey. He always makes a valuable contribution to a discussion.

I realize that there is a difference of opinion about the matter of the closed shop. I want Senators also to know that I come from a State where a constitutional amendment has recently been adopted outlawing the closed shop. I voted against it, and I declared publicly against it when it was up for consideration. I am still against it. I think it is bad law, that it is undesirable public policy. What rather surprises me about the distinguished Senator from Ohio, and some of the other Senators associated with him in sponsoring the pending legislation, who come from the large industrial States, is that I do not know of any of the large industrial States—and I should be glad to have any called to my attention—which have adopted any constitutional amendment or enacted any legislation outlawing the closed shop. I come from the South, where I regret to say, we have not yet gained as large an organized labor force as I hope we shall have, where our attitude toward labor organizations is not always as sympathetic and understanding as I wish it were.

I readily admit that many of the Southern States have adopted constitutional amendments outlawing the closed shop. But I am a little surprised to see the effort now to outlaw it nationally come from Senators representing some of the great industrial States, which could have outlawed the closed shop if they had chosen to do so, but have not.

As I have said, Mr. President, I do not know of any of the large industrial States where difficult problems of management and labor are constantly dealt with, where there has been a long record of experience in this field, where either by constitutional amendment or by legislation the closed shop has been outlawed. Nor has the Congress done so in the past. We have left it up to the parties.

I am aware, of course, that the present law does not require any employer to enter into a closed-shop agreement. The National Labor Relations Act at the present time does not require any employer to enter into a closed-shop agreement with his workers. It is a matter of free collective bargaining. Freedom of contract is allowed. Freedom of agreement is permitted to management and to labor. But if, in the exercise of their discretion if, because they mutually agree that it is desirable and in the public interest, they put such a provision in a contract, it is legal today, and it will continue legal unless the pending bill shall become the law of the land, in which case it will be outlawed.

Mr. President, I protest against that kind of policy. I protest on the part of management, as well as on the part of labor, because management does not have to enter into the contract unless it chooses to do so.

Mr. LUCAS. Mr. President, will the Senator from Florida yield?

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

Mr. LUCAS. Was there any evidence before the committee disclosing the position of any part of management upon the closed shop?

Mr. PEPPER. There is a difference of opinion.

Mr. LUCAS. I understood that there was a difference of opinion upon the question.

Mr. PEPPER. In some instances management opposes it very strongly, and in other instances management has the closed shop; its experience has been completely satisfactory, and it would not give it up today.

Mr. LUCAS. I asked the question in view of the statement made by the Senator that, after all, it was a matter of voluntary agreement between the two as to whether or not they would have a closed shop.

Mr. PEPPER. I will say, Mr. President, as I showed a while ago, that the

proportion is about two-thirds to one-third, but I am correct in saying that more than half the collective-bargaining agreements in force have the closed shop as part of the contract. That fact indicates that the employers must have found it agreeable.

Mr. LUCAS. They can either have the closed shop or they can deny the right of the closed shop, depending upon collective bargaining, and what the two parties agree upon.

Mr. PEPPER. Exactly, and I maintain that is as it should be, and that we will have a greater degree of industrial peace following that method than we will have by disrupting the policy which has been in effect for more than a decade, ever since the National Labor Relations Act was enacted. I say that we will have more work stoppages as a result of trying to tear up those contracts and remake them under the restraints the bill contemplates—and I shall refer to them later—than if we leave the situation as it is at the present time, and profit by the experience we have already gained.

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

Mr. PEPPER. I yield.

Mr. KNOWLAND. I think the Senator has made a very able argument, insofar as those cases are concerned, in which management and labor sit down together and formally negotiate such a contract as the Senator has outlined. That is true collective bargaining. But I am sure the Senator would not want to leave the impression that there have no been situations of a far different kind, in which, instead of there being true collective bargaining, there has been in effect "collective bludgeoning," in which representatives of labor organizations have gone to employers, when every single employee has indicated that he does not care to belong to a labor organization, and by a process of "collective bludgeoning," to use that term again, have told the employer that unless he signs a closed-shop contract there will be no future deliveries of materials to his factory or his plant. That is certainly far from being collective bargaining in the sense that the able Senator from Florida has outlined it here today.

Mr. PEPPER. I thank the Senator. Yes, of course; the case he puts is different from the one I contemplated. But is not the able Senator from California thinking of the boycott case, in which a group of employees other than employees involved in negotiations with their employer, through the boycott, use their economic pressure upon the employer to make him enter into a certain kind of contract with his employees?

Mr. KNOWLAND. There are a number of cases of that kind, but the end result is the same. If, instead of negotiating in the true collective-bargaining spirit, a union agent goes to the employer and lays a contract on his desk and says, "Whether or not a single one of your employees is interested in joining the union, you will sign this, or else," there is not in that case collective bargaining in the sense that the able Senator from Florida has in mind. It is because of that type of situation rather than the type outlined by the able Senator from Florida that legislation is believed to be necessary at this time.

Mr. PEPPER. I thank my distinguished friend from California, but I respectfully submit that the Senator overlooks two factors. The first is, he said "The contract is laid before the employer, regardless of whether any member wishes to join the union or not," or something to that effect. I respectfully submit that that case is not likely to occur often, if it ever occurs, for the reason that a collective-bargaining agreement does not result unless ordinarily it is a case in which the union, or the employees, through a free election supervised by the National Labor Relations Board, have chosen a bargaining agent, and then, when they have chosen the bargaining agent, the agent has sat down with the employer and entered into negotiations leading toward an agreement. So, as I see it, there is, as a premise, a union. The employees had a union, or they choose a collective-bargaining agent if they did not have a union, and then the agent entered into negotiations with the employer.

The second point is that not long ago the National Labor Relations Board, in a case coming up from Florida, the St. Petersburg Times case, held that labor was under a duty to bargain in good faith with the employer. Although the pending bill recites that it is the duty of employees and employers to bargain with each other in good faith, that is not necessary, and as I understand it, it adds nothing to the law as laid down by the National Labor Relations Board in that case. The case made it clear that the employees had to bargain in good faith, in a true collective-bargaining spirit, with the employer. Of course, the Board has in the past required the employer to observe the same standard. I cannot say, of course, what is the discharge of that duty by employees or by employer; that is a matter of degree, but I think we are coming to a recognition of the fact that when any party to a dispute merely takes an adamant position, refuses to hear argument or to consider merit, marches in and throws something down, sits down in a chair and freezes up, and says, "Take it or leave it," that is not collective bargaining or the part of either management or employees.

But I am assuming, and I think I am correct in assuming, that the law today is as I have stated it; and I am saying that more than half the collective-bargaining agreements now in effect evidently have included closed-shop or union-shop provisions, and I suppose most of them have been renewed from time to time; management has found them acceptable and satisfactory. If it has, then it has a right to enter into them again, and should not be denied the right by the pending bill. If it wishes to get rid of the collective-bargaining agreement, it can do so when the contract runs out. If it wishes to get rid of the closed shop, it does not have to renew a contract containing that provision, when the contract runs out; and that is, in my opinion, the privilege which it should have.

If the Senator had in mind that the workers will use their economic pressure upon the employer to get him to enter into that kind of contract, I freely and frankly admit that it is true. But I had a case here, when I spoke, day before yesterday, from which I read the opinion by Mr. Chief Justice Taft. I read it to my able friend from Ohio, so that he might hear it, and hear it again; because I thought as fine a statement was laid down by President Taft, who was then Chief Justice of the United States, as was ever made by any judge, in which he said labor organizations had the right, and workers had the right, to use the economic power that they have, the right to quit work even, to better themselves in their relations with their employer. So I am sure the Senator from California would not deny to workers the lawful use of their economic power, which would include even the right to stop work. I realize, as I said, that there is a difference of opinion about the matter, and I never have intentionally quarreled with anybody who takes a contrary opinion about anything. I ascribe, of course, to other Senators and other citizens the right to their views, and I know they are just as sincere in them as I hope they will credit me with being in respect to mine. I know this is a controversial subject, but I have never seen it exactly the way many see it. I see it largely this way: I see it from the point of view of the great number of working people in a given plant, or in the country as a whole. Other Senators see it in terms of what they believe to be the just rights of an individual man or woman who comes to a plant, wishes to get a job, and is told, "You cannot get a job, unless you belong to a union." If Senators look at the matter from the viewpoint of the greatest good for the greatest number, which is a basic principle of democracy and certainly the faith of my party, then I believe there will be achieved the greatest good for the greatest number by recognizing the right of the greater number to organize themselves into a bargaining unit, to choose representatives, to have their representatives sit down with representatives of capital employed in the particular enterprise, and work toward an agreement which will be mutually satisfactory. In my opinion, such a provision as the closed shop should be a permissible portion of such agreement.

I see, as I said, what it means to the workers. I see better wages, and I see, Mr. President, better working conditions. I do not like to advert to it, but I plowed on a farm for 65 cents a day. I worked in a steel mill 12 hours a day, 7 days a week, and that was minor compared to what many men in the darker days have had to do. I do not claim that mine was any especial hardship, but, as one looks back to the dark economic days in this and in every other industrial country in the world, he looks upon those periods sometimes with shame, always with regret that we did not earlier come to a recognition that we shall all get along better if we give men and women better wages and better working conditions, and a fairer share of the income of an enterprise.

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

Mr. PEPPER. I yield to the Senator from New Jersey.

Mr. HAWKES. I want to join the Senator in the statement that any American, or anyone else, engaged in business today who is not interested in the welfare of the workers of the country is not fit to be at the head of an organization.

Mr. PEPPER. That is a characteristic statement by the Senator from New Jersey.

Mr. HAWKES. The only difference between the Senator's opinion and mine possibly is that I think the result can be accomplished better by maintaining freedom of the right to work. I want to tell the Senator something, if he would like to have me do so.

Mr. PEPPER. Gladly.

Mr. HAWKES. A few years ago—I should say about 7 or 8 years ago—there came to this country the president of the Railway Clerks Union of England. If I remember correctly, his name was Brown. His union had a membership of 90,000, which is a union of considerable size for England. He made a speech in Philadelphia in which he said he was very strongly opposed to the closed shop because, in his opinion, it destroyed the rights of the individual members of the organization to better conditions and improve the quality of leadership. He said, "Unless the members of my union have the power to resign without losing their jobs, they cannot effectively protest against my poor leadership." He further said, "I believe the future welfare of the working people lies in having good, intelligent, law-abiding leadership."

I am sure the Senator from Florida agrees with that statement.

Mr. PEPPER. I thoroughly subscribe to it.

Mr. HAWKES. I wish to say another thing to the Senator from Florida, because I agree with what he has just stated. We all have our own ideas. I have no feeling against anyone who honestly differs with my viewpoint. Immediately after I was elected to the Senate, not more than 3 or 4 days thereafter, I received a letter signed by 18 union men in Paterson and Passaic, N. J., and this is what they said in their letter:

DEAR SENATOR: We are glad you were elected. We all voted for you.

We are 18 union members who belong either to the A. F. of L. or the CIO.

The letter continued:

We want our right to organize. We want our right to bargain collectively. We want our right to strike lawfully in order to show our resistance against unfair treatment.

What follows is the main point of their letter, and I consider it to be a remarkable statement:

But we do not want dictators in labor leadership any more than we want dictators in the United States Government, and we are looking to you, my dear Senator, to help relieve us of that dictatorship.

The Senator from Florida has a very keen mind, and a very thorough understanding of this subject, and I am always interested in listening to him.

Mr. PEPPER. I thank the Senator.

Mr. HAWKES. I do not pretend that every view I may hold or every belief I may entertain is infallibly correct. All of us, I believe, are trying to do a decent job in the interest of humanity and the workingman, who, after all is said and done, is the salt of the earth and the backbone of America. The workingman of today under our great system, if he is thrifty and saving and persevering, can become the capitalist of tomorrow. Mr. Lincoln said that, and if it was true when he said it it is equally true today. But I think the greatest thing we have to do, far greater than any law which may be passed, is to try to reestablish respect between worker and management, employer and employee, and to build it on a foundation of justice. The Senator's ideas and mine might differ as to what would constitute justice, but, in my opinion, it should go just as far as it can go and fit into the economic circle. In other words, there must be profits which are paid upon capital. Capital, if it is honest capital, is nothing in the world but stored up labor. It is something, or ought to be something, that came from work in the past. Some fairness must be found in the economic circle for capital, in order to make it come out for venture investment, unless there is to be resort to Government ownership and socialism. Enough must be found in the economic circle for labor, to stimulate labor and make it feel it is being treated fairly and to make the individual workers believe they are adequately paid for their service. But, above everything else, respect must be established between employer and employee.

I have broken into the discussion without having marshaled my thoughts, but I wish to leave an idea with the Senator from Florida and the other Members of the Senate. I have talked with thousands of laboring men. The thought I wish to leave with the Senate is that after we get through with the pending legislation, which must not be punitive in its purpose, which must not be based upon vindictiveness, hatred, or reprisal, but must be in the interest of the American people as a whole—after we get through with this legislation we, as American citizens, and all other decent Americans who have a just regard for humanity have got to try to reestablish the necessary element I am talking about—a little brotherly love between employer and employee.

Mr. President, I have enjoyed the association and the relationship with my working people more than anything I have had in my life. I have always attended their annual dinners at their request, and as their guest, and I have always spoken to them and tried to speak fairly, tried to help them to be better American citizens, and I am sure they have helped me to be a better one. But I wanted to leave the thought with the Senator from Florida and the Members of the Senate at this time, that after we get all through with this legislation we all must contribute to re-create voluntary cooperation, because in the last analysis the only difference between this great country of ours and the countries which have fallen into the quagmires of socialism and communism is that our people, up to date as a general rule, have worked voluntarily because they wanted to, because they were interested in their work. Their work has been more than simply making a living. In my company, we have had only one turnover in 28 years. More than 40 percent of the workers in my company have been with the company more than 30 years, and that notwithstanding the fact that many were forced to leave our employment by the war. That is a wonderful record. It can only mean one thing, that the workers wanted to stay there, and that is a spirit we must try to establish all over the United States.

I thank the Senator.

Mr. PEPPER. I greatly thank the Senator from New Jersey for the very fine sentiments he has expressed. I will say that if all the business executives of the country took the attitude he takes toward management-labor relations, I do not think we would need any laws at all on the statute books. That would be an ideal situation. It would create a situation like that existing in a partnership. When one enters into a partnership with another, the partners are supposed to deal honestly and fairly with each other. Generally no rules are laid down as to how to negotiate and carry on affairs together. So long as the partners deal honestly and fairly with each other they have complete freedom of action.

The Senator from New Jersey is absolutely correct in saying that what we need is to find a new basis of understanding of each other's point of view and problems. Sometimes no doubt labor overlooks the responsibilities which management has, the sleepless nights of the man who has all his savings invested in his enterprise. There is no doubt whatever that there are numerous cases of workers who lack the sympathy they should have for the employer. That is one of the tragic frailties of human nature. On the other hand, there are employers undoubtedly who do not show the concern for their workers they should exhibit. It was only a little while ago when it was customary—and I am afraid I must say that there are a few who today embrace that view—to treat labor as a commodity, to believe that the working power of men and women was something to be sold like potatoes in the market place for the highest price that could be obtained for it. It was not realized that the man standing before the employer applying for work had a wife and perhaps some children; that there might be illness in his home; and that there were medical and other expenses which had to be shouldered; that the children had to be educated; that they had wants and human desires; that they were not potatoes, were not inanimate. They were made in the image of God, Mr. President. They were the heart and soul of the Nation, its strength in peace, its might in war, and their total strength represented the power of the Nation. To deal with labor as if it were a commodity, to buy it for the lowest price for which it can be obtained, is the old attitude, not the new one. That of course is not the attitude of the able Senator from New Jersey.

I hope we can bring about profit-sharing plans and bonuses so that some day in an enterprise the workers will obtain what I like to call a drawing account, such as a traveling salesman has, so much to meet the demands of the day, and then periodically the worker will receive a share of the profits on a fair basis of distribution, and certainly, Mr. President, I hope that the worker will be protected by an annual wage contract. Suppose that a certain enterprise is making a great deal of money. It has, let us say, 100,000 employees. It has great resources and big surpluses. Suppose times become a little bad. It may do as many other enterprises do. Do they cut down the dividends? Do they diminish the surpluses? No. Too many of them let off so many more workers. What is to happen to the workers?

I am not charging that is a pattern in industry. I say that too many follow that practice. Day before yesterday I quoted from a report presented to the Senate by the Committee on Labor and Public Welfare. In that report it was recited that for 23 years the American Telephone & Telegraph Co. had maintained an unbroken record of a $9 dividend. Those 23 years included the depression. I related an incident which was told to me by a responsible man, to the effect that in the days of the depression, when President Hoover was trying to meet the problem of the approaching depression, trying to diminish its severity, he called Mr. Gifford to Washington and made him chairman of a committee to try to find some way to arrest the falling level of employment, to give people jobs, and keep them in their jobs. After a while Mr. Gifford went back home, resigning the chairmanship which Mr. Hoover had entrusted to him, and let out more than 100,000 employees of his own company.

Mr. Hoover was right. He was calling upon industry to sacrifice, not only for the humanitarian principle of giving the workingmen and their families a chance to live, but to keep America from being hurled into the abysmal pit of a depression, which in many cases wrecked business as well as people. If the story which I have related is correct—and the committee report bears out the essential part of it—Mr. Gifford thought more of maintaining the $9 dividends than he did of keeping more workers on the payrolls and cutting the dividends to some other figure.

We have enacted minimum wage laws. Many employers in my State did not want to pay a fair minimum wage to their workers. Some of them fought me bitterly in 1938 when I advocated the minimum wage law. I was not trying to hurt business. I was merely trying to help fix a floor below which wages should not fall. I thought that in the long run that would be for the best interests of business as well as the workers. Today I do not know of an employer who opposed that legislation in 1938 who would ask that it be repealed at the present time. Employers have seen the wisdom of the principle which the Senator from New Jersey has been discussing, the wisdom of management and labor working together, each dealing fairly with the other.

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

Mr. PEPPER. I yield.

Mr. HAWKES. The Senator probably knows all this, but many persons in the United States do not know that a great deal of thought has been given to the profit-sharing plan. In many cases it is called the wage-dividend plan. I do not know whether the Senator realizes that in 1938, when I was chairman of a committee to study the question of a wage-dividend plan, even then 258 corporations in the United States had already adopted and had in effect a wage-dividend plan in an effort to bring about more harmonious cooperation between employers and employees.

The device of the corporation is not very old. The first corporations came into existence probably 75, 80, or 90 years ago. The old definition of a corporation was that it is an indivisible, intangible being, existing only in contemplation of law, without heart and without soul. I do not agree that a corporation has no heart or soul. A corporation has a heart and soul to the extent that the management makes it possible.

I feel strongly that we must bring more human understanding into the corporate method of operating than we have had in the past; but we cannot bring in any more than we can put into the economic circle. The Senator knows that, and he is not trying to contend otherwise. I know of one company—I shall not mention its name, because it might be embarrassing—which since 1912 has had in effect a wage-dividend plan under which, when the corporation made more than enough to pay a certain percentage of dividend on the capital invested—which was fair—and reasonable going wages in the community, after setting aside a certain amount for surplus to keep the company in good shape, it divided the rest among all the employees, from the lowest paid to the highest paid, on the basis of their past 5 years' compensation as related to each other.

It may be interesting to the Senator to know that the employees of that corporation have never been organized. There is not even a company union or an independent union The employees elect a workingmen's committee every year, and its membership differs nearly every year. The committee takes up with the company grievances and things which they think should be adjusted. But there has never been a labor union among the employees. All the national labor unions have tried to organize them and have failed. Why? The best labor organizer in the United States might say to the 28,000 employees working in the plant that the union would do great things for them if they would only join it. Their response would be that of any normal man. They would say, "Why should we join a union?" The union organizer might say, "We will get you more money." The employees would say, "We do not want more money. We have a fair deal." The organizer might say, "We will get you vacations with pay." The reply would be, "We have them already."

One of the employees might say to the organizer, "Do you see that little white house on the hill? I paid for it with my wage dividends during the past 15 years with this company. Why should I go into a union and try to upset the efficiency of the plant which is feeding me?"

I wanted to tell that story because to me it is one of the most outstanding things in all American industrial life. It proves that we can better our human relationships voluntarily. But there are some who will not go along voluntarily. In a great organization in the United States I was defeated by only two votes in an effort to recommend that plan to all industry in the United States. I cannot say what the vote would be today. That was back in 1938.

We must do something to bring about a better understanding. The difference between the Senator and me is that he feels that the closed shop is not an improper limitation on the liberties of men. I feel that it is. I feel that we can accomplish the objective without destroying the maximum right of freedom in the individual. I hold that conviction very firmly.

Mr. PEPPER. I thank the Senator. Obviously, in a case in which the employer deals fairly with the workers there is less incentive for the employees to join a union than in an opposite case. Due to the fact that too few employers took the position which the able Senator has described, we have had a tightening of labor organizations. Undoubtedly in some cases today there are abuses. However, in every industry in which there is complaint that there are abuses on the part of labor, I think it will be found that there are 10 times more abuses on the part of management until the union is strong enough to defend the worker against such abuses. I could name some industries in which it is said that there are labor abuses. Management, by its own failure to observe the high standard of duty and fairness which the Senator from New Jersey has described, has brought such a condition upon itself. If the power of the union were taken away, that kind of management, in too many cases, would go back to the old conditions. But if there were some way to bring about the kind of management described by the Senator, it would be a happy day for industrial relations in America.

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

Mr. PEPPER. I yield to the Senator from New Jersey.

Mr. HAWKES. I will say to the Senator something which I have said repeatedly throughout the Nation, and in which I believe, that humanity is pretty much the same whether it be in the ranks of labor or in the ranks of capital. If we could take a slice out of the center of labor and capital we would find that each has about the same amount of selfishness. Of course, there are a thousand times as many persons in the ranks of labor as there are in the ranks of capital.

I shall not take up more of the time of the Senator, but I know he will agree with me that the business of the Nation cannot be run with the heart alone, nor can it be run, in my opinion, with the brain alone. The brain is too cold and the heart is too warm. If we try to run

all the business of the Nation with the brain alone it would be so cold that it would not function successfully; and if we should try to run it with the heart alone business would go into bankruptcy. So my philosophy is that somewhere between the heart and the brain—maybe just under the chin—there is a place where the two things must meet in handling the human equation. But we must always use some of the heart and some of the brain in operating the industries of America.

Mr. PEPPER. I thank the Senator.

We all have to admit that it is human experience that, if one man has power and deals with another man who has no power, most of the time the man who has power will get the better of the bargain. When there is comparable power on each side we are likely to get the kind of bargaining and the sort of agreement which represent a fair meeting of the minds of the parties.

The purpose of organization of workers is that in dealing with the employees the worker may have a power comparable to that of the employer in dealing with the employees. But assuming that the worker has power equal to that of the employer—and I dispute the statement that he now has equal power—it does not mean that either party should abuse the power which each possesses. When we hear people say that the workers abruptly, arbitrarily, and capriciously strike, I wonder if we realize which is hurt the more—the striking worker or the company against which he strikes. It means loss of wages to the worker; it affects his weekly pay check, the house rent, the grocery bill, the mother with children. It involves ability to pay the doctor; it involves the right of the family to live. All those things are dependent upon a man's work. On the contrary, the corporation by which he is employed can lose profits for a while, or can even sustain losses for a period. But which can stand it the longest time—General Motors Corp., United States Steel Corp., or the men and women who work for those corporations?

Another common fallacy, Mr. President, is the belief that when a strike has been settled the workers are paid for the time they were off from work. They are not. It may be years before the increase which they receive as a result of the strike will make up for the wages lost during the time they were not at work.

I have previously mentioned on the floor my discovery in Detroit last year, when the General Motors strike was in effect, when I obtained information from a doctor regarding the number of vacant beds in the hospitals in Detroit. The workers when they were not working could not pay for hospital treatment for themselves or for their families. They could pay such expenses out of their weekly pay checks when they were at work. It literally means that the health of the family is involved.

Mr. President, I maintain that even now workers do not have a position of economic strength comparable to the power of the employer.

The able Senator from New Jersey [Mr. HAWKES] raised the question regarding union leadership and union officials. I think we must never forget that union officials are elected by the workers and that they have constitutions and bylaws. Personally, except in an honorary capacity, I never belonged to a union. From personal experience I do not know, but I think the men and women who belong to unions appreciate democracy as much as does anyone else. I think they resent tyranny, pressure, and coercion as much as does the ordinary citizen who is not a member of a union. I doubt that union workers in this country like to be "pushed around" any more than do people who are not members of a union. But I suspect that democracy in the unions of America is just as vital, real, and effective as is democracy in the ordinary political election in this country. Someone says that a little group gets together and runs the union. That may be so. But in many lodges, churches, and fraternal orders a little group gets together and runs the organization, because the membership allows them to do it. A great amount of the legislation which is passed in the Senate is passed by unanimous consent. The Chair says, "Without objection, the bill is agreed to." We do not even vote in such a case. The important thing is that we have the right to vote; we have the right to object and say, "You cannot pass bills in that way if we do not agree to it." That is the important thing. As a matter of fact, I suspect we would admit that a little group of Senators runs the Senate. But if we object, we have the right to vote against it, or we can follow them if we think theirs is wise leadership.

In the politics of this country I have heard—of course, it may be erroneous—that in some of the parties and in some of the cities, towns, and States a little group of persons get together and run politics. I suspect that has happened. The important thing is that every now and then the people become stirred up about it and object to being "pushed around" by a minority. They rebel; they use their power to vote to change the administration whenever they choose to do so. But, Mr. President, there are many places in this country where few people have a great deal of influence; and that is not confined only to labor unions. So we cannot single out labor unions and, because every member does not vote at elections, blame them when every citizen does not vote in every election. I wish they did. They undoubtedly should. We hope they will. But in many elections in this country the decision is made by a minority of the total number of voters. But we do not declare that to be illegal.

Yet under this bill, when there is a union shop, the decision is not permitted to be made by a majority of those who vote in the election and who are elected by a majority vote. They are not elected by a majority of all the eligible electors. The committee recommends to the Senate that, by this bill, we should require the election to be decided by a majority of all eligible to vote. Why do we lay down one standard of democracy under which to elect leaders of a labor union and another standard of democracy under which to elect the President of the United States of America, the governor of a State, every United States Senator, every Representative in Congress, every public official in America? Why do we lay down one standard or criterion of democracy for the workers in electing their officials and another standard of democracy applicable to the members of churches, lodges, fraternal organizations, and societies in electing their officials? Why do we do that, Mr. President? If the worker does not want to vote, if this bill were to become law we would reward, counting his vote in the election, the fellow who stays at home. Is that encouraging good citizenship? Does it encourage good citizenship for Congress to step in and reward the man who stays away from the union meeting or who refuses to participate in the union election, or for Congress to prescribe the standards that must be observed and to lay down one standard for union members and another standard for everyone else in the United States who belongs to a church or a lodge or a society or an organization of any kind, and also for every public office holder elected in the entire structure of the Government of the United States?

Mr. HAWKES. Mr. President, will the Senator yield to me for a moment?

Mr. PEPPER. I yield.

Mr. HAWKES. I am sure the Senator from Florida believes there is a difference between the way voting is done in labor unions and the way voting is done in Congressional and Presidential elections in the United States. In other words, the voting in Congressional and Presidential elections is unquestionably done on the basis of the secret ballot, whereas the voting in labor unions has not always been secret, and threats have been made on the basis of knowledge as to how certain members of unions have voted in elections of the union leaders. In short, the voting in unions has not always been secret, and the union members who participated in such elections did not always vote with the safety which I believe the American people have when they vote to elect Members of the Senate or the House of Representatives, for instance.

Mr. PEPPER. Mr. President, I am not prepared to assert that the American people feel the same solemnity when they elect labor union leaders that they do when they elect their public officials. But so far as I know, under the National Labor Relations Act a secret ballot is provided for, and the integrity of the elections is assured by the Board. The Board conducts the election, as a matter of fact; and the Board is a public body. So I do not know of any lesser degree of integrity relative to voting in unions, as compared to voting for public officials.

So far as the worker is directly affected, the votes he casts as a member of a union may affect his wages more directly, for his wages may be affected more directly by obtaining a good group of union officials than by electing a good United States Senator or a good State attorney general or a good judge of a circuit court.

Mr. HAWKES. I must agree with the Senator from Florida that that could be the case if the union members got a good set of union officials; I would have to agree definitely as to that.

But let me say to the Senator from Florida that it seems to me that at the moment the workers are worried about the question of the closed shop and the way in which union elections are conducted. Anyone who believes that the feeling against the closed shop is confined to those who are outside the ranks of the working class is greatly mistaken, I can assure the Senator. A gentleman of whom I know recently spoke to 1,281 workers, most of whom belonged to a certain union. He spoke of the closed shop and the question of the workers being able to resign or not being able to resign from the union. After he spoke on that subject, the entire 1,281 workers rose to their feet and cheered and whistled for a full minute.

So, Mr. President, the resistance to the closed shop and the destruction of individual freedom in connection with the right to work is not confined to Senators or industrial leaders or the so-called people in the upper brackets. I am sure that the Senator from Florida knows that to be so. He must know it.

He is trying to find some way whereby the rights which have been intended to be preserved by means of the closed shop can be preserved in some way that is American, I take it; and that is what I am trying to find.

But surely the Senator from Florida does not support the action of the union which fired one of its members who testified to the truth when he was subpenaed as a witness in a court case. I refer to the union member who saw a union shop steward strike a foreman while in the plant; and later, when the case was presented in court, the employee was subpenaed to testify to what he saw. He testified that he did see the union shop steward strike the foreman of the plant. Thereafter, that employee was discharged from the union—simply because he had testified to the truth; and, in view of the existence of a closed shop, a discharge from the union meant that it would be impossible for that man to obtain any job in that plant. He was fired from the union and lost his job.

Mr. President, the case to which I have just referred has been stated in the record of the committee hearings; and I know of similar cases. The one I have mentioned happens to be the one which is set forth in the record which is now on the desks of Senators.

But I am sure the Senator from Florida does not believe that anyone should have the power to deprive a man of the right to work, simply because he told the truth when he was subpenaed as a witness in a case in court.

Mr. PEPPER. Mr. President, the case the Senator from New Jersey has mentioned is, of course, a hard case. I remind him that it is an accepted axiom in the law that hard cases make bad law. The case referred to by the Senator from New Jersey has often been mentioned in the debates on the measure now before us and in the committee. Evidently, in that case a worker testified to what happened in connection with a certain incident. Well, Mr. President, democracy is not perfect. It is not perfect in a labor union, it is not perfect in a municipality, it is not perfect in the county, it is not perfect in the State, it is not perfect in the Nation. There have been instances in which men have been fired from their political jobs because they told the truth or tried to tell the truth. There have been instances in which men have had contracts taken away from them by businessmen, simply because they tried to do the right and because they advocated what they believed in.

I say that because there may have been a case—and undoubtedly there are such cases—in which men or women were ejected from a union, perhaps unfairly, it is not proper for the Congress of the United States to lay down rules governing every election in a labor union and governing the conditions of every ejection from a union or admission to a union or regulating, as an appellate body, the minute details in regard to everything that happens in a labor organization, any more than the Congress should do so in the case of a lodge or a church or any other kind of organization or society in the United States. The fact that some mayor or some city councilman succeeds in having an employee fired for being honest and not helping him to steal—such things occasionally happen—does not mean that the Congress should become an appellate body to review every decision that is made by every political executive or administrator in the political structure of the United States. We have to deal on the basis of what is best for the greatest number, Mr. President. We have to deal with the balance of interest, with what is the best policy, taking into consideration both sides of the case.

I am saying that, if we do not have strong organizations to represent the workers, the workers will generally be exploited by their employers, their wages will be reduced, their living standards will be lessened, their purchasing power will be diminished, and not only will they suffer, and not only will their children and their communities and the organizations with which they are affiliated suffer, but the entire Nation will suffer.

So, Mr. President, if we impair the strength of a workers' organization, we do a disservice to the United States and to every man, woman, and child in it, regardless of whatever economic segment he may fall into.

A while ago the Senator from New Jersey was referring to the corporation as being a relatively new concept in the United States. Just consider, Mr. President, how new the labor movement in this country is in its magnitude. If not all the leaders are perfect, if not all of them are possessed of the skill which they should have, yet, Mr. President, it may also be said that perhaps some of us are not perfect, and hat perhaps it would have been possible to improve a little on some of the men who have been elected to public office in the United States—of course, not in the case of the Senate, but perhaps elsewhere in the United States.

But, Mr. President, we are trying to learn and to do the best we can, and, by and large, the labor leaders are in the same category.

I remember that in 1938 I was in London speaking to one of the British Cabinet members. He told me of the long period during which the labor union movement had been vital in Great Britain, and he pointed out that there was only one strike in progress in all of Great Britain on the issue of recognition of a union.

Mr. President, they have out of the long history they have had in the labor-union movement been able to develop a maturity, a competence, and a wisdom in the labor leadership which today has made the labor-union movement of Great Britain the bulwark of her labor government.

Our labor movement mushroomed in the United States during the war from four or five million to twelve or fourteen million. There may have been some men chosen in that mushroom period who were not worthy of the offices to which they were elected. I will trust the members of those organizations to elect better officers, if that is true.

I say, Mr. President, that what we need today is to strengthen the labor-union movement, to better it, to make the labor union a wiser and abler spokesman for the worker. But what is being sought here today? The effort is to strangle it, to weaken it, to turn the clock backward. The attempt is to create distrust and suspicion and disharmony in the ranks of the organizations. Those who advocate the pending legislation are trying to weaken the labor-union movement, and thereby impair the standards of living of the workers who are affiliated with the unions and ultimately to wreck our economy based on high-living standards.

Mr. President, in view of the fact that the Senator from New Jersey [Mr. HAWKES] in our recent discussion referred to some statement made some time ago by Mr. A. F. Whitney relative to certain aspects of labor legislation, I ask unanimous consent to incorporate in the RECORD at the end of my remarks four amendments offered to the pending labor legislation by Mr. A. F. Whitney, president of the Brotherhood of Railway Trainmen, the last of which reads:

And provided further, That nothing in this act or in any other statute of the United States shall preclude a carrier, its officers, or agents from making an agreement with a labor organization (not established, maintained, or dominated by the carrier, its officers, or agents) to require membership therein as a condition of employment, if such labor organization is the duly designated and authorized representative of the employees at the time the agreement is made.

I respectfully suggest that Mr. Whitney must have changed his mind on the subject since the conversation to which the Senator from New Jersey referred.

The PRESIDENT pro tempore. Is there objection to the request of the Senator from Florida? The Chair hears none, and it is so ordered.

(See exhibit 1.)

Mr. PEPPER. Mr. President, I was discussing the committee report, which referred to the abolition of the closed

shop. I wish to say just one word further respecting the matter of the closed shop.

I have already distinguished the case put by the Senator from Ohio, holding that abolishing the closed shop was justifiable as a public policy, just as outlawing the "yellow-dog contract" was justifiable as public policy. I pointed out that in the one case we were dealing with two groups which were bargaining freely each with the other, whereas in the other case there was organization on one side dealing with the individual on the other, and making him give up the right of a citizen to affiliate with an organization if he chose to do so.

Mr. President, I said that the closed shop was a balance of interest, the interest of the workers collectively in bettering their wages and working conditions, as against the right of an individual to come up to the gate without identifying himself with the organization in any way, and saying, "I want a job."

Mr. President, I have always thought that the closed shop was a proper relationship between the parties primarily concerned, the people working in a plant. I do not know of any inherent right a worker has to get a job in a particular plant. He may or he may not get such employment. But the thing that is commonly overlooked, it seems to me, is that the closed shop fundamentally represents the decision of the worker as to the people with whom he will work. That simply means that a group of workers may say, "We feel it so essential to our welfare as workers that we work together, that we bargain together with the employer, that we make common cause in our relations with the employer, that we will not work with people who will not cooperate with us in that way."

All they do is to say to the employer, "If you will not give us the privilege of requiring a man who comes here and gets a job to join with us and work with us and fight with us for our rights, we will not work for you, because we do not want our rights to be divided between those who will work together and the dissident few who will not work with a majority."

Mr. President, has not a worker a right, first, to determine for whom he will work, and, secondly, with whom he will work? I do not have to work with the man beside me if I do not want to. If I come to the Senate and am not satisfied to associate with the other Senators, I can resign. If I get a job in a plant and I do not like the man who works beside me, I can say to my foreman, "If you don't move that man, I will quit." I thought I had that right as an American citizen, although it seems that some have vastly different concepts as to what are the essential rights of a citizen. I thought a man was the master not only of his money, but of his labor, but I am seeing, in the law of the land, a respect for a man's money, which I construe the advocates of this measure are disposed not to attribute to a man's body, to the very labor of his being.

I say, Mr. President, that what the committee has done is, first, to abolish the closed shop, to make it illegal not to let the employer and the employee put provision for it into a contract, even if they wish to do so, even if they have been doing it in the past. Moreover, it permits the union shop only upon the condition that a majority of all the eligible workers vote for it, not a majority of the workers who participate in the election, which is the way we elect the public officials of this country, and the way we elect the leaders of every private organization of which I have knowledge.

So I say, Mr. President, that there, again, the purpose of the bill is shown, to strike down right after right, power after power, and privilege after privilege of the workers of the country; and yet the employer is touched hardly with the lightness of a feather. If it takes any right away from him, I do not know what it is. If it imposes any new duty, I have not heard of it.

This ought to be called, Mr. President, the pending bill against the workers of America. Then we would be candid about it. Or one might prefer to say, legislation against the labor unions of the country, because, Mr. President, the constriction which it applies is all on one side. It may be said that is necessary, because all that has been done in the past was on the other side. There may have been, and there have been, certain preferences given to workers as against employers, but I do not believe, Mr. President, that the present situation is so one-sided as to justify the Senate in passing legislation that is one-sided, on the other side. And that is what I humbly submit this bill does, and what I was trying to do was to prove that thesis by the committee's own report. I started off by referring to the amendment that it makes to the National Labor Relations Act—the Wagner Act, the charter of the worker in America. It bears the name of that great man, ROBERT WAGNER, who still sits in this body. It came from the administration of Franklin D. Roosevelt. It had the approval of Congress and of the country.

Today, under that law, foremen have a right to organize and bargain collectively with their employers. That is held by the National Labor Relations Board; it is held by the Supreme Court of the United States. This bill takes away that right. At the present time, employers and employees can enter into a closed-shop agreement. That right is abolished under the pending legislation. At the present time, workers, in choosing their bargaining agents, do so by only a majority of the votes cast in the election. The pending bill requires a majority of the eligible voters to vote for their chosen bargaining agent, before it can have any efficacy. A majority of the eligible voters are required before they can have a union shop, even.

Mr. President, at the present time labor is as free as stockholders to abide by the action of their respective agents. Today, stockholders have an annual meeting, generally. They elect their directors. Those directors have periodic meetings, and they elect the executives of the corporation; then those executives run the affairs of the corporation. There is not a vote among stockholders every time the management of a corporation enters into a contract with its workers. While we require that the workers vote individually upon the contract that their representatives enter into with management, we do not require the stockholders of the corporation to vote individually upon the contract entered by management with labor. There, again, Mr. President, is a discrimination against the worker in this proposal.

But today the workers elect their officials. They go to bargain with management. Management is the representative of capital employed in the enterprise. The two make a contract, and it is binding, because they have authority; they are the duly authorized agents of labor and of management. Could anything be fairer than that? But now, Mr. President, if this bill should become law, labor may choose their bargaining agent, if they enter into a contract for a union shop with the employer, but it is not binding until they have a second election; the first one being to choose the bargaining agent—another election, at which a majority of those who vote for the matter shall determine it? No; a majority of all those eligible must vote. So I say it makes it more difficult for the representatives of labor to act for labor. The leadership of labor is weakened. There is a premium put on the fellow that stays at home and who will not participate in the election. So I respectfully submit, Mr. President, that in paragraph 2 of the committee report there is another instance of the one-sided character of this legislation.

Mr. McMAHON. Mr. President, will the Senator yield at that point?

Mr. PEPPER. I yield.

Mr. McMAHON. Much has been said about Communist infiltration in the labor movement, and undoubtedly in a few cases there has been considerable Communist activity. In two articles I have read, it is indicated that it is the Communist members who remain at a meeting all night and all day, who wear out the other members, who go home. I was wondering whether or not the provision which penalizes the people who stay away might not bring them to a realization of their duty, and cause them to attend the meetings, and to remain as long as those who perhaps are not inclined to advance the principles of good unionism, but to advance something else.

Mr. PEPPER. Mr. President, it is a good principle to have everybody eligible to vote in any election discharge that duty. It might even be justified for us to provide that all elections should be invalid unless the majority of all eligible voters vote. That might give us better government; but we have never seen fit to do it, in our national elections, in our State elections, or in our local elections. There are always the busy, industrious few who may outlast their fellows, that may have advantages in other elections. That is true probably in our churches and in our lodges and in our other organizations. But, Mr. President, that fact does not justify us, I believe, in laying down one standard for the making of decisions by labor organizations, and allowing the prevalence of a different standard for

other organizations and for other decisions made by the people.

Mr. President, I read now paragraph 3 of the majority report, referring to the pending bill:

It gives employers and individual employees rights to invoke the processes of the Board against unions which engaged in certain enumerated unfair labor practices, including secondary boycotts and jurisdictional strikes, which may result in the Board itself applying for restraining orders in certain cases.

Mr. President, in the first place, it has been pointed out previously that the President recommended legislation against the jurisdictional strike. We are in accord. The minority report by the Senator from Utah, the Senator from Montana, and the senior Senator from Florida, specifically so stated, and we have stated otherwise the same thing upon the floor. But, Mr. President, the so-called secondary boycott that is dealt with in the pending bill is not all that is covered by the language of that provision. It prohibits the primary boycott, as well as the secondary boycott. As a matter of fact, it forbids workers cooperating with one another for the common protection or for the common good—the very thing that Mr. Justice Brandeis laid down as the inherent right of the worker, to give aid to another in a struggle for working standards in a community or in the Nation at large.

Mr. President, I have previously quoted the language of the proposed bill and given this illustration. Here is a group of workers, working for an employer, who refuses to pay a fair wage; he insists upon sweat-shop conditions for those people; they strike. The employer gets other workers to take their places—strikebreakers; he goes on with his business, making exorbitant profits, because he will not pay labor a fair wage. Another man is taking his product, adding more labor and more skill to it, making it more valuable; the first man is profiting by dealing with the second man. Suppose the workers in the first plant go to the workers in the second plant and say to them, "You know what this man has done to us. He won't pay us a decent wage. He refuses to deal with us. He denies us the right to organize; yet you are taking his product and making him rich by working on it. Won't you cooperate with us? Won't you help us make him do what your employer does for you? You have got a good employer; he deals fairly with you; he pays you a fair wage; he allows you to join the union; he deals collectively with you in the bargaining. Now, just come and help us by letting your employer know, and letting our employer know, that you won't work on his product if he does not deal with us in a fair way."

If the first group of workers did that, under the pending measure they would be violating the law. If they went over and talked to the other workers about doing that, they would be violating the law. One could not even go into the house of a neighbor, talk to him at his fireside in the evening, and ask him to do that, without violating the law. I say that that is an invasion of the right of a citizen to address himself in a lawful way to anyone with any decent proposal. That is a violation of civil and civic rights of the citizenry of this country, I respectfully submit.

Moreover, the workers are denied the right to work together to better themselves. Not only is that done, but upon the petition or the complaint of anyone affected, a regional officer or a regional attorney of the National Labor Relations Board is duty bound by the law itself, as the bill provides, to go into court and obtain an injunction against an organization doing the kind of thing I described a moment ago. In other words, it is not made permissive for the regional attorney or the regional representative of the National Labor Relations Board to apply for the injunction—it is made mandatory. He must do it. Not only that Mr. President, he may do it even without notice. Of course, the injunction issued would last only, I believe, 5 days in case the injunction were applied for without notice, but the regional representative can go ex parte into a court and secure an injunction for 5 days, which may mean the crucial period in the endeavor which I described in determining the final result.

Mr. President, in addition to that the bill allows the issuance of a permanent injunction against the doing of that kind of thing. It also, of course, makes that sort of thing an unfair labor practice and gives the National Labor Relations Board authority to issue a cease-and-desist order, and then the power to go into a court and require the enforcement of that order.

Mr. President, I say that in the first place the bill strikes down the civil rights of a citizen to address himself to his fellow citizens to a common cause that is lawful in character. In the second place, it denies to workers the right of working with other workers to protect their own working standards. Suppose there are two plants in a community, and suppose one of them observes fair labor standards and the other one does not. Do we not know that workers in both plants have a common interest in the wage scale in that community? In our law we have time after time provided that the Government shall pay the prevailing wage. Senators will recall the statutes. For example, in the Walsh-Healey Act we require the contractor with the Government to pay the prevailing wage. So every worker in the community is interested in the prevailing wage in that community. Yet if a group of workers try to work with another group to hold up a decent wage level in the community, under this bill they would be violating the law of the land. I say again, it does not say anything about the employer in that respect. It simply strikes out the right of the employees to better themselves by cooperation one with another and by the exercise of the civil right of persuasion of their fellow citizens about a matter of common interest.

Those are some of the principal provisions of the bill, Mr. President. Of course the bill changes the structure of the National Labor Relations Board and authorizes the appointment of four new members. I do not say that that is bad. I would not object to that if it were the only provision in the bill or if it were not for these bad provisions. I think, however, the Board is doing a pretty good job as it is, and obviously the proposed change is going to require some difference in administration, some difference in procedure. In fact the bill requires the Board to adopt some different procedure. It abolishes the review boards which are now in existence. It denies to the members of the Board the right to profit by the actions of the review boards as they have in the past, and it makes every member personally read the record and so on, which is preliminary to the decision. Perhaps that is a good thing, but it is, I suspect, going to delay the decisions of the Board more than they are delayed at the present time.

I referred to paragraph 4, which deals with the Board. I now read paragraph 5 of the majority report:

In the interests of assuring complete freedom of choice to employees who do not wish to be represented collectively as well as those who do, it requires the Board to enlarge the rights of petition in representation cases and to give greater attention to the special problems of craftsmen and professional employees in the determination of bargaining units.

Mr. President, I do not have any objection to professional groups associating themselves together in professional unions. Nevertheless, the practical effect of this provision, I submit, is to cause labor strife. It is going to cause discord in labor organizations and units which does not exist today. It is going to provoke more work stoppages instead of less. It will cause more strikes instead of fewer strikes.

I now read paragraph 6:

6. It prevents the Board from continuing to accord affiliated unions special advantages at the expense of independent labor organizations, by requiring that, under identical circumstances, the Board in complaint cases refrain from any disparity of treatment.

Mr. President, my own interpretation is that that is going to encourage company unions, as it, for the first time, recognizes the company union. That, too, Mr. President, is going to mean weaker bargaining units, less effective labor organizations. It is going to mean more strikes, not less. It is going to provoke labor discord in many places where today there is peace between management and labor.

Mr. President, these are just a few of the provisions of the bill. I shall at a later time refer to others. I simply laid that as a base upon which I wanted to impose the pending amendment, namely:

It is made an unfair labor practice for a labor organization to coerce "employees in the exercise of the rights guaranteed in section 7: *Provided*, That this subsection shall not impair the right of a labor organization to prescribe its own rules within respect to the acquisition or retention of membership therein."

Mr. President, what does that mean? That means that it is an unfair labor practice for a union to coerce, as the language says, any employees in the enjoyment of the rights accorded them in section 7 of the bill.

Section 7, Mr. President, confers certain rights upon employees. It provides that—

Employees shall have the right to self-organization, to form, join, or assist labor organizations, to bargain collectively through representatives of their own choosing, and to engage in concerted activities, for the purpose of collective bargaining or other mutual aid or protection.

In the first place, what labor union wishes to deny an employee the free exercise of those rights?

This question becomes of practical importance because the word "coerce" is not defined. I predict that, if a group of workers from a given union talks to another group of workers about joining the union, that will be held to be coercion, or it will be charged that it is coercion. That will mean that the organization will be charged with an unfair labor practice. It will mean that there will be a hearing before the National Labor Relations Board, and that there must be a final judgment upon the question. If the complaint is found to be justified there will be a cease-and-desist order. Then the case will go to the circuit court of appeals of the appropriate jurisdiction for enforcement of the order.

The case may also be the subject of an injunction or an application by the National Labor Relations Board for an injunction. This provision puts a weapon in the hands of an employer or of a dissident group in the union or among the employees, to keep the union in court all the time, to make it spend all its money, and to prevent it from effectively representing and protecting the workers in that enterprise.

The bill strikes down right after right, privilege after privilege, power after power of the workers of the country. The inevitable effect would be more strikes, more discord, and less peace. The inevitable effect would be lower wages for the workers.

The day before yesterday I cited the fact that, in respect to their previous earnings and in respect to other income groups, the workers of America are daily, monthly, and yearly receiving less wages, less take-home pay. That will inevitably mean a diminished purchasing power for the people of America, because the people are the workers of the country. As Governor Stassen stated, it will contribute, as a similar policy after the last war contributed, to a depression which may ruin America and perhaps drag the world down into chaos and communism.

In addition, the bill is one-sided. It would embitter workers and cause them to feel that they were not getting a square deal from their Government. It would contribute to a bitterness which could not but impair the marvelous productivity which this country enjoys today, and which could not but diminish the unprecedented profits which business in America is enjoying today.

As against policies of that character, how much better it would be to allow the present prosperity to continue unimpaired. Let the working men and women of America continue to enjoy the right to feel that they have in the Wagner Act a magna carta of workman's liberties no less sacred or secure than the Magna Carta of all liberties which has meant so much to Anglo-American civilization.

EXHIBIT 1

APPENDIXES TO TESTIMONY OF A. F. WHITNEY ON PENDING LABOR LEGISLATION

PROPOSED AMENDMENTS

[Suggested changes are in black brackets]

APPENDIX A

To make the services of Presidential fact-finding boards available before a strike vote is taken, the Brotherhood urges that section 10 of the Railway Labor Act (ch. 8 of title 45, U. S. Code) be amended by changing the first sentence thereof to read as follows:

If a dispute between a carrier and its employees be not adjusted under the foregoing provisions of this act, [and the duly designated and authorized representatives of employees involved in such dispute request the Mediation Board so to notify the President, or if, in the judgment of the Mediation Board, the dispute threatens] substantially to interrupt interstate commerce to a degree such as to deprive any section of the country of essential transportation service, the Mediation Board shall notify the President, who may thereupon, in his discretion, create a board to investigate and report respecting such dispute.

APPENDIX B

To eliminate excessive delay in cases pending before Railroad Adjustment Board, amend paragraph (w) of section 3 of the Railway Labor Act (ch. 8 of title 45, U. S. Code) by substituting the following for the first sentence thereof:

[(w) In the event any division of the Adjustment Board becomes 3 months or more behind in its docket of undecided disputes it shall establish regional boards of adjustment to act in its place and stead for such period as may be necessary to clear the Division's docket of such disputes.]

APPENDIX C

To authorize the dues check-off when authorized by individual members, paragraph fourth of section 2 of the Railway Labor Act (ch. 8 of title 45, U. S. Code) should be amended and reenacted to read as follows:

Employees shall have the right to organize and bargain collectively through representatives of their own choosing. The majority of any craft or class of employees shall have the right to determine who shall be the representative of the craft or class for the purposes of this act. No carrier, its officers, or agents shall deny or in any way question the right of its employees to join, organize, or assist in organizing the labor organization of their choice, and it shall be unlawful for any carrier to interfere in any way with the organization of its employees, or to use the funds of the carrier in maintaining or assisting or contributing to any labor organization, labor representative, or other agency of collective bargaining, or in performing any work therefor, or to influence or coerce employees in an effort to induce them to join or remain or not to join or remain members of any labor organization or to deduct from the wages of employees any dues, fees, assessments, or other contributions payable to labor organization, or to collect or to assist in the collection of any such dues, fees, assessments, or other contributions: *Provided*, That nothing in this act shall be construed to prohibit a carrier [by agreement with a labor organization, national in scope, and under individual authorizations by employees, from deducting from the wages of such employees who are members of such labor organization, dues, fees, assessments, or insurance premiums payable to such labor organization or subsidiary or affiliate thereof;] *And provided further*, That nothing in this act shall be construed to prohibit a carrier from permitting an employee, individually, or local representatives of employees from conferring with management during working hours without loss of time, or to prohibit a carrier from furnishing free transportation to its employees while engaged in the business of a labor organization.

APPENDIX D

To remove prohibition on union security clauses paragraph fourth of section 2 of the Railway Labor Act (ch. 8 of title 45, U. S. Code) should be amended by adding the following proviso thereto: [*And provided further*, That nothing in this act or in any other statute of the United States shall preclude a carrier, its officers, or agents from making an agreement with a labor organization (not established, maintained, or dominated by the carrier, its officers, or agents) to require membership therein as a condition of employment, if such labor organization is the duly designated and authorized representative of the employees at the time the agreement is made.]

Repeal paragraph fifth of this section.

APPENDIX E

To resolve jurisdictional disputes before they reach the strike stage.

No formal amendment is proposed, but see the suggestions on pages 12 and 13 of the testimony.

Mr. PEPPER subsequently said: Mr. President, I ask to have incorporated in the RECORD after the material I presented during the course of my recent remarks from Mr. A. F. Whitney some additional material that is marked in the instrument I send to the desk, representing excerpts from Mr. Whitney's testimony before the Committee on Labor and Public Welfare.

The PRESIDENT pro tempore. Is there objection? The Chair hears none, and it is so ordered.

EXCERPTS FROM TESTIMONY OF A. F. WHITNEY

Responsible unions want the closed or union shop because it is essential if the union is faithfully to discharge the terms of the contract it signs with management. How can any union guarantee steady production, peaceful relations, an absence of wildcat strikes, or any of the other interruptions to sustained industrial production if a number of the workers affected by the agreement are not a party to it?

Some years ago the vice president of one of the Nation's largest railroads demanded that the Brotherhood of Railroad Trainmen fulfill the terms of its contract in a number of railroad yards torn by bitter quarrels between workers with all their resultant interruptions in yard work. This railroad had encouraged the growth of a rival union to the BRT; it had protected the growth of the other union until it had signed up a considerable number of men. My answer to the vice president was that the BRT had made, and would continue to make, every effort to fulfill its contract. But how could he expect peace in his yards when he was encouraging his employees to join a rival union and then setting one off against the other?

I say the same thing today. How can anyone expect a union to discharge the obligations of its contract when an employer encourages strife and rivalry by inviting another union to come in and start organizing? Unions are anxious to fulfill their contracts, and they usually do. But if you really are concerned with the responsible operation of unions, then give them security so they have the chance.

Many employers themselves want the closed shop for exactly the same reason. They have learned that improved union discipline, higher morale, greater stability in labor-management relations are all fruits of

the union security agreements. Why in the name of common sense should anyone strike at a system which has proved its value?

In the name of common sense, no one would. In the name of profits for a selfish few, some industrialists do. I do not believe they will be successful. But the very fact that the basis of union security is threatened introduces antagonism in the industrial picture. By refusing to strike at union security, the Congress will make a real contribution to lasting industrial peace.

* * * * *

To remove prohibition on union security clauses paragraph 4 of section 2 of the Railway Labor Act (ch. 8 of title 45, U. S. Code) should be amended by adding the following proviso thereto: "*And provided further*, That nothing in this act or in any other statute of the United States shall preclude a carrier, its officers, or agents from making an agreement with a labor organization (not established, maintained, or dominated by the carrier, its officers, or agents) to require membership therein as a condition of employment, if such labor organization is the duly designated and authorized representative of the employees at the time the agreement is made."

Repeal paragraph 5 of this section.

PRINTING IN THE RECORD OF SPEECHES NOT ACTUALLY DELIVERED ON THE FLOOR OF THE SENATE

The PRESIDENT pro tempore. With the indulgence of the Senate, the Chair would like to refer to a question which has been brought to his attention, namely, a recurrence of the habit of Senators asking to have speeches printed in full in the body of the CONGRESSIONAL RECORD as though they had been delivered on the floor of the Senate.

The Chair prefers to speak of this matter at a time when no such request is pending, so that it may refer to no particular Senator.

At least five times within the past 2 weeks speeches have been printed in full in the body of the RECORD precisely as though they had been delivered on the floor of the Senate. As Senator McNary said on October 1, 1942, when a similar question arose:

> It has been the unbroken practice of the Senate for 150 years that no speeches shall be included in the RECORD of the day's proceedings which have not been actually delivered on the floor.

While former Senator La Follette, of Wisconsin, was a Member of this body he constantly rose to object to the exercise of the privilege of printing speeches in the body of the RECORD as though they had been delivered on the floor. Upon one occasion he called attention to the fact that this exceeds even the privilege to print which is exercised in the House of Representatives, because while the House does permit Members to extend their remarks, it requires that they be extended in the Appendix of the RECORD.

In the opinion of the Chair, it is very important to protect the integrity of the RECORD of the proceedings of the Senate. It is not fair to ask the Official Reporters of Debates to stand guard in this connection and to resist requests to violate this essentially sound precedent.

The Chair takes the liberty of asking that these observations be referred to the Committee on Rules and Administration, under which there is a Subcommittee on Printing which succeeds to the jurisdiction of the old Committee on Printing, with the request that some resolution of the Senate be suggested which will permanently prevent this practice.

EXEMPTION OF EMPLOYERS FROM LIABILITY FOR PORTAL-TO-PORTAL WAGES IN CERTAIN CASES—CONFERENCE REPORT

Mr. WILEY. Mr. President, I ask unanimous consent for the present consideration of the conference report on House bill 2157, the so-called portal-to-portal bill.

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

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

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

The PRESIDENT pro tempore. Does the Senator from Wisconsin yield for that purpose?

Mr. WILEY. I yield for that purpose.

The PRESIDENT pro tempore. The clerk will call the roll.

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

Aiken	Hatch	O'Conor
Baldwin	Hawkes	O'Daniel
Ball	Hayden	O'Mahoney
Barkley	Hickenlooper	Overton
Brewster	Hill	Pepper
Bricker	Hoey	Reed
Bridges	Holland	Revercomb
Buck	Ives	Robertson, Va.
Bushfield	Jenner	Robertson, Wyo.
Butler	Johnson, Colo.	Russell
Byrd	Johnston, S. C.	Saltonstall
Cain	Kem	Smith
Capehart	Kilgore	Sparkman
Capper	Knowland	Stewart
Chavez	Langer	Taft
Connally	Lodge	Taylor
Cooper	Lucas	Thomas, Okla.
Cordon	McCarran	Thomas, Utah
Donnell	McCarthy	Thye
Downey	McClellan	Tydings
Dworshak	McFarland	Umstead
Eastland	McGrath	Vandenberg
Ecton	McKellar	Watkins
Ellender	McMahon	Wherry
Ferguson	Magnuson	Wiley
Flanders	Malone	Williams
Fulbright	Millikin	Wilson
George	Moore	Young
Green	Murray	
Gurney	Myers	

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

The question is on agreeing to the conference report.

Mr. WILEY. Mr. President, I shall detain the Senate only a few minutes in regard to this matter.

I preface my remarks by stating for the information of the Senate that the conference report which we now have under consideration was printed in the RECORD for April 29, where it appears on pages 4209 to 4211, inclusive.

At this time I wish to present a brief summation of what has been accomplished by the conference committee as embodied in the report.

Mr. President, the conference committee adopted in its report the provisions of both the House and Senate versions of House bill 2157, in substance, with respect to past claims. In other words, the conference report in relation to past claims, adopts the theory of both the Senate and the House versions of the bill.

The conference report also adopts generally the Senate rule with respect to future claims.

It bans representative actions, as provided in the Senate amendment.

It contains a 2-year statute of limitations, with modifications as noted in the statement which I put into the RECORD yesterday.

It permits reliance on past and future administrative rulings.

It permits a court in its discretion to award less than the liquidated damages which now are mandatory under the Fair Labor Standards Act.

It relieves from liability employers who were exempt under an "area of production" regulation for acts or omissions occurring prior to December 26, 1946.

Mr. President, it should be clearly understood that the conference report in no way repeals the minimum-wage requirements and the overtime compensation requirements of the Fair Labor Standards Act.

In relation to past claims, if the action is brought with 120 days after the date of enactment, the applicable State statute of limitations will apply. If the action is not brought within 120 days, then the 2-year statute of limitations applies, or the shorter State statute, if it is shorter than 2 years.

With respect to future claims, a 2-year over-all Federal statute of limitations will be applicable, thus doing away with the applicability of any State statute in the future.

Mr. President, that is all I have to say in regard to the conference report, except to compliment the conferees, who worked like yeomen, night and day, until finally their minds met and agreement was reached on what I consider to be a constructive piece of legislation, which will result in advancing the economic health of this Nation.

Mr. President, I move the adoption of the report.

Mr. McGRATH. Mr. President, at this time I should like to make a brief statement to the Senate, as one of the conferees.

Of course, I desire to concur in the statement which has been made by the distinguished chairman of the Judiciary Committee, namely, that the members of the conference committee worked most diligently on the two measures which were before them. I was privileged to be one of those conferees. I regret that in the final analysis, I could not bring myself to sign the conference report. I may say that the defects of the conference report of which I complain are no different than those of which some of us complained when the bill was before the Senate for general discussion prior to its passage.

I reiterate that I think it is a grave mistake for the Congress of the United States to write into the provisions of this measure limitations upon labor laws which heretofore have worked admirably for the welfare of those in whose behalf they were enacted.

Inasmuch as both the House and Senate versions of the portal-to-portal bill incorporated the Walsh-Healey Act and

the Bacon-Davis Act, there was the belief on the part of the conferees that they lacked authority to eliminate them from the conference report. With that interpretation of the authority of the conference committee, I do not agree. I think it was within the province of the conference committee to recommend to the Senate that inasmuch as no portal-to-portal cases had been brought under those acts, there was no necessity, so far as the proposed legislation was concerned, to incorporate them in this final draft.

Mr. President, I regret that the impression has gone abroad to the country that those of us who are sincerely in opposition to the enactment of this legislation in its present form do not desire to see the injustices and the inequities of portal-to-portal suits corrected. I, for one, would be most happy to vote for a measure which would ban portal-to-portal suits, without any limitation or exception whatsoever. But I wish to call the attention of the Senate and of the country to the fact that this measure goes far beyond the field of portal-to-portal legislation. To those who speak of the relief it will bring to industry by banning some $5,000,000,000 or $6,000,000,000 worth of claims, I desire to point out that the measure now before the Senate, to my way of thinking, merely extends to industry an invitation to pass its own financial obligations on to the Government of the United States, for the conference report provides that where any issue whatsoever remains to a portal-to-portal suit, any issue whatsoever between the parties—and I cannot conceive but that in every one of the suits which we are attempting to outlaw there will remain some question as to whether there was a contract, whether there was a custom, or whether there was a practice—if such question remains in the minds of the parties, the suits are not outlawed, and may be compromised and settled.

This means that any employer can buy the good will of his employees at the expense of the Treasury of the United States, because all he has to do is to say to them, "I recognize that there is an issue between us, and my taxes were so high while these obligations were accumulated that I will make a settlement with you, and I will collect 70 or 75 or 85 percent back from the Government." In the case of the billions upon billions of dollars which were expended in war contracts, where the obligation of the Government is to pay 100 percent of the cost, why should not the contracting party use this law for the building of good will among his employees by saying, "Certainly; I will settle this portal-to-portal suit with you, because it will not cost me one red cent"?

There is that danger. There is the further danger, in the application of the rule that is here written, that one may rely upon good faith, not good faith of an order of the Administrator who has charge of the enforcement of the law, but good-faith reliance upon any ruling or any practice or custom or any letter which might have been written at any time, and to anybody, by any agency of the United States, regardless of whether or not such agency had anything to do with the enforcement of the Fair Labor Standards Act. Reliance upon that sort of a custom or practice is sufficient to justify a violation of the Fair Labor Standards Act by an employer who can come forward and point to some mythical letter or some mythical custom upon which probably he relied. I think there is danger in that sort of looseness in the legislation we are writing.

Mr. President, I do not care to prolong the debate. As I said in the beginning, these arguments have already been made, but I did want to reiterate them upon the floor of the Senate, in order that Senators might know that the errors and the fallacies are still present, and there is grave danger that we have done mortal harm to the Fair Labor Standards Act, the Walsh-Healey Act, and the Bacon-Davis Act, and that today, by the adoption of this conference report, we take a terrible backward step in the field of labor legislation.

The PRESIDENT pro tempore. The question is on agreeing to the conference report.

The report was agreed to.

Mr. DONNELL. Mr. President, I move that the vote by which the conference report was agreed to be reconsidered.

Mr. COOPER. I move to lay that motion on the table.

The PRESIDENT pro tempore. The question is on the motion of the Senator from Kentucky to lay on the table the motion of the Senator from Missouri that the vote by which the conference report was agreed to be reconsidered.

The motion to lay on the table was agreed to.

Mr. BALL subsequently said: Mr. President, I should like to ask the Senator from Missouri very briefly about the conference report adopted a few moments ago.

I am concerned with the good-faith defense provisions of the conference report. I know of one particular case, for instance, in which an employer had one ruling from the Administrator of the act, and a different ruling from the Interstate Commerce Commission. He relied on the one which said he was not covered by the Wages and Hours Act, but he did not have very much faith in it, because, as he was working under a War Department contract, he got the War Department to indemnify him for any possible suit for damages. So he was not relying in very good faith on the particular ruling he had.

Mr. DONNELL. From which department?

Mr. BALL. I believe it was from the Administrator. I am wondering whether this good-faith provision would go so far in that particular case, where the employer obviously did not rely on the interpretation very heavily, as to prevent the employees from recovering.

Mr. DONNELL. Mr. President, I assume the Senator is speaking of the Northwest Airlines case in Minnesota.

Mr. BALL. That is correct.

Mr. DONNELL. That matter has been considered by the committees of both the House of Representatives and the Senate. It is very difficult, of course, to decide a particular lawsuit upon the floor of the Senate, and I would not undertake to say with certainty the outcome of that case, on the facts submitted by the distinguished Senator from Minnesota. I will state that unless the employer pleads and proves that the act or omission complained of was in good faith, and in conformity with and in reliance on an administrative regulation, order, ruling, approval, or interpretation of an agency of the United States, or an administrative practice or enforcement policy of any such agency with respect to the class of employers to which he belonged, he is not protected.

In the case which the Senator cites, in which there were conflicting rulings, one department ruling one way, another ruling the other way, I think it is impossible to state with absolute certainty as to whether a court would hold that the employer was relying in good faith upon the one ruling or the other. I think that is a matter which might well require the determination of a court. I think that is as near an answer as I can give the distinguished Senator, on the facts.

Mr. BALL. I thank the Senator, and I am inclined to agree with him that it is up to the court to decide finally. But it would appear to me that when the employer, in the particular case cited, went to the length of getting the War Department, under which he was a contractor, to indemnify him in case his reliance did not prove very good, it did not indicate that he had very much faith in the ruling on which he was relying.

Mr. DONNELL. I will say, Mr. President, if the Senator will yield, that reliance in good faith is an essential part of the defense, and unless the employer can show a good-faith reliance in conformity with and in reliance on the administrative regulation, and so forth, he is not protected. Does that answer the Senator?

Mr. BALL. Yes; I think that answers what I had in mind.

LABOR RELATIONS

The Senate resumed the consideration of the bill (S. 1126) to amend the National Labor Relations Act, to provide additional facilities for the mediation of labor disputes affecting commerce, to equalize legal responsibilities of labor organizations and employers, and for other purposes.

Mr. WHERRY. Mr. President, I believe that Members of the Senate will agree with me that there has been ample debate upon the pending amendment, designated as the Ball amendment. I have consulted with several of those who are interested in the amendment, and I am quite satisfied that all feel favorable to setting a time certain for a vote upon this one amendment, and any amendment thereto. Therefore, Mr. President, I send to the desk and ask that the clerk read a suggested unanimous-consent agreement.

The PRESIDENT pro tempore. The Senator from Nebraska submits a unanimous-consent request which the clerk will report.

The Chief Clerk read as follows:

Ordered, That on the calendar day of Friday, May 2, 1947, at the hour of 2 o'clock p. m., the Senate proceed without further debate to vote upon any amendment that may be pending, or that may thereafter be offered to the amendment, as modified, proposed to Senate bill 1126, the Federal Labor Relations Act, 1947, by Mr. BALL, for himself, Mr. BYRD, Mr. GEORGE, and Mr. SMITH, inserting on page 14, line 6, after the word "coerce", the following:

"(A) Employees in the exercise of the rights guaranteed in section 7: *Provided*, That this subsection shall not impair the right of a labor organization to prescribe its own rules with respect to the acquisition or retention of membership therein; or (B)."

Then upon the said amendment as modified or amended, if any amendment be made thereto.

Ordered further, That on said day the time intervening between the meeting of the Senate and the said hour of 2 o'clock be equally divided between the proponents and opponents of the said amendment, as modified, to be controlled, respectively, by the Senator from Minnesota [Mr. BALL] and the Senator from Florida [Mr. PEPPER].

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

Mr. PEPPER. It is my understanding, Mr. President, that the unanimous-consent agreement proposed relates only to the pending amendment which is mentioned in the unanimous-consent proposal, and to any amendment to that amendment.

Mr. WHERRY. That is correct.

The PRESIDENT pro tempore. The Senator from Florida is correct. Is there objection to the request? The Chair hears none, and it is so ordered.

REDUCTION IN INTERIOR DEPARTMENT APPROPRIATIONS — EFFECT ON THE WEST

Mr. TAYLOR. Mr. President, I should like to address myself to the matter of the Department of the Interior appropriation bill as reported to the House by the House Committee on Appropriations and as passed by the House.

I feel that this is a matter of sufficient urgency to warrant its discussion at this moment. Yesterday afternoon, immediately before the vote on the motion of the Senator from Oregon [Mr. MORSE] to recommit the labor bill, the able Senator from Ohio [Mr. TAFT], chairman of the Republican policy committee, took the time to discuss this question and to yield the floor to other Republican Senators to express themselves on the point he had raised. The Senator from Ohio refused to accede to the request of the Senator from Wyoming [Mr. O'MAHONEY] to yield to him or to other Democratic Senators on the ground that they would have ample time to answer the Republican statements during the later progress of the debate on the labor bill. So, while I hesitate to intrude this subject at this point, I feel that the able Senator from Ohio has left me no alternative.

It is my belief that the House action in cutting the Interior Department budget recommendations of the President by more than 40 percent represents an invitation to mass desecration of the West and its resources.

From the nature of the pending proposal, I should judge that this action represents the policies of the Republican Party.

I should like to call attention to just what this so-called economy action means to the West—yes; and to the Nation.

It is the story of the sabotage of the West. It is a story of a wave of false economy being sponsored by the majority party in Congress which will hasten depression and retard the development of our great region by many, many years.

Mr. Julius A. Krug, the Secretary of the Interior, had this to say about the proposed cuts:

> The proposed budget reductions in my opinion would cause a tremendous set-back in the Nation's economy. That set-back might be enough to set off a major depression.

Mr. Krug went further. He said:

> You can't hope to head off foreign "isms" if we cannot maintain a sound economy in this country.

The Appropriations Committee of the House did no careful job of pruning. Its action gives no evidence of its members having carefully considered each item and the effect of each reduction in appropriation. The members could easily have thrown a wad of gum at a wall chart with the pledge "where the wad sticks—that is where we will cut." The minor increases made by the House were made on a similar basis. That was political expediency rather than economic justification. The two may have coincided, but that was not the fault of the House.

It was only the threat of outright revolt by many western Representatives which brought about those restorations of funds. It was a political deal to prevent those westerners from following their consciences and voting to recommit the entire bill for revision. They went through that budget with a meat ax. They chopped it off just slightly below the head.

Here are some of the effects of the House action, wherein the amount of money available to the Department of the Interior was cut $135,000,000.

In the first place the amount of money available for construction work on projects in Western States was hacked by 57 percent—from $132,000,000 to $57,000,000.

And what does that mean?

It means, for example, that the Palisades project on the South Fork of the Snake River in Idaho was cut from $2,629,000 to $876,000. That is just one-third of the amount of money for Palisades that the President requested.

At that annual rate of expenditure it would take 33 years to complete the Palisades project. Of course, the Bureau of Reclamation had planned to complete the big reclamation dam in 5 years. But at this rate of construction it will take 33 years. It is a good long-term project, that way. A young man could begin work on the dam now and spend his whole life on just that one job. He would never run out of work. It would not help the farmers very much who need supplemental water. But it would be a nice sinecure for some politician who is interested only in making the work last.

There is not much economy in that type of operation. Over those 33 years the people would be paying many times the rental on heavy equipment. And they would be keeping a force of administrators and bookkeepers at work a lot longer than under the Democratic plan of building the dam in 5 years. But then it makes a nice showing on the 1948 budget. Why worry about real economy. Let us make the bookkeeping for 1948 look good.

The Bureau of Reclamation item for investigation of the feasibility of additional projects was practically wiped out. The President recommended $5,000,000. The money allowed by the House is $125,000. That is just 2 percent of the current level of expenditure for such investigations. What does it matter if we do not plan intelligently for the future development of now arid lands? Let us wait for an emergency and do our planning then. No need to look to the future. Why try to build a better State, better region, and better Nation for ourselves and our children?

The Bureau of Reclamation has told me that with only such funds as these for investigation the work would virtually cease. The highly trained technical staffs will disintegrate. The Bureau of Reclamation will be crippled for many years—even if appropriations are restored to higher levels next year, or the year after next.

The House Appropriations Committee heard a very logical presentation of the needs for the extension of Bonneville Power Administration electrical transmission lines into northern Idaho. But apparently arguments as to the soundness of that expenditure from a strictly business standpoint failed to impress the majority of the House Appropriations Committee.

The appropriations bill which was written and pushed through the House completely ignores the recommendation by the President that funds be appropriated for the power line. Not one dime is appropriated to the Bonneville Power Administration with which to build the power line into the Idaho Panhandle. Not only was that money completely hatcheted out of the appropriation, but the House also cut out funds recommended by the President for investigation and planning of a further extension of Bonneville Power transmission lines into southern Idaho.

If that money had been available a start would have been made toward bringing cheap power into southern Idaho for processing farm products in new industrial plants. And most important of all, the power would have been brought to the largest phosphate deposits in the United States, in southeastern Idaho. With that cheap power near the phosphate rock it would have been possible to manufacture adequate amounts of phosphate fertilizer for use on our western farms. The raw materials and the power would have been there. Farm cooperatives such as those sponsored by the Grange and other farm organizations could have manufactured phosphate for

their members. Private corporations could have entered the field, building new pay rolls and solving the fertilizer shortage. We would not need to depend on fertilizer factories in Germany which some Senators have described as dangerous because of the possibility they could be quickly converted into munitions plants. But that did not impress the House Appropriations Committee. The money was stricken out of the budget in the name of economy, as if a power line such as that one would not have paid its way many times over; as if the new taxable wealth created would not have yielded many more dollars to the United States Treasury, and as if the increased well-being of the people of the West would not have offset any momentary out-of-pocket cost even if there would be such cost, which there would not be.

The President recommended a budget of $20,278,000 for the Bonneville Power Administration. The House cut the figure to $6,907,800.

Included in the President's recommendation was four million seven hundred thousand for operation and maintenance of the transmission system. That was cut to two and one-half million. Included in the President's recommendation was $15,578,000 for construction of new transmission lines. That was cut to $4,407,000.

Perhaps this can be defended in the name of economy. Yes, perhaps it can. It is the same kind of economy as would be practiced by a storekeeper who purchased a fine stock of merchandise and then kept it boxed up in the basement of his store because he wanted to save the money he otherwise would have spent in buying attractive display tables and in making the stock available to his customers. That storekeeper would not move much merchandise.

Neither will the great power dams, present and prospective, sell much power to the people for whom it is being produced if the means to transmit that power to the place where it may be used is cut off.

All of our reclamation laws from time immemorial have carried clauses requiring that public power must first be offered to public agencies, to reclamation districts, to REA's, to public utility districts, to municipalities and so on. That is a very fine clause but it has not meant very much to the people of my State and to the people of the West in a great many places.

The reason it has not meant much is that it is impossible for a small municipality, a small rural electric cooperative, or other such agency, to take a bucket to Bonneville Dam and carry back a pailful of electricity. Electricity is usable only when it is available, not at the dam, but at the point of consumption.

None of these small agencies can finance, alone, the construction of a huge transmission line. Therefore, few of them can buy public power in Idaho. Those few that do buy public power must buy it under an exchange agreement with private power companies. That is, it must be carried over private power company lines at greatly increased cost.

The committee did allow some money for building power lines, not in Idaho, however. But even on those lines for which they did appropriate funds they cut out all money for substations to deliver the power to local users. They said those substations should be built by the consumers. Can you not see, Mr. President, a small REA building a huge substation to get its little bit of power from the high line? Of course, the committee knows that except for the Federal Government, no one but a rich private power company could build such a substation.

The committee's action is a deliberate effort to nullify the long-established policy of the Congress with regard to the sale of public power. It effectively prohibits most of the public power distributing agencies of my State from obtaining Columbia River power just as effectively as if it had repealed the law, but without repealing the law.

It is not as if the requested funds were in the form of a gift. That money is no gift. Neither is it running expense. It is a loan which is repaid in cash, and which is repaid many times over by the taxes on the new wealth created.

There is an interesting tie-up in connection with this choking off of public power development. The development of power by these big multiple-purpose projects becomes increasingly necessary for reclamation development. Costs are rising, not only because of the inflationary period which we are undergoing, but because most of the easy projects have been built. The more expensive ones are left. The only reason they are feasible economically for the farmer is that power sales may be used to help defray the cost, and thus lessen the payments of the individual reclaimed landowner.

Thus, by tossing a monkey wrench into the orderly development of the power features of the program, these so-called economizers are going to increase the cost to reclamation farm owners so much that soon it will be impossible to make enough money off the land to meet the high payments, and the House committee, whose action has been endorsed by most of the majority party Members of the House, realizes this.

The committee makes an interesting statement in the report on the bill. I quote from the committee report:

> The committee has requested the Commissioner of Reclamation to have increased construction costs of irrigation facilities reflected in new or amendatory repayment contracts for projects under construction or where work has not started.
>
> Future appropriations for projects in Colorado, California, the Missouri Basin, and elsewhere will depend on the willingness of prospective beneficiaries to assume additional repayment obligations.

That innocent-sounding language covers a multitude of sins. It means, I would judge, that the sanctity of contracts, which some of the Senators on the other side of the aisle defend so righteously in other matters, is of little matter when it is the Government dealing with a small irrigation farmer.

It means nothing, apparently, that the United States of America has entered into a solemn covenant with these water users as to the size of the payments they must make in return for irrigation water. There must be "new or amendatory repayment contracts," in the words of the committee.

Those "new or amendatory repayment contracts" may well push the cost of the water higher than the recognized ability to pay out of the products of that land. When that happens the farmer either will have to give up his land or go broke, and the responsibility will rest upon those who framed this policy.

There is an alternative. Those increased costs must be met and the people of the West want to meet them. They do not want a Government dole or handout. Those increased costs can be met by full development of the power resources of the rivers. But that development will not come when short-sighted policies such as those involved in the bill are followed by the Congress.

I know the farmers of southern Idaho who have signed repayment contracts for water from Anderson Ranch Dam will be very deeply interested in that portion of the bill. I know their reaction will be violent, and justifiably so. Costs of Anderson Ranch Dam have exceeded the original estimates, and the Bureau of Reclamation had plans for working out those increased costs through power revenues.

The Columbia Basin report of the Bureau of Reclamation has a sound suggestion to the Congress in this regard. It contemplates the pooling of power revenues of all the dams on the river or in the basin to establish a set cost for irrigation development.

In the development of irrigation and power projects we all know that the most accessible and easily irrigated lands were developed first. As time went on the more expensive projects were developed. The first projects required merely the building of diversion canals. Later came the construction of small dams. Then the larger dams such as Arrowrock, American Falls, and so on, were built by the Federal Government because they were too big to be built by small groups of farmers. Now we have skimmed off the cream, so to speak, and the projects remaining become more and more expensive.

If those projects had to be repaid out of irrigation repayment revenues alone, most of the projects which we are pushing could not be built. The cost per acre of land irrigated would be more than the production of that land could pay back.

That is where power comes into the picture. The power developed by irrigation projects can be sold and the money used to help defray the cost, thus lowering the cost to the farmer water users. That has been done to some extent on our projects already.

But irrigation dams on the upper Snake River and its tributaries, for example, will not develop much power. The location of these dams for the best irrigation use is such that there is not a steep enough fall nor a sufficient head of water to generate huge amounts of power. On the other hand, the dams

projected in Hell's Canyon of the Snake, on the Snake below Lewiston and on the Columbia can generate terrific amounts of power.

Therefore the Bureau of Reclamation makes this suggestion to the States and to Congress in its Columbia Basin report—and I think it is a good one:

Its plan is to pool all of the repayable costs on all of the irrigation and power projects of the Columbia Basin and add up the amount into one big total for the whole basin.

Then it would do the same thing with revenues. It would set up the amount of money which an acre of new irrigated land could repay. On these upstream projects that amount probably would be far less than the cost. In other words, the project could not be built because it would not pay out if all of the repayment had to come from the irrigated land.

But the Bureau of Reclamation would add up the amount which could be repaid by the water users from their land and to that it would add the revenue from all of the power projects of the Columbia Basin. Thus those big power dams in Hell's Canyon on the Snake, the big navigation dams projected on the Snake below Lewiston, and the big dams on the Columbia River itself would all generate power whose revenues would assist in paying for irrigation projects.

That solution evidently does not meet with the approval of the majority party members who framed this Interior Department appropriations report and who passed this bill in the House of Representatives. They are so interested in preserving the private domain of the private power companies in the West that they will allow the irrigation farmers to go broke before they will see any additional development of public power.

That is their decision. Then let the record be clear. Let the people know of this action. And let the people express themselves on whether they favor such policies in 1948. Let them be heard on whether that is what they voted for in 1946.

Some eastern and midwestern Members of Congress have had much to say about Federal subsidies for the West. They feel that reclamation and public power projects in the West represent an imposition on the people of the Midwest and East. They profess to think it is some kind of a pork-barrel grab.

I should like to call the attention of these Members to an interesting bit of information. It is a Government compilation of all of the money spent by the Government on water conservation and control projects from 1824 to 1944. It shows that in the 17 western irrigation States only about $851,000,000 of nonrepayable Federal money has been spent. But in the rest of the United States $3,300,000,000 of nonrepayable public-works funds have been spent for harbors, navigation, flood control, and the like. I am not complaining about those expenditures. I am simply drawing a comparison, because it is most favorable to the West. In the case of repayable Federal money, true, $919,000,000 have been spent in the 17 irrigation States of the West. But that money will be repaid or has been repaid. All of the repayable money in all of the rest of the United States, however, totals only $499,000,000. Thus it would seem the West is paying its way and the East is not.

As a matter of fact, in many Midwestern and Eastern States none of the money has been repaid. For example, in the State of Ohio $150,000,000 have been spent for such projects by the Federal Government. I am glad they had the developments. But, Mr. President, this is the point. Not one dime of it has been repaid by the people of Ohio. It would seem that the people of the East and Midwest have little reason to look down their noses at us. They had better look down their noses at their own feet.

The bill gives evidence of being the work of plunderers like those who began the dissipation of our natural resources in the days before Theodore Roosevelt. Apparently the majority party members got their Roosevelts mixed up. They thought that reclamation, power development, preservation of natural resources, and so on, were initiated by Franklin D. Roosevelt. Of course, we all know what the leaders of the majority party in Congress think of his program. They have forgotten that these sound policies were given their first big impetus under President Teddy Roosevelt. I would wager that he would not recognize his party if he saw it today. Yes; we have turned back the clock to before the days of Teddy Roosevelt.

The over-all cut in appropriations for the Interior Department as passed by the House was about 47 percent under what the President recommended.

This was done in the name of economy, of course.

But the members of the majority party who initiated these cuts consistently refused funds for what they admitted were essential functions. They admitted that the Government was obligated to perform these functions. They admitted that a great many of them paid back dollar for dollar to the United States Treasury.

Let us take another look at the report of the House Appropriations Committee.

Time after time as funds were refused the committee said either that these functions should be performed by local taxing units—States, counties, or cities—or they should be performed by private enterprise.

The Indian Service is an example. The appropriation was cut about $11,000,000—from forty-four million to thirty-three million. Much of this money was for education of Indians. Let me read what the committee had to say about education:

> Much assistance could and should be given to the Federal Government by the States and municipalities. In denying all proposed increases and effecting a substantial reduction, this situation has been taken into consideration.

The committee, after cutting funds and telling the States that they must take over the job, has the audacity to recommend that the Government live up to its treaty obligations and provide school facilities for all Navajo children of school age. The reason the Government has not been doing this has been lack of funds, of course.

I have the word of William Zimmerman, the Acting Commissioner of the Office of Indian Affairs, that these fund cuts will make it necessary to turn out of school about 5,500 Indian children in the West. As for the Navajos the committee said it wanted to start educating, not only will it be impossible, but 1,000 Navajo Indian children now attending school will be turned out and their schools closed.

I think this is particularly ironical. Our history books tell us that the white man treated the Indian pretty badly in the early days. The white man took the good land away from the Indians and pushed the redmen onto land less and less desirable. Finally they were pushed into the arid lands of the West, which were not even irrigated in those days.

For many years we have recognized that because our ancestors treated the Indians so badly we should try to make amends. Now the House committee changes all that, and even refuses to provide Indian boys and girls with ordinary education, which is supposed to be available to all in this great Nation of ours. The committee says that it is the obligation of our western States where the Indians were pushed in the early days to take care of them. The people in the Eastern and Middle Western States from which those Indians were ousted are supposed now in no way to share the obligation through payment of Federal taxation.

We of the West, of sparsely populated States such as Idaho, Nevada, New Mexico, and Arizona—States whose citizens are taxed to the limit of their capacity to pay in order to support present school facilities—are asked, in addition, to educate the Indians who are, by all rights, wards of the Federal Government, of all the people of the United States. It is a unique theory, and it is one to which I object strenuously both as an Idahoan and as an American.

The Republican majority in the committee has displayed the same kind of reasoning as it went through, item by item, the functions of the Interior Department in the West.

It cut out the statistical studies made to give consumers and the public basic information on the coal mining industry. It said the mine owners could provide that information.

It cut out funds for stream gaging by the Geological Survey. Of course such work is absolutely essential for the operation of an irrigation dam or a flood-control dam. But out went the funds, and consternation will reign if the bill goes through in that fashion.

The Federal Fish and Wildlife Service puts out market reports for the fishing industry much as the Agriculture Department does for the livestock, potato and grain industries. The money for that fish-market reporting is cut out. Who cares. Give the big speculators a boost. Gouge the little man by refusing to give him reliable information on where

he should sell his produce. Perhaps that is a taste of what will happen to the United States Department of Agriculture market reports when the Agriculture appropriation bill comes up.

Funds for wildlife restoration under the Pittman-Robertson Act were left entirely up in the air. The committee said they could have whatever income they make from their activities, but they will not know what that amount is for some time. I guess those committee members look upon wildlife restoration under the Pittman-Robertson Act as another kind of New Deal socialism.

Oh, yes, I must not forget the poor old Grazing Service, or rather what is left of it. It is now merged into the Bureau of Land Management. But the funds for grazing-land administration will be about half of the $1,500,000 needed.

The committee said there would be no more money for Federal grazing-land administration until the Bureau increases the fee. The fee has just been increased from 5 to 8 cents, but the committee said that is not enough.

That is a curious recommendation, because I happen to recall why the fees have not been raised. It is because when C. L. Forsling, then Chief of the Grazing Service, proposed an increase to 15 cents per animal unit monthly in 1945 he was met by a great howl from the grazing-permit holders, which howl persuaded the Senate Public Lands Committee to recommend against the increase.

So the Federal grazing people find that by withholding the fee increase, as ordered by the Senate Committee, they are cut off from funds by the House. That is something for those grazing-permit holders who fought the increase to think about, too. The amount of money left for grazing administration is just about sufficient to maintain one district grazing office in each State. Hurray again for the despoilers. Let the Federal grazing lands become overgrazed dust bowls. Why worry about reseeding or preserving this great natural resource in Idaho or any other Western State? Cut the funds and economize. Yes; let us economize ourselves right out of the only real wealth we have in the West, our natural resources.

That same kind of reasoning went into the committee's action in cutting National Park Service funds. The Tri-State Yellowstone Park Civic Association—which includes a lot of civic-minded people in three States—Idaho, Wyoming, and Montana—has asked for funds to keep Yellowstone open for a longer season. Well, here is the answer of the majority party members of the House committee. I will read you their words:

> It is estimated that an all-time high will be reached in the number of visitors to park areas during the travel year 1947. In recognition of this situation, the committee has recommended smaller reductions than in many other activities.

That is what the committee said. There are going to be more people in the parks, including Yellowstone, than ever before. So the committee says, "We will not provide even as much money as the Park Service has been getting to take care of those huge crowds, police the parks, and keep open the facilities."

I have charged that much of this so-called Republican economy action is merely bookkeeping economy.

By that I mean that there are at least two classes of appropriations in our Federal budget. There are those appropriations which might be called running expenses, namely, money that is paid out, upon which no financial reimbursement is expected.

The other class is what might be termed capital investment.

Appropriations for reclamation dams, for power generation, and for transmission lines come under the heading of capital investment.

The money is loaned and is paid back. In making that capital investment new wealth is created far beyond the value of the installations themselves.

How can we justify as economy the cutting off of an investment which returns many times more money to the Federal Treasury and to the people than is expended?

It is entirely misleading to look upon such appropriations as out-of-pocket expense. It is merely bad bookeeping that makes the Republican Party think it is accomplishing anything in the way of economy when it cuts to ribbons such appropriations.

On the contrary, instead of economizing, the Republicans are actually laying the groundwork for a new depression by failing to make proper provision for full employment in future years.

The United States News of April 7, 1947, which is a conservative business publication, carried an interesting article based, it said, on figures of Government statistical experts.

The figures estimated the physical needs of the United States if it is to assure work for all in this country by 1950.

The article starts out this way:

> The job of assuring work for all, in the view of Government planners, is to be too much for the existing United States industrial machine by 1950. These planners figure that full employment will require greatly enlarged capacity in the basic industries that keep the United States plant operating—steel, electric power, oil production, lumber, and mining.

Then the figures are cited. It is shown that 252,000,000,000 kilowatt-hours of electricity will be needed in 1950 if our industrial machine is to employ all of the people who are employable at that time. That is an increase of 21,000,000,000 kilowatt-hours over present electric-power production.

That increased production can come from building the big reclamation and power dams on the Columbia and Snake Rivers, on the Missouri River, and on the Colorado River. But it cannot be done by starting in December of 1949. It takes years to build such projects. We have not a moment to lose. We cannot delay on these important projects on the ground that they are some sort of make-work projects to be taken up when times are bad and to be abandoned when times are temporarily good. This, Mr. President, is the building of a nation.

LABOR RELATIONS

The Senate resumed the consideration of the bill (S. 1126) to amend the National Labor Relations Act, to provide additional facilities for the mediation of labor disputes affecting commerce, to equalize legal responsibilities of labor organizations and employers, and for other purposes.

Mr. WHERRY. Mr. President——

Mr. TAFT. Mr. President, if the Senator from Nebraska will yield to me, let me say that I see no reason why the Senate should take a recess at this time.

The PRESIDENT pro tempore. The question is on agreeing to the amendment, as modified, proposed by the Senator from Minnesota [Mr. BALL].

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

The PRESIDENT pro tempore. The clerk will call the roll.

The Chief Clerk proceeded to call the roll.

During the calling of the roll,

Mr. TAFT. Mr. President, I ask unanimous consent that the call of the roll be dispensed with, and that I be permitted to withdraw my suggestion of the absence of a quorum.

Mr. DWORSHAK. Mr. President, reserving the right to object, I should like to make an inquiry. The debate on the labor bill has been extended over several days. I am wondering why extraneous matters should be injected into the debate and brought before the Senate by various Senators, and why Members of the Senate should not be primarily concerned with completing debate on this critical issue.

I am in accord with the sentiments which have been expressed by the senior Senator from Ohio, namely, I think that while the country is demanding some action on the important legislation now pending before the Senate and upon other important legislative proposals, the Members of this body should be present at all sessions of the Senate to discharge their obligations and their duties. I do not know why the debate on the question now pending should be extended over weeks and weeks, while many other vital questions are awaiting action.

I shall not object to the request of the Senator from Ohio, but I think the Members of the Senate should be on the job.

The PRESIDENT pro tempore. In the opinion of the Chair, the request of the Senator from Ohio is not debatable.

Is there objection to the request? The Chair hears none, and the order for the roll call is rescinded.

Mr. TAFT. Mr. President, let me say that I have very much the same feeling as that which has been expressed by the Senator from Idaho. The debate on the labor bill has now gone on for 6 full days. There have been long speeches, some of them dealing directly with the measure now before the Senate, and in some cases some of them dealing very indirectly with that measure.

It seems to me that the Senate should proceed to debate the pending issue and to decide the various questions which arise in connection with it, and I think the Senate should decide them promptly, as they arise.

We will obtain a vote on one amendment tomorrow under the unanimous-consent agreement; but it seems to me that the Senate will either have to hold a session every evening or else meet from 11 in the morning until 6 in the evening each day, in order that we may finally reach some decision on the questions involved in the proposed labor legislation. They are perfectly reasonable, simple questions, and they can be debated and disposed of in a short time.

Many other matters of great importance are awaiting action by the Senate, and many important measures are now on the calendar. So I do not think the Senate should indefinitely proceed to debate any one measure, even one so important as the bill which is now the unfinished business.

Mr. LUCAS. Mr. President, will the Senator yield for an observation?

Mr. TAFT. I yield.

Mr. LUCAS. In partial reply to the comment made by the Senator from Idaho [Mr. DWORSHAK], giving somewhat of a lecture to Members of the Senate as to why they should be present, I should like to say that, so far as the Senator from Illinois is concerned, he has been busily engaged in listening to the expert testimony on the tax bill known as House bill 1, which now is the subject of hearings by the Finance Committee. Obviously it is impossible for a Senator to be in two places at the same time. I dare say that if the Senator from Idaho is interested in a reclamation project in the West and is a member of a committee dealing with it, and if the matter is of considerable importance, he will not be on the floor of the Senate all the time, but he will be trying to protect the interests of his section of the country, as it is his bounden duty to do.

I do not feel that the criticism which has been made is really just. It is rather difficult to keep Senators on the floor of the Senate all the time.

So far as I am concerned, the quorum call can go on; and if the Senator makes another speech on that matter, I shall suggest the absence of a quorum.

Mr. DWORSHAK. Mr. President, I certainly did not intend to deliver a lecture to the Members of this distinguished body. I recognize that much important work is transacted in the various committees, and I have no desire to be critical of the acting minority leader or any other Member of the Senate.

I wish to assure my colleague from Illinois that I, too, am a member of an important committee of this body; and if he will check the records, he will find that the Appropriations Committee and the 12 subcommittees thereof hold daily hearings throughout the entire session, and that the members of the Appropriations Committee are required to discharge their duties the same as Senators who are members of committees which meet infrequently. I certainly had no intention of lecturing the Members of this body.

But, Mr. President, I reiterate that we have heard much about the necessity of having the Senate and the House transact business during the present critical and important session. We have considered the advisability of holding sessions 6 days every week and of holding evening sessions.

I wonder how we can transact all the business we are expected to transact, with only 3 months remaining, under the provisions of the Reorganization Act, before we are expected to adjourn or take a recess for the summer. All Senators must realize that there are 10 appropriation bills to be considered by subcommittees of the Senate Appropriations Committee, and later to be considered on the floor of the Senate, during the next 2 months, because there remain only 2 months of the current fiscal year; and of course the appropriation bills are expected to clear this body and the House of Representatives prior to June 30.

So, Mr. President, I do not think I was out of order in saying what I did. Neither was I desirous of delivering a lecture to the older members of this body. I certainly regret that the acting minority leader found it necessary to make the comment which he did make.

If, on the other hand, I am not in order when I suggest the advisability of holding sessions so that the Senate may dispose of pending matters with reasonable diligence, then I have no other comment to make. Probably I shall learn a little more about the operations and procedures of this body as time goes on; but I am cognizant of the fact that many citizens of this Nation expect some forthright and vigorous action to be taken by this body and by the other branch of the Congress, and I am objecting to conduct which may be regarded as justification for many of the complaints which have been made of us in the newspapers and in radio broadcasts which constantly are critical of this body because we do not continue in session and take the action which the country is demanding of us.

Mr. LUCAS. Mr. President, I do not wish to labor this question and I was not attempting to be critical of the Senator from Idaho. If he wishes to criticize any group of Senators, he should criticize the majority, not the minority, because the majority has complete control of what is done in the Senate.

Every so often we receive verbal spankings by some new Member of the Senate. That is perfectly all right, and I think perhaps they do some good. However, if a Republican Senator is going to lecture or criticize any Senator for not being on the floor of the Senate, he should direct his remarks at the Members of his own party.

We on the Democratic side of the aisle will try to help muster a majority on a quorum call any time a Senator wishes to suggest the absence of a quorum. If the Senator wishes to have a quorum call at this time, that will be perfectly satisfactory to me, and I shall try to round up as many Democratic Senators as I can.

MESSAGE FROM THE HOUSE—ENROLLED BILL SIGNED

A message from the House of Representatives, by Mr. Swanson, one of its reading clerks, announced that the Speaker had affixed his signature to the enrolled bill (H. R. 2849) making appropriations to supply deficiencies in certain appropriations for the fiscal year ending June 30, 1947; and for other purposes, and it was signed by the President pro tempore.

EXECUTIVE MESSAGE REFERRED

As in executive session,

The PRESIDENT pro tempore laid before the Senate a message from the President of the United States submitting the nomination of Owen McIntosh Burns, of Pennsylvania, to be United States attorney for the western district of Pennsylvania, vice Charles F. Uhl, term expired, which was referred to the Committee on the Judiciary.

RECESS

Mr. WHERRY. I move that the Senate take a recess until tomorrow at 11 o'clock a. m.

The motion was agreed to; and (at 5 o'clock and 3 minutes p. m.) the Senate took a recess until tomorrow, Friday, May 2, 1947, at 11 o'clock a. m.

NOMINATION

Executive nomination received by the Senate May 1 (legislative day of April 21), 1947:

UNITED STATES ATTORNEY

Owen McIntosh Burns, of Pennsylvania, to be United States attorney for the western district of Pennsylvania, vice Charles F. Uhl, term expired.

HOUSE OF REPRESENTATIVES

THURSDAY, MAY 1, 1947

The House met at 12 o'clock noon.

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

Our Heavenly Father, whose being is without beginning and without ending, and whose mercy is from everlasting to everlasting, whatever the needs of this day may be, impart to us Thy gracious spirit. Inspire us with the loftiest conceptions of truth and right, that by faith and courage we may hasten the dominion of Thy kingdom of peace and happiness and brotherly love toward all men. Kindle the flames of devotion upon the altars of our hearts, so that in our hopes and aspirations we shall more and more reach out toward Thee.

Grant Thy blessing upon our distinguished guest, as his visitation to our country symbolizes the harmony and understanding between our peoples. We pray that time may intensify and seal the spirit of unity, and that our common interests may be evidenced by mutual cooperation and respect.

In the name of the world's Saviour. Amen.

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

RECESS

The SPEAKER. The Chair declares the House in recess subject to the call of the Chair.

Accordingly (at 12 o'clock and 4 minutes p. m.) the House stood in recess subject to the call of the Chair.

JOINT MEETING OF THE HOUSE AND SENATE TO HEAR AN ADDRESS BY HIS EXCELLENCY MIGUEL ALEMAN, PRESIDENT OF THE UNITED MEXICAN STATES

At 12 o'clock and 14 minutes p. m., the Doorkeeper announced the President pro tempore of the Senate and the Members of the United States Senate.

The Senate, preceded by the President pro tempore of the Senate and by their Secretary and Sergeant at Arms, entered the Hall of the House of Representatives.

The PRESIDENT pro tempore of the Senate took the chair at the right of the Speaker, and the Members of the Senate took the seats reserved for them.

The SPEAKER. The Chair appoints on the part of the House as members of the committee to conduct the President of the United Mexican States into the Chamber the gentleman from Indiana [Mr. HALLECK], the gentleman from New Jersey [Mr. EATON], the gentleman from Texas [Mr. RAYBURN], and the gentleman from New York [Mr. BLOOM].

The PRESIDENT pro tempore of the Senate. On behalf of the Senate, the President pro tempore appoints the following Senate Members of the same committee: the Senator from Ohio [Mr. TAFT], the Senator from Nebraska [Mr. WHERRY], the Senator from Kentucky [Mr. BARKLEY], and the Senator from Texas [Mr. CONNALLY].

At 12 o'clock and 27 minutes p. m., the Doorkeeper announced the Cabinet of the President of the United States.

The members of the Cabinet of the President of the United States entered the Hall of the House of Representatives and took the seats reserved for them in front of the Speaker's rostrum.

At 12 o'clock and 28 minutes p. m., the Doorkeeper announced the Cabinet of the President of the United Mexican States.

The members of the Cabinet of the President of the United Mexican States, followed by the President's aides, entered the Hall of the House of Representatives and took the seats reserved for them in front of the Speaker's rostrum.

At 12 o'clock and 31 minutes p. m., the Doorkeeper announced the President of the United Mexican States.

The President of the United Mexican States, escorted by the committee of Senators and Representatives, entered the Hall of the House of Representatives and stood at the Clerk's desk. [Applause, the Members rising.]

The SPEAKER. On behalf of my colleagues of the Eightieth Congress, I am happy to extend to our distinguished guest our cordial geetings and best wishes. We believe that he has honored us by coming to this historic forum to deliver an address to the American people, an act that will strengthen the bonds of friendship and good will which exist between the United Mexican States and the United States of America. Our two countries were united in fighting against the mighty totalitarian forces which threatened the destruction of all freedom in the world. We must remain united to work toward rescuing the world from the chaos, confusion, and misery which are the aftermath of war.

Members of the Congress, it is my great pleasure, and I deem it a high privilege and honor, to present to you His Excellency Miguel Aleman, President of the United Mexican States. [Applause, the Members rising.]

ADDRESS BY HIS EXCELLENCY MIGUEL ALEMAN, PRESIDENT OF THE UNITED MEXICAN STATES

President ALEMAN. Mr. Speaker, Mr. President, honorable Members of the Congress, as the President of a country that has unceasingly struggled for democracy, finding in democracy not only a solution for the problem of its own existence but the enduring basis for international peace, I am sincerely grateful for the honor of being received in this Congress where democracy holds sway.

The essential meaning of this ceremony lies in its friendly spontaneity. It proves the firm decision with which our nations have overcome the obstacles of the past. Over and above their differences in temperament, in folkways, and in language, two peoples that profoundly love their independence have found ways to a mutual understanding—ways of living side by side, of sharing life together, without violence or suspicion. [Applause.]

This attitude of reciprocal esteem is, also, an outcome of democracy. A country under a tyrant's rule is not to be trusted, nor can other countries live securely beside it. And when the state curtails individual freedom in order to impose its will or that of a political party, civilization is on the wane, because civilization is the onward march to the full liberation of man, making him fully conscious of his own rights, entitling him to demand the same respect for them that he renders the rights of others, and making him true to himself in his love of country and true to his country in his loyalty to international solidarity. [Applause.]

This is the type of manhood democracies are shaping. We Mexicans are molding it.

Our entire history has been a struggle against want, against intervention, and against despotism. Against colonial despotism we rebelled for independence in the days of Hidalgo and Morelos. Against the greed of Europe, the country arose unafraid in the days of Juarez. And against the prolonged system of personal rule that frustrated much of what the common people had expected from the wars of independence and reform, the men of 1910 started our revolution. [Applause.]

As the son of one of those men, I speak to you now. With the Mexican Revolution many of your people were in sympathy, but others proved reticent. I take great pride in saying this to you: Our revolution preceded by several years many of the social reforms in other lands, the very same reforms in the defense of which our two countries have just fought.

When in the midst of the storm the voice of a great American bespoke an era in which all men would be free from want and from fear, free to believe and free to think, we in Mexico sensed that these were ideals akin to our own, designed to serve best the security of our hemisphere.

War did not change in Mexico our political ideas, the trend of our public thinking, or the structure of our institutions. It did not alter our international policy. Unlike those who had to improvise an ideology to justify their cooperation with the democracies, we Mexicans went to war for the selfsame moral reasons which moved us to condemn all aggression, whether within or beyond our soil. We went to war because the dictators responsible for the conflict sought to destroy elsewhere the rights defended for our people by our forefathers against the oppressors at home and against alien imperialists. We fought because the pledges our Allies made, though spoken in another language, meant liberation, justice, and faith in mankind. For these lofty purposes, my people have always been ready to offer their lives.

I have dwelt on the straightforwardness of Mexico in the conduct of its international affairs, because such a conduct is the best foundation for the unity of our peoples in the period now beginning. So long as this unity rests on right, abides by the comity of nations, and is kindled by cooperation, and sustained by the resolve to reach a just goal—the goal of living with honor and progressing without impairment of our independence—nothing, nothing shall hinder the harmony between our peoples. [Applause.]

Nations, like individuals, work together successfully only when they undertake jointly something they would also wish to accomplish severally. Mexico and the United States have an example to set for the world—the example of two countries, however different in size and wealth, cooperating on a plane of juridical equality above suspicion, and whose relations are not based on power politics.

How could we hope for the democratic solidarity which we so much desire for all peoples, if we ourselves, Americans and Mexicans, were not capable of sharing peace in frankness and in loyalty? How could we expect that noncontiguous countries reach what we, neighbors by reason of history and geography, fail to accomplish in friendship and disinterest? [Applause.]

Fortunately in recent times both of us have learned a few things. We have learned that isolation is not a good formula for living; that it is not good tactics for security. We have learned that if the goal is not domination of one system by another—necessarily a transitory and unjust condition—much more is achieved in a single year of loyal cooperation than in many years of hatred and rancor. We have learned that democracy, if not backed by force, whets the appetite of dictators, and that the most powerful force to uphold democracy lies not in tanks and ordnance but in the conviction of the men who, when conflict finally breaks out, will drive the tanks and fire the cannon. And we have further learned, that in order to give the citizenry confidence in their own strength, we must not fail to impress on them that the power of their country

does not imperil civilization and is no hindrance to the development of man, regardless of race and creed. [Applause.]

This we learned during the war. It will rise against us, should we ignore it in the peace.

All of us accepted an equal responsibility in the struggle. Therefore, we could not now understand a peace for which we were not equally responsible. Having admitted everyone to the most grievous sacrifices in the name of freedom and of justice, it is only meet that all men be entitled to enjoy a victory in which justice and liberty prevail.

The mission of the United States in this joint effort to insure for the democracies a future of justice and freedom has been perfectly understood and appreciated in all its greatness by the Mexican people. [Applause.]

There are times when destiny grants special powers to nations as if to test their fitness. We have seen with our own eyes how the aggressors lost that power when they abused it to further their selfish ends. But we have also witnessed how free peoples grow in power and strength when they rise against the insolence of the war mongers and the lust of the greedy.

What enhances the formidable industrial, economic, and military might of this Nation is, above all, that it is not at the disposal of a personal ruler, as in the domain of Alexander, the Rome of the Caesars, the Empire of the Hapsburgs, or the France of Napoleon, but is controlled by a government as conceived by Abraham Lincoln—a government of the people, by the people, for the people. [Applause.]

Yours is a country that abides by the policy of the good neighbor. I believe that policy to be the truest expression of the will for peace in this hemisphere. And I believe, likewise, that all of us should now, more than ever, implement that policy with performance in the economic and cultural fields.

Amity between governments is short-lived, unless it be the outcome of a genuine desire of their people to cooperate. Were we to limit the efficacy of good neighborliness to the covenants to safeguard the theoretical equality of all states, the respect of territorial integrity, the principle of nonintervention, as well as the joint defense of the continent, we would still be defrauding some of the most cherished hopes of our peoples. The fact that nearly 300,000,000 people live side by side in our hemisphere involves not only juridical problems and not alone problems of military strategy. As much as in the political solutions—and perhaps much more than in the political solutions—those millions are concerned not only with assistance to ward off foreign aggression but also with common efforts to overcome the dangers of poverty and despair in the difficult years of the peace. [Applause.]

The true significance of good neighborliness is cooperation. It springs from the democratic tenets that bind us together. It surpasses the scope of diplomacy. It goes beyond the exchanges of military staffs. It brings our peoples closer to one another, holding fast to their inalienable rights, those very rights your Declaration of Independence sets forth as supreme goals—life, liberty, and the pursuit of happiness.

Let our own hearts be the bulwark to resist all attacks against our hemisphere. But let us indefatigably work to impress upon those hearts that they must throb more and more in unison with the sincerity of our friendship, to make that friendship a living reality.

We are all responsible for adding to the policy of the good neighbor an economy of the good neighbor and a culture of the good neighbor. Whatever Mexico and the United States achieve in this respect will profit our two countries. But it will also benefit all the Americas, for the boundary between the United States and Mexico still is a touchstone for hemispheric solidarity.

Boundaries are what the peoples that define them and defend them wish them to be. Sometimes they are barriers not to be surmounted, between nations that neither understand nor forgive each other. But boundaries like ours also provide close contacts between countries seeking progress in friendship, under the rule of justice.

We are part of a hemisphere where the concurrent action of all is indispensable. Mexico has honored its every duty without ever forgetting any of its rights. Without waiving any of its rights, Mexico will continue to fulfill every duty.

We place a like trust in your country.

And it is here where I can most properly stress the significance of that trust, for under this dome solemn pledges have been made for the unity of the Americas and the brotherhood of man. It was here where President Truman stated that "in this shrinking world, it is futile to seek safety behind geographical barriers" and that "real security will be found only in law and in justice." [Applause.] And it was here also where President Roosevelt announced that he "would dedicate this Nation to the policy of the good neighbor, the neighbor who respects his obligations and respects the sanctity of his agreements in and with a world of neighbors." [Applause.]

We live in a region of the earth that we call the New World. Destiny challenges us to make it new indeed by virtue of its generosity under democracy, the breadth of its concept of mankind and its undeviating respect for the standards of law.

In the pursuit of that noble purpose Mexico shall never stop. [Applause, the Members rising.]

At 12 o'clock and 55 minutes p. m., the President of the United Mexican States retired from the Hall of the House of Representatives.

The Members of the President's Cabinet retired from the Hall of the House of Representatives.

The Members of the Cabinet of the President of the United Mexican States retired from the Hall of the House of Representatives.

At 12 o'clock and 56 minutes p. m., the Speaker announced that the joint meeting was dissolved.

Thereupon the President pro tempore and the Members of the Senate returned to their Chamber.

AFTER RECESS

The recess having expired at 12 o'clock and 57 minutes p. m., the House was called to order by the Speaker.

RECESS

The SPEAKER. The Chair wishes to announce that the House will stand in recess, to reconvene at 1:30 o'clock p. m.

Accordingly (at 12 o'clock and 59 minutes p. m.) the House stood in recess until 1:30 o'clock p. m.

AFTER RECESS

The recess having expired at 1 o'clock and 30 minutes p. m., the House was called to order by the Speaker.

RECESS PROCEEDINGS

Mr. HALLECK. Mr. Speaker, I ask unanimous consent that the proceedings had during the recess may be printed in the RECORD.

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

There was no objection.

MESSAGE FROM THE PRESIDENT

Sundry messages in writing from the President of the United States were communicated to the House by Mr. Miller, one of his secretaries.

EXTENSION OF REMARKS

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

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

Mr. MUNDT asked and was given permission to extend his remarks in the RECORD and include newspaper excerpts.

Mr. CROW asked and was given permission to extend his remarks in the RECORD and include an article appearing in the Wall Street Journal.

Mr. DAGUE asked and was given permission to extend his remarks in the RECORD and include excerpts from a brochure by Mr. Wilbur M. Smith.

Mr. PLOESER asked and was given permission to extend his remarks in the RECORD and include an address by Rabbi Isserman.

Mr. BENNETT of Missouri asked and was given permission to extend his remarks in the RECORD and include an editorial.

Mr. ANDERSON of California asked and was given permission to extend his remarks in the RECORD and include a brief editorial on Hoover Dam appearing in the Washington News.

Mr. GORDON asked and was given permission to extend his remarks in the RECORD in two instances and to include in each an article.

Mr. RANKIN asked and was given permission to extend his remarks in the RECORD and include the testimony of the Honorable William C. Bullitt, former Ambassador to Russia, given before the Committee on Un-American Activities on the evils of communism.

MARY T. NORTON

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

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

There was no objection.

Mr. KELLEY. Mr. Speaker, yesterday at the church of St. Catherine of Siena in Norwood, Mass., at a pontifical High Mass, MARY T. NORTON was presented the Siena medal for 1946 by the Archbishop of Boston. This is a mark of national recognition of her noble work for social betterment and her many charitable activities.

Throughout her lifetime, in Congress and out of Congress, Mrs. NORTON has been devoted to humanitarian works. It is fitting that the Siena medal should be awarded to such a distinguished lady, for St. Catherine of Siena devoted her life, in a most turbulent time, toward bringing about social order. She stood out in her efforts to achieve social stability when many people held little hope for the future of the world. Significantly, our eminent colleague, MARY T. NORTON, has been awarded the Siena medal for similar distinguished service.

PERMISSION TO ADDRESS THE HOUSE

Mr. ALBERT. 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 Oklahoma?

There was no objection.

Mr. ALBERT. Mr. Speaker, my colleague from Oklahoma [Mr. MONRONEY], in answering the remarks of the gentleman from Oregon [Mr. STOCKMAN] on Friday last, pointed to the achievements of many outstanding Americans of Indian blood. One of these was one of my own distinguished predecessors in this body, the late Honorable Charles D. Carter, a Chickasaw Indian, educated in Chickasaw Indian schools. Various Members have pointed to the outstanding war records of our original Americans. I only wish I had the time to cite the many instances of individual heroism that have come to my personal attention.

Mr. Speaker, if evidence of the error of the remarks of the gentleman from Oregon is required, no more convincing proof need be offered than a visit to Statuary Hall in this great Capitol Building in which this body sits. I refer to the statues of those two illustrious sons of Oklahoma and outstanding Americans, Sequoyah and Will Rogers. Sequoyah, the scholar, was a self-educated man. Will Rogers, friend of all humanity, received his elementary education in Cherokee Indian schools. Any comment on the achievements of these great Americans would but detract from the glory of their names. Their place is established in the hearts of all men. Their lives are the answer to every critic of their race.

FOREIGN RELIEF

Mr. DORN. 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 South Carolina?

There was no objection.

Mr. DORN. Mr. Speaker, I hope every man in this House will take the time to read my extension of remarks in today's RECORD on the squandering of American relief and the American taxpayers' money. These are my personal observations.

DEFICIENCY APPROPRIATION BILL, JUNE 30, 1947

Mr. BROWN of Ohio, from the Committee on Rules, reported the following privileged resolution (H. Res. 201, Rept. No. 330, which was referred to the House Calendar and ordered to be printed:

Resolved, That, notwithstanding the provisions of clause 2, rule XXI, it shall be in order to consider, without the intervention of any point of order, in connection with the consideration of the bill (H. R. 3245) making appropriations to supply deficiencies in certain appropriations for the fiscal year ending June 30, 1947, and for other purposes, the language contained in the bill on page 24, lines 15 to 24, inclusive, and on page 25, lines 1 and 2.

ELECTION TO COMMITTEE

Mr. HALLECK. Mr. Speaker, I offer a resolution (H. Res. 202) and ask for its immediate consideration.

The Clerk read the resolution, as follows:

Resolved, That ROBERT N. MCGARVEY, of the State of Pennsylvania, be, and he is hereby, elected a member of the Standing Committee of the House of Representatives on Public Works.

The resolution was agreed to.

A motion to reconsider was laid on the table.

REORGANIZATION PLAN NO. 1 OF 1947—MESSAGE FROM THE PRESIDENT OF THE UNITED STATES (H. DOC. NO. 230)

The SPEAKER laid before the House the following message from the President of the United States, which was read, and, together with the accompanying papers, referred to the Committee on Expenditures in the Executive Departments and ordered to be printed:

To the Congress of the United States:

I am transmitting herewith Reorganization Plan No. 1 of 1947. The provisions of this plan are designed to maintain organizational arrangements worked out under authority of title I of the First War Powers Act. The plan has a two-fold objective, to provide for more orderly transition from war to peacetime operation and to supplement my previous actions looking toward the termination of wartime legislation.

The First War Powers Act provides that Title I "shall remain in force during the continuance of the present war and for 6 months after the termination of the war, or until such earlier time as the Congress by concurrent resolution or the President may designate." Upon the termination of this title all changes in the organization of activities and agencies effected under its authority expire and the functions revert to their previous locations, unless otherwise provided by law.

Altogether, nearly 135 Executive orders have been issued in whole or in part under Title I of the First War Powers Act. The internal organization of the War and Navy Departments has been drastically overhauled under this authority. Most of the emergency agencies, which played so vital a role in the successful prosecution of the war, were based in whole or in part upon this title. Without the ability, which these provisions afforded, to adjust the machinery of government to changing needs, it would not have been possible to develop the effective, hard-hitting organization which produced victory. The organization of war activities had to be worked out step by step as the war program unfolded and experience pointed the way. That was inevitable. The problems and the functions to be performed were largely new. Conditions changed continually and often radically. Speed of action was essential. But with the aid of Title I of the First War Powers Act, it was possible to gear the administrative machinery of the Government to handle the enormous load thrust upon it by the rapidly evolving war program.

Since VJ-day this same authority has been used extensively in demobilizing war agencies and reconverting the governmental structure to peacetime needs. This process has been largely completed. The bulk of temporary activities have ceased and most of the continuing functions transferred during the war have already been placed in their appropriate peacetime locations.

The organizational adjustments which should be continued are essentially of two types. First, changes in the organization of permanent functions, which have demonstrated their advantage during the war years. Second, transfers of continuing activities which were vested by statute in temporary war agencies but have since been moved by Executive order upon the termination of these agencies.

In most cases, the action necessary to maintain organizational gains made under title I of the First War Powers Act can best be taken by the simplified procedure afforded by the Reorganization Act of 1945, the first purpose of which was to facilitate the orderly transition from war to peace. All of the provisions of this plan represent definite improvements in administration. Several are essential steps in demobilizing the war effort. The arrangements they provide for have been reviewed by the Congress in connection with appropriation requests. Since the plan does not change existing organization, savings cannot be claimed for it. However, increased expense and disruption of operations would result if the present organization were terminated and the activities reverted to their former locations.

In addition to the matters dealt with in this reorganization plan and Reorganization Plan No. 2 of 1947, there are several other changes in organization made under title I of the First War Powers Act on which action should be taken before the termination of the title. The proposed legislation for a national defense establishment provides for continuing the internal organizational arrangements made in the Army and Navy pursuant to the First War Powers Act. I have on several occasions recommended the creation of a single agency for the administration of housing programs. Since sec-

tion 5 (e) of the Reorganization Act of 1945 may cast some doubt on my authority to assign responsibility for the liquidation of the Smaller War Plants Corporation by reorganization plan, I recommend that the Reconstruction Finance Corporation be authorized by legislation to continue to liquidate the affairs relating to functions transferred to it from the Smaller War Plants Corporation.

It is imperative that title I of the First War Powers Act remain effective until all of these matters have been dealt with. An earlier termination of the title would destroy important advances in organization and impair the ability of the executive branch to administer effectively some of the major programs of the Government.

I have found, after investigation, that each reorganization contained in this plan is necessary to accomplish one or more of the purposes set forth in section 2 (a) of the Reorganization Act of 1945. Each of these reorganizations is explained below.

FUNCTIONS OF THE ALIEN PROPERTY CUSTODIAN

The reorganization plan provides for the permanent location of the functions vested by statute in the Alien Property Custodian and the Office of Alien Property Custodian. In 1934 the functions of the Alien Property Custodian were transferred to the Department of Justice, where they remained until 1942. Because of the great volume of activity resulting from World War II, a separate Office of Alien Property Custodian was created by Executive Order No. 9095 of March 11, 1942. This Office was terminated by Executive Order No. 9788 of October 14, 1946, and the functions of the Office and of the Alien Property Custodian were transferred to the Attorney General except for those relating to Philippine property. The latter were transferred simultaneously to the Philippine Alien Property Administration established by Executive Order No. 9789.

While the Trading With the Enemy Act, as amended at the beginning of the war, authorized the President to designate the agency or person in which alien property should vest and to change such designations, subsequent legislation has lodged certain functions in the Alien Property Custodian and the Office of Alien Property Custodian. Similarly, though the Philippine Property Act vested in the President the then existing alien property functions as to Philippine property, certain functions affecting such property have since been established which have been assigned by statute to the Alien Property Custodian.

In order to maintain the existing arrangements for the administration of alien property and to avoid the confusion which otherwise would occur on the termination of title I of the First War Powers Act, the reorganization plan transfers to the Attorney General all functions vested by law in the Alien Property Custodian and the Office of Alien Property Custodian except as to Philippine property. The functions relating to Philippine property are transferred to the President, to be performed by such officer or agency as he may designate, thus permitting the continued administration of these functions through the Philippine Alien Property Administration.

APPROVAL OF AGRICULTURAL MARKETING ORDERS

Section 8c of the Agricultural Marketing Agreements Act of 1937 provides that marketing orders of the Secretary of Agricu'ture must in certain cases be approved by the President before issuance. In order to relieve the President of an unnecessary burden, the responsibility for approval was delegated to the Economic Stabilization Director during the war and was formally transferred to him by Executive Order No. 9705 of March 15, 1946. Since the Secretary of Agriculture is the principal adviser of the President in matters relating to agriculture and since final authority has been assigned to the Secretary by law in many matters of equal or greater importance, the requirement of Presidential approval of individual marketing orders may well be discontinued. Accordingly, the plan abolishes the function of the President relative to the approval of such orders.

CONTRACT SETTLEMENT FUNCTIONS

The Office of Contract Settlement was established by law in 1944, and shortly thereafter was placed by statute in the Office of War Mobilization and Reconversion. The principal purposes of the Office of Contract Settlement have been to prescribe the policies, regulations, and procedures governing the settlement of war contracts, and to provide an appeal board to hear and decide appeals from the contracting agencies in the settlement of contracts. A remarkable record has been achieved for the rapid settlement of war contracts, but among those which remain are some of the largest and most complex. Considerable time may be required to complete these cases and dispose of the appeals.

Though the functions of the Office of Contract Settlement cannot yet be terminated, it is evident that they no longer warrant the maintenance of a separate office. For this reason, Executive Order No. 9809 of December 12, 1946, transferred the functions of the Director of Contract Settlement to the Secretary of the Treasury and those of the Office of Contract Settlement to the Department of the Treasury. As the central fiscal agency of the executive branch, the Treasury Department is clearly the logical organization to carry to conclusion the over-all activities of the contract-settlement program. The plan continues the present arrangement and abolishes the Office of Contract Settlement, thereby avoiding its reestablishment as a separate agency on the termination of title I of the First War Powers Act.

NATIONAL PROHIBITION ACT FUNCTIONS

The act of May 27, 1930 (46 Stat. 427) imposed upon the Attorney General certain duties respecting administration and enforcement of the National Prohibition Act. By Executive Order No. 6639 of March 10, 1934, all of the powers and duties of the Attorney General respecting that act, except the power and authority to determine and to compromise liability for taxes and penalties, were transferred to the Commissioner of Internal Revenue. The excepted functions, however, were transferred subsequently to the Commissioner of Internal Revenue by Executive Order No. 9302 of February 9, 1943, issued under the authority of title I of the First War Powers Act, 1941.

Since the functions of determining taxes and penalties under various statutes and of compromise of liability therefor prior to reference to the Attorney General for suit are well-established functions of the Commissioner of Internal Revenue, this minor function under the National Prohibition Act is more appropriately placed in the Bureau of Internal Revenue than in the Department of Justice.

AGRICULTURAL RESEARCH FUNCTIONS

By Executive Order No. 9069 of February 23, 1942, six research bureaus, the Office of Experiment Stations, and the Agricultural Research Center were consolidated into an Agricultural Research Administration to be administered by an officer designated by the Secretary of Agriculture. The constituent bureaus and agencies of the Administration have, in practice, retained their separate identity. This consolidation and certain transfers of functions between the constituent bureaus and agencies have all been recognized and provided for in the subsequent appropriation acts passed by the Congress.

By the plan the functions of the eight research bureaus and agencies which are presently consolidated into the Agricultural Research Administration are transferred to the Secretary of Agriculture to be performed by him or under his direction and control by such officers or agencies of the Department of Agriculture as he may designate.

The benefits which have been derived from centralized review, coordination and control of research projects and functions by the Agricultural Research Administrator have amply demonstrated the lasting value of this consolidation. By transferring the functions of the constituent bureaus and agencies to the Secretary of Agriculture, it will be possible to continue this consolidation and to make such further adjustments in the organization of agricultural research activities as future conditions may require. This assignment of functions to the Secretary is in accord with the sound and long-established practice of the Congress of vesting substantive functions in the Secretary of Agriculture rather than in subordinate officers or agencies of the Department.

CREDIT UNION FUNCTIONS

The plan makes permanent the transfer of the administration of Federal functions with respect to credit unions to the Federal Deposit Insurance Corporation. These functions, originally placed in the Farm Credit Administration, were transferred to the Federal Deposit Insurance Corporation by Executive Order No. 9148 of April 27, 1942. Most credit unions are predominantly urban institutions, and the credit union program bears very little relation to the functions of the Farm Credit Administration. The supervision of credit unions fits in logically with the general bank

supervisory functions of the Federal Deposit Insurance Corporation. The Federal Deposit Insurance Corporation since 1942 has successfully administered the credit union program, and the supervision of credit union examiners has been integrated into the field and departmental organization of the Corporation. In the interests of preserving an organizational arrangement which operates effectively and economically, the program should remain in its present location.

WAR ASSETS ADMINISTRATION

The present organization for the disposal of surplus property is the product of two and a half years of practical experience. Beginning with the Surplus Property Board in charge of general policy and a group of agencies designated by it to handle the disposal of particular types of property, the responsibility for most of the surplus disposal has gradually been drawn together in one agency—the War Assets Administration—headed by a single Administrator. Experience has demonstrated the desirability of centralized responsibility in administering this most difficult program.

The reorganization plan will continue the centralization of surplus disposal functions in a single agency headed by an Administrator. This is accomplished by transferring the functions, personnel, property, records, and funds of the War Assets Administration created by Executive order to the statutory Surplus Property Administration. In order to avoid confusion and to maintain the continuity of operations, the name of the Surplus Property Administration is changed to War Assets Administration.

Because the plan combines in one agency not only the policy functions now vested by statute in the Surplus Property Administrator, but also the immense disposal operations now concentrated in the temporary War Assets Administration, I have found it necessary to provide in the plan for an Associate War Assets Administrator, also appointed by the President with the approval of the Senate. It is essential that there be an officer who can assist the Administrator in the general management of the agency and who can take over the direction of its operations in case of the absence or disability of the Administrator or of a vacancy in his office.

HARRY S. TRUMAN.

THE WHITE HOUSE,
May 1, 1947.

MESSAGE FROM THE PRESIDENT—REORGANIZATION PLAN NO. 2 OF 1947—(H. DOC. NO. 231)

The SPEAKER laid before the House the following message from the President of the United States, which was read by the Clerk, and, together with the accompanying papers, referred to the Committee on Expenditures and ordered to be printed:

To the Congress of the United States:

I am transmitting herewith Reorganization Plan No. 2 of 1947, prepared in accordance with the provisions of the Reorganization Act of 1945. The plan permanently transfers to the Department of Labor the United States Employment Service, which is now in the Department by temporary transfer under authority of title I of the First War Powers Act. In addition, the plan effects two other changes in organization to improve the administration of labor functions.

I am deeply interested in the continued development of the Department of Labor. The critical national importance of effective governmental action on labor problems requires proper assignment of responsibility for the administration of Federal labor programs. Such programs should be under the general leadership of the Secretary of Labor, and he should have an adequate organization for this purpose. The provisions of this plan are directed to this objective.

I have found, after investigation, that each reorganization contained in the plan is necessary to accomplish one or more of the purposes set forth in section 2 (a) of the Reorganization Act of 1945.

UNITED STATES EMPLOYMENT SERVICE

The United States Employment Service was established by the Wagner-Peyser Act in the Department of Labor. Later, by Reorganization Plan No. 1, effective July 1, 1939, it was transferred to the Social Security Board in the Federal Security Agency and administered in conjunction with the unemployment compensation program. During the war the Employment Service was extensively reorganized. The critical nature of the labor supply problem greatly increased the importance of the service and compelled the Federal Government to take over the administration of the entire employment office system on a temporary basis.

Soon after the creation of the War Manpower Commission the United States Employment Service was transferred to the Commission, by Executive Order No. 9247 of September 17, 1942, and became the backbone of the Commission's organization and program. When the Commission was terminated shortly after VJ-day, most of its activities, including the United States Employment Service, were shifted by Executive Order No. 9617 to the Department of Labor, the central agency for the performance of Federal Labor functions under normal conditions. Both of these transfers were made under authority of title I of the First War Powers Act. More recently, the Employment Service was returned to its prewar status as a joint Federal-State operation.

The provision of a system of public employment offices is directly related to the major purpose of the Department of Labor. Through the activities of the employment office system the Government has a wide and continuous relationship with workers and employers concerning the basic question of employment. To a rapidly increasing degree, the employment office system has become the central exchange for workers and jobs and the primary national source of information on labor market conditions. In the calendar year 1946, it filled 7,140,000 jobs, and millions of workers used its counsel on employment opportunities and on the choice of occupations.

The Labor Department obviously should continue to play a leading role in the development of the labor market and to participate in the most basic of all labor activities—assisting workers to get jobs and employers to obtain labor. Policies and operations of the Employment Service must be determined in relation to over-all labor standards, labor statistics, labor training, and labor law—on all of which the Labor Department is the center of specialized knowledge in the Government. Accordingly, the reorganization plan transfers the United States Employment Service to the Department of Labor.

FUNCTIONS OF THE ADMINISTRATOR OF THE WAGE AND HOUR DIVISION

The plan transfers the functions of the Administrator of the Wage and Hour Division to the Secretary of Labor to be performed subject to his direction and control. The fair labor standards bill was drafted on the assumption that the Wage and Hour Division would be made an independent establishment. As finally passed, however, the act placed the Division in the Department of Labor but was entirely silent on the authority of the Secretary over it. As a result, the Secretary has lacked an adequate legal basis for supervising and directing the affairs of the Division, and it has had an ambiguous status in the Department. The transfer effected by the plan will eliminate uncertainty as to the Secretary's control over the administration of the Wage and Hour Division and will enable him to tie it into the Department more effectively. This in turn will facilitate working out a sound combination of wage-and-hour, child-labor, and related enforcement activities of the Department, and will permit the Secretary to simplify and strengthen the organization of the Department.

COORDINATION OF ADMINISTRATION OF LABOR LAWS ON FEDERAL PUBLIC WORKS CONTRACTS

The Congress has enacted several laws regulating wages and hours of workers employed on Federal public-works contracts. The oldest of these are the 8-hour laws fixing a maximum 8-hour day for laborers and mechanics on such projects. More recently the Davis-Bacon Act established the prevailing wage rates for the corresponding classes of workers in the locality as the minimum rates for employees on certain Federal public-works contracts and required the Secretary of Labor to determine the prevailing rates. Another measure, the Copeland Act, prohibited the exaction of rebates or kick-backs from workers on public works financed by the Federal Government and authorized the Secretary of Labor to prescribe regulations for contractors on such works.

The actual enforcement of these acts rests almost entirely with the Federal agencies entering into the contracts. This is proper, since the engineers and inspectors of the contracting agencies are in close touch with the operation of the projects, and, in the case of cost-plus contracts, the pay rolls and accounts of the contractors are examined by the auditors of these agencies.

The enforcement practices of the various contracting agencies, however, differ widely in character and effectiveness. Some agencies have instructed their inspectors thoroughly as to the acts and

their enforcement and have adopted procedures for carefully checking the records of the contractors and the operation of the projects to determine compliance with Federal labor laws. On the other hand, some agencies have failed to institute effective enforcement procedures. As a result, enforcement has been very uneven and workers have not had the protection to which they were entitled. With the return to a normal peacetime labor market the danger of violations will be much greater than in recent years.

To correct this situation, the plan authorizes the Secretary of Labor to coordinate the administration of the acts for the regulation of wages and hours on Federal public works by establishing such standards, regulations, and procedures to govern the enforcement efforts of the contracting agencies, and by making such investigations as may be necessary to assure consistent enforcement. The plan does not transfer enforcement operations from the contracting agencies to the Department of Labor, as the former can perform the work more economically than the Department because of their close contact with the projects. Rather, it assures more uniform and effective action by the contracting agencies.

HARRY S. TRUMAN.

THE WHITE HOUSE, *May 1, 1947.*

PORTAL-TO-PORTAL ACT OF 1947—CONFERENCE REPORT

Mr. MICHENER. Mr. Speaker, I call up the conference report on the bill (H. R. 2157) to define and limit the jurisdiction of the courts, to regulations arising under certain laws of the United States, and for other purposes, otherwise known in the House as the Gwynne bill, and ask unanimous consent that the statement be read in lieu of the report.

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

There was no objection.

The Clerk commenced the reading of the statement.

Mr. MICHENER (interrupting the reading). Mr. Speaker, I ask unanimous consent, in view of the fact that the statement is lengthy and very technical and that more can be gained from an explanation than from a reading of the statement, that further reading of the statement be dispensed with.

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

There was no objection.

The conference report and statement are as follows:

CONFERENCE REPORT

The committee of conference on the disagreeing votes of the two Houses on the amendments of the Senate to the bill (H. R. 2157) to define and limit the jurisdiction of the courts, to regulate actions arising under certain laws of the United States, 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 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:

"PART I

"Findings and policy

"SECTION 1. (a) The Congress hereby finds that the Fair Labor Standards Act of 1938, as amended, has been interpreted judicially in disregard of long-established customs, practices, and contracts between employers and employees, thereby creating wholly unexpected liabilities, immense in amount and retroactive in operation, upon employers with the results that, if said Act as so interpreted or claims arising under such interpretations were permitted to stand, (1) the payment of such liabilities would bring about financial ruin of many employers and seriously impair the capital resources of many others, thereby resulting in the reduction of industrial operations, halting of expansion and development, curtailing employment, and the earning power of employees; (2) the credit of many employers would be seriously impaired; (3) there would be created both an extended and continuous uncertainty on the part of industry, both employer and employee, as to the financial condition of productive establishments and a gross inequality of competitive conditions between employers and between industries; (4) employees would receive windfall payments, including liquidated damages, of sums for activities performed by them without any expectation of reward beyond that included in their agreed rates of pay; (5) there would occur the promotion of increasing demands for payment to employees for engaging in activities no compensation for which had been contemplated by either the employer or employee at the time they were engaged in; (6) voluntary collective bargaining would be interfered with and industrial disputes between employees and employers and between employees and employees would be created; (7) the courts of the country would be burdened with excessive and needless litigation and champertous practices would be encouraged; (8) the Public Treasury would be deprived of large sums of revenues and public finances would be seriously deranged by claims against the Public Treasury for refunds of taxes already paid; (9) the cost to the Government of goods and services heretofore and hereafter purchased by its various departments and agencies would be unreasonably increased and the Public Treasury would be seriously affected by consequent increased cost of war contracts; and (10) serious and adverse effects upon the revenues of Federal, State, and local governments would occur.

"The Congress further finds that all of the foregoing constitutes a substantial burden on commerce and a substantial obstruction to the free flow of goods in commerce.

"The Congress, therefore, further finds and declares that it is in the national public interest and for the general welfare, essential to national defense, and necessary to aid, protect, and foster commerce, that this Act be enacted.

"The Congress further finds that the varying and extended periods of time for which, under the laws of the several States, potential retroactive liability may be imposed upon employers, have given and will give rise to great difficulties in the sound and orderly conduct of business and industry.

"The Congress further finds and declares that all of the results which have arisen or may arise under the Fair Labor Standards Act of 1938, as amended, as aforesaid, may (except as to liability for liquidated damages) arise with respect to the Walsh-Healey and Bacon-Davis Acts and that it is, therefore, in the national public interest and for the general welfare, essential to national defense, and necessary to aid, protect, and foster commerce, that this Act shall apply to the Walsh-Healey Act and the Bacon-Davis Act.

"(b) It is hereby declared to be the policy of the Congress in order to meet the existing emergency and to correct existing evils (1) to relieve and protect interstate commerce from practices which burden and obstruct it; (2) to protect the right of collective bargaining; and (3) to define and limit the jurisdiction of the courts.

"PART II

"Existing claims

"SEC. 2. RELIEF FROM CERTAIN EXISTING CLAIMS UNDER THE FAIR LABOR STANDARDS ACT OF 1938, AS AMENDED, THE WALSH-HEALEY ACT, AND THE BACON-DAVIS ACT.—

"(a) No employer shall be subject to any liability or punishment under the Fair Labor Standards Act of 1938, as amended, the Walsh-Healey Act, or the Bacon-Davis Act (in any action or proceeding commenced prior to or on or after the date of the enactment of this Act), on account of the failure of such employer to pay an employee minimum wages, or to pay an employee overtime compensation, for or an account of any activity of an employee engaged in prior to the date of the enactment of this Act, except an activity which was compensable by either—

"(1) an express provision of a written or nonwritten contract in effect, at the time of such activity, between such employee, his agent, or collective-bargaining representative and his employer; or

"(2) a custom or practice in effect, at the time of such activity, at the establishment or other place where such employee was employed, covering such activity, and inconsistent with a written or nonwritten contract, in effect at the time of such activity, between such employee, his agent, or collective-bargaining representative and his employer.

"(b) For the purposes of subsection (a), an activity shall be considered as compensable under such contract provision or such custom or practice only when it was engaged in during the portion of the day with respect to which it was so made compensable.

"(c) In the application of the minimum wage and overtime compensation provisions of the Fair Labor Standards Act of 1938, as amended, of the Walsh-Healey Act, or of the Bacon-Davis Act, in determining the time for which an employer employed an employee there shall be counted all that time, but only that time, during which the employee engaged in activities which were compensable within the meaning of subsections (a) and (b) of this section.

"(d) No court of the United States, of any State, Territory, or possession of the United States, or of the District of Columbia, shall have jurisdiction of any action or proceeding, whether instituted prior to or on or after the date of the enactment of this Act, to enforce liability or impose punishment for or on account of the failure of the employer to pay minimum wages or overtime compensation under the Fair Labor Standards Act of 1938, as amended, under the Walsh-Healey Act, or under the Bacon-Davis Act, to the extent that such action or proceeding seeks to enforce any liability or impose any punishment with respect to an activity which was not compensable under subsections (a) and (b) of this section.

"(e) No cause of action based on unpaid minimum wages, unpaid overtime compensation, or liquidated damages, under the Fair Labor Standards Act of 1938, as amended, the Walsh-Healey Act, or the Bacon-Davis Act, which accrued prior to the date of the enactment of this Act, or any interest in such cause of action, shall hereafter be assignable, in whole or in part, to the extent that such cause of action is based on an activity which was not compensable within the meaning of subsections (a) and (b).

"SEC. 3. COMPROMISE OF CERTAIN EXISTING CLAIMS UNDER THE FAIR LABOR STANDARDS ACT

OF 1938, AS AMENDED, THE WALSH-HEALEY ACT, AND THE BACON-DAVIS ACT.—

"(a) Any cause of action under the Fair Labor Standards Act of 1938, as amended, the Walsh-Healey Act, or the Bacon-Davis Act, which accrued prior to the date of the enactment of this Act or any action (whether instituted prior to or on or after the date of the enactment of this Act) to enforce such a cause of action, may hereafter be compromised in whole or in part, if there exists a bona fide dispute as to the amount payable by the employer to his employee; except that no such action or cause of action may be so compromised to the extent that such compromise is based on an hourly wage rate less than the minimum required under such Act, or on a payment for overtime at a rate less than one and one-half times such minimum hourly wage rate.

"(b) Any employee may hereafter waive his right under the Fair Labor Standards Act of 1938, as amended, to liquidated damages, in whole or in part, with respect to activities engaged in prior to the date of the enactment of this Act.

"(c) Any such compromise or waiver, in the absence of fraud or duress, shall, according to the terms thereof, be a complete satisfaction of such cause of action and a complete bar to any action based on such cause of action.

"(d) The provisions of this section shall also be applicable to any compromise or waiver heretofore so made or given.

"(e) As used in this section, the term 'compromise' includes 'adjustment', 'settlement', and 'release'.

"PART III

"Future claims

"SEC. 4. RELIEF FROM CERTAIN FUTURE CLAIMS UNDER THE FAIR LABOR STANDARDS ACT OF 1938, AS AMENDED, THE WALSH-HEALEY ACT, AND THE BACON-DAVIS ACT.—

"(a) Except as provided in subsection (b), no employer shall be subject to any liability or punishment under the Fair Labor Standards Act of 1938, as amended, the Walsh-Healey Act, or the Bacon-Davis Act, on account of the failure of such employer to pay an employee minimum wages, or to pay an employee overtime compensation, for or on account of any of the following activities of such employee engaged in on or after the date of the enactment of this Act—

"(1) walking, riding, or traveling to and from the actual place of performance of the principal activity or activities which such employee is employed to perform, and

"(2) activities which are preliminary to or postliminary to said principal activity or activities,

which occur either prior to the time on any particular workday at which such employee commences, or subsequent to the time on any particular workday at which he ceases, such principal activity or activities.

"(b) Notwithstanding the provisions of subsection (a) which relieve an employer from liability and punishment with respect to an activity, the employer shall not be so relieved if such activity is compensable by either—

"(1) an express provision of a written or nonwritten contract in effect, at the time of such activity, between such employee, his agent, or collective-bargaining representative and his employer; or

"(2) a custom or practice in effect, at the time of such activity, at the establishment or other place where such employee is employed, covering such activity, not inconsistent with a written or nonwritten contract, in effect at the time of such activity, between such employee, his agent, or collective-bargaining representative and his employer.

"(c) For the purposes of subsection (b), an activity shall be considered as compensable under such contract provision or such custom or practice only when it is engaged in during the portion of the day with respect to which it is so made compensable.

"(d) In the application of the minimum wage and overtime compensation provisions of the Fair Labor Standards Act of 1938, as amended, of the Walsh-Healey Act, or of the Bacon-Davis Act, in determining the time for which an employer employs an employee with respect to walking, riding, traveling, or other preliminary or postliminary activities described in subsection (a) of this section, there shall be counted all that time, but only that time, during which the employee engages in any such activity which is compensable within the meaning of subsections (b) and (c) of this section.

"PART IV

"Miscellaneous

"SEC. 5. REPRESENTATIVE ACTIONS BANNED.—

"(a) The second sentence of section 16 (b) of the Fair Labor Standards Act of 1938, as amended, is amended to read as follows: 'Action to recover such liability may be maintained in any court of competent jurisdiction by any one or more employees for and in behalf of himself or themselves and other employees similarly situated. No employee shall be a party plaintiff to any such action unless he gives his consent in writing to become such a party and such consent is filed in the court in which such action is brought.'

"(b) The amendment made by subsection (a) of this section shall be applicable only with respect to actions commenced under the Fair Labor Standards Act of 1938, as amended, on or after the date of the enactment of this Act.

"SEC. 6. STATUTE OF LIMITATIONS.—Any action commenced on or after the date of the enactment of this Act to enforce any cause of action for unpaid minimum wages, unpaid overtime compensation, or liquidated damages, under the Fair Labor Standards Act of 1938, as amended, the Walsh-Healey Act, or the Bacon-Davis Act—

"(a) if the cause of action accrues on or after the date of the enactment of this Act—may be commenced within two years after the cause of action accrued, and every such action shall be forever barred unless commenced within two years after the cause of action accrued;

"(b) if the cause of action accrued prior to the date of the enactment of this Act—may be commenced within whichever of the following periods is the shorter: (1) two years after the cause of action accrued, or (2) the period prescribed by the applicable State statute of limitations; and, except as provided in paragraph (c), every such action shall be forever barred unless commenced within the shorter of such two periods;

"(c) if the cause of action accrued prior to the date of the enactment of this Act, the action shall not be barred by paragraph (b) if it is commenced within one hundred and twenty days after the date of the enactment of this Act unless at the time commenced it is barred by an applicable State statute of limitations.

"SEC. 7. DETERMINATION OF COMMENCEMENT OF FUTURE ACTIONS.—In determining when an action is commenced for the purposes of section 6, an action commenced on or after the date of the enactment of this Act under the Fair Labor Standards Act of 1938, as amended, the Walsh-Healey Act, or the Bacon-Davis Act, shall be considered to be commenced on the date when the complaint is filed; except that in the case of a collective or class action instituted under the Fair Labor Standards Act of 1938, as amended, or the Bacon-Davis Act, it shall be considered to be commenced in the case of any individual claimant—

"(a) on the date when the complaint is filed, if he is specifically named as a party plaintiff in the complaint and his written consent to become a party plaintiff is filed on such date in the court in which the action is brought; or

"(b) if such written consent was not so filed or if his name did not so appear—on the subsequent date on which such written consent is filed in the court in which the action was commenced.

"SEC. 8. PENDING COLLECTIVE AND REPRESENTATIVE ACTIONS.—The statute of limitations prescribed in section 6 (b) shall also be applicable (in the case of a collective or representative action commenced prior to the date of the enactment of this Act under the Fair Labor Standards Act of 1938, as amended) to an individual claimant who has not been specifically named as a party plaintiff to the action prior to the expiration of one hundred and twenty days after the date of the enactment of this Act. In the application of such statute of limitations such action shall be considered to have been commenced as to him when, and only when, his written consent to become a party plaintiff to the action is filed in the court in which the action was brought.

"SEC. 9. RELIANCE ON PAST ADMINISTRATIVE RULINGS, ETC.—In any action or proceeding commenced prior to or on or after the date of the enactment of this Act based on any act or omission prior to the date of the enactment of this Act, no employer shall be subject to any liability or punishment for or on account of the failure of the employer to pay minimum wages or overtime compensation under the Fair Labor Standards Act of 1938, as amended, the Walsh-Healey Act, or the Bacon-Davis Act, if he pleads and proves that the act or omission complained of was in good faith in conformity with and in reliance on any administrative regulation, order, ruling, approval, or interpretation, of any agency of the United States, or any administrative practice or enforcement policy of any such agency with respect to the class of employers to which he belonged. Such a defense, if established, shall be a bar to the action or proceeding, notwithstanding that after such act or omission, such administrative regulation, order, ruling, approval, interpretation, practice, or enforcement policy is modified or rescinded or is determined by judicial authority to be invalid or of no legal effect.

"SEC. 10. RELIANCE IN FUTURE ON ADMINISTRATIVE RULINGS, ETC.—

"(a) In any action or proceeding based on any act or omission on or after the date of the enactment of this Act, no employer shall be subject to any liability or punishment for or on account of the failure of the employer to pay minimum wages or overtime compensation under the Fair Labor Standards Act of 1938, as amended, the Walsh-Healey Act, or the Bacon-Davis Act, if he pleads and proves that the act or omission complained of was in good faith in conformity with and in reliance on any written administrative regulation, order, ruling, approval, or interpretation, of the agency of the United States specified in subsection (b) of this section, or any administrative practice or enforcement policy of such agency with respect to the class of employers to which he belonged. Such a defense, if established, shall be a bar to the action or proceeding, notwithstanding that after such act or omission, such administrative regulation, order, ruling, approval, interpretation, practice, or enforcement policy is modified or rescinded or is determined by judicial authority to be invalid or of no legal effect.

"(b) The agency referred to in subsection (a) shall be—

"(1) in the case of the Fair Labor Standards Act of 1938, as amended—the Administrator of the Wage and Hour Division of the Department of Labor;

"(2) in the case of the Walsh-Healey Act—the Secretary of Labor, or any Federal officer utilized by him in the administration of such Act; and

"(3) in the case of the Bacon-Davis Act—the Secretary of Labor.

"SEC. 11. LIQUIDATED DAMAGES.—In any action commenced prior to or on or after the date of the enactment of this Act to recover unpaid minimum wages, unpaid overtime compensation, or liquidated damages, under the Fair Labor Standards Act of 1938, as amended, if the employer shows to the satisfaction of the court that the act or omission giving rise to such action was in good faith and that he had reasonable grounds for believing that his act or omission was not a violation of the Fair Labor Standards Act of 1938, as amended, the court may, in its sound discretion, award no liquidated damages or award any amount thereof not to exceed the amount specified in section 16 (b) of such Act.

"SEC. 12. APPLICABILITY OF 'AREA OF PRODUCTION' REGULATIONS.—No employer shall be subject to any liability or punishment under the Fair Labor Standards Act of 1938, as amended, on account of the failure of such employer to pay an employee minimum wages, or to pay an employee overtime compensation, for or on account of an activity engaged in by such employee prior to December 26, 1946, if such employer—

"(1) was not so subject by reason of the definition of an 'area of production', by a regulation of the Administrator of the Wage and Hour Division of the Department of Labor, which regulation was applicable at the time of performance of the activity even though at that time the regulation was invalid; or

"(2) would not have been so subject if the regulation signed on December 18, 1946 (Federal Register, vol. 11, p. 14648) had been in force on and after October 24, 1938.

"SEC. 13. DEFINITIONS.—

"(a) When the terms 'employer', 'employee', and 'wage' are used in this Act in relation to the Fair Labor Standards Act of 1938, as amended, they shall have the same meaning as when used in such Act of 1938.

"(b) When the term 'employer' is used in this Act in relation to the Walsh-Healey Act or Bacon-Davis Act it shall mean the contractor or subcontractor covered by such Act.

"(c) When the term 'employee' is used in this Act in relation to the Walsh-Healey Act or the Bacon-Davis Act it shall mean any individual employed by the contractor or subcontractor covered by such Act in the performance of his contract or subcontract.

"(d) The term 'Walsh-Healey Act' means the Act entitled 'An Act to provide conditions for the purchase of supplies and the making of contracts by the United States, and for other purposes,' approved June 30, 1936 (49 Stat. 2036), as amended; and the term 'Bacon-Davis Act' means the Act entitled 'An Act to amend the Act approved March 3, 1931, relating to the rate of wages for laborers and mechanics employed by contractors and subcontractors on public buildings', approved August 30, 1935 (49 Stat. 1011), as amended.

"(e) As used in section 6 the term 'State' means any State of the United States or the District of Columbia or any Territory or possession of the United States.

"SEC. 14. SEPARABILITY.—If any provision of this Act or the application of such provision to any person or circumstance is held invalid, the remainder of this Act and the application of such provision to other persons or circumstances shall not be affected thereby.

"SEC. 15. SHORT TITLE.—This Act may be cited as the 'Portal-to-Portal Act of 1947'."

And the Senate agree to the same.

Amend the title so as to read: "An Act to relieve employers from certain liabilities and punishments under the Fair Labor Standards Act of 1938, as amended, the Walsh-Healey Act, and the Bacon-Davis Act, and for other purposes".

EARL C. MICHENER,
JOHN W. GWYNNE,
ANGIER L. GOODWIN,
FRANCIS E. WALTER,
Managers on the Part of the House.

ALEXANDER WILEY,
FORREST C. DONNELL,
JOHN SHERMAN COOPER,
JAMES O. EASTLAND,
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. 2157) to define and limit the jurisdiction of the courts, to regulate actions arising under certain laws of the United States, and for other purposes, submit the following statement in explanation of the effect of the action agreed upon by the conferees and recommended in the accompanying conference report:

FINDINGS AND POLICY

Section 1 of the House bill and section 1 of the Senate amendment contained findings and a declaration of policy by the Congress. Section 1 of the bill as agreed to in conference contains findings and a declaration of policy by the Congress in conformity with the substitute agreed on.

EXISTING PORTAL-TO-PORTAL CLAIMS

General rule

Under the bill as agreed to in conference (sec. 2 (a)), it is provided that no employer shall be subject to any liability or punishment under the Fair Labor Standards Act of 1938, as amended, the Walsh-Healey Act, or the Bacon-Davis Act (hereinafter in this statement referred to as "the three Acts"), on account of the failure of the employer to pay an employee minimum wages, or to pay an employee overtime compensation, for or on account of any activity of an employee engaged in prior to the date of the enactment of the bill, except an activity which was compensable by either (1) an express provision of a written or nonwritten contract in effect, at the time of such activity, between such employee, his agent, or a collective bargaining representative, and his employer; or (2) a custom or practice in effect, at the time of such activity, at the establishment or other place where such employee was employed, covering such activity, not inconsistent with a written or nonwritten contract, in effect at the time of such activity between such employee, his agent, or collective bargaining representative, and his employer. The above rule is to apply in the case of any action or proceeding (including criminal actions and injunctions) whether heretofore or hereafter commenced. The effect of both the House bill (section 3) and the Senate amendment (section 2) was (as to existing claims) in essence the same as the provisions of the conference bill, except that the House bill did not contain the provision under which an activity, although compensable by custom or practice, is nevertheless not compensable if the custom or practice was inconsistent with the contract.

Clarifying provisions

The conference agreement (section 2 (b)) contains a provision not stated expressly in either bill, that an activity shall be considered as compensable under the above referred to contract provision or custom or practice only when it was engaged in during the portion of the day with respect to which it was so made compensable. Under this provision, for example, if under the contract provision or custom or practice an activity was compensable only when engaged in between 8 and 5 o'clock but was not compensable when engaged in before 8 or after 5 o'clock, it will not be considered as a compensable activity when engaged in before 8 or after 5 o'clock. So also, if under the contract provision or custom or practice an activity was compensable when engaged in before 8 but was not compensable when engaged in after 5 o'clock, it will not be compensable under the bill as agreed to in conference when engaged in after 5 o'clock. So also, if under the contract provision or custom or practice an activity was compensable during a certain portion of the regular workday but was not compensable when engaged in during other hours of the regular workday, it will not be compensable under the bill as agreed to in conference when engaged in during such other hours.

The bill as agreed to in conference also contains a provision (section 2 (c)) that in the application of the minimum wage and overtime compensation provisions of the three Acts, in determining the time for which an employer employed an employee there shall be counted all that time, but only that time, during which the employee engaged in activities which were compensable, within the meaning of subsections (a) and (b) of this section. This provision, which is in the nature of a clarifying statement, is for two purposes, (1) to emphasize that employers are not relieved from liability for the payment of minimum wages and overtime compensation under the three Acts for any time during which the employee engaged in activities compensable under the rules above stated, and (2) to make it clear that only such time will be counted for the purposes of applying the minimum wage and overtime compensation provisions of the three Acts, and that it therefore will not be possible by judicial or administrative interpretation to include other time which was not made compensable under the rules above stated. The second above-named purpose was the purpose of that portion of section 2 of the Senate amendment which stated that no judicial or administrative interpretation of the three Acts should have the effect of changing a contract so as to make compensable any activities which the previous portion of the section had declared to be not compensable.

The Senate amendment contained a provision (section 2 (b)) that every claim based on past activities not compensable under contract, custom, or practice would be null and void and unenforceable. This provision has been omitted under the conference agreement as surplusage.

The Senate amendment (section 3) provided that the provisions of section 2 of the Senate amendment which made past activities not compensable if not compensable under contract, custom, or practice, should not be deemed to remove penalty or liability under the afore-mentioned three Acts based on activities other than the ones so declared not to be compensable. This provision is omitted under the conference agreement as surplusage, and as fully covered by the provisions of section 2 (c) of the bill as agreed to in conference, described above under this heading.

COURT JURISDICTION

Under the conference agreement (section 2 (d)) it is provided that no court of the United States or of any State, Territory, or possession of the United States, or of the District of Columbia shall have jurisdiction of any action or proceeding (including criminal actions and injunctions), heretofore or hereafter instituted, to enforce liability or impose punishment for or on account of the failure of the employer to pay minimum wages or overtime compensation under the three Acts, to the extent that such action or proceeding seeks to enforce any liability or impose any punishment with respect to a

past activity which was not compensable under contract, custom, or practice as provided in the preceding subsections. The denial of jurisdiction is of course not applicable to actions or proceedings in which judgment has become final prior to the date of the enactment of the bill.

ASSIGNMENT OF CLAIMS

Under the House bill (section 2 (f)) no cause of action or interest therein shall be assignable if it is for wages, overtime compensation, penalties, or damages under the three Acts. The Senate amendment contained no similar provision. Under the conference agreement (section 2 (e)) it is provided that no such cause of action which accrued prior to the date of the enactment of the bill, or any interest in such cause of action, shall hereafter be assignable in whole or in part to the extent that it is based on an activity which was not compensable under contract, custom, or practice within the provisions of the bill above described under the subheading "General Rule".

Under the new subsection it will be impossible for anyone (even though permitted to do so under State law) to buy up existing claims which were not compensable under contract, custom, or practice, with the hope of compromising such claims at a profit under the provisions of section 3 of the bill as agreed to in conference.

COMPROMISE OF EXISTING CLAIMS

Section 3 of the conference agreement provides that any cause of action under the three Acts which accrued prior to the date of enactment of the bill, or any action (whether heretofore or hereafter instituted) to enforce such a cause of action, may hereafter be compromised, in whole or in part, but only if there exists a bona fide dispute as to the amount payable by the employer to his employee. However, even in the case of a bona fide dispute, the compromise is not permitted to the extent that it is based on an hourly wage rate of less than the minimum required by the Act under which the cause of action arose, or on a payment for overtime at a rate less than one and one-half times such minimum hourly wage rate.

Subsection (b) of section 3 of the conference agreement permits an employee hereafter to waive his right under the Fair Labor Standards Act of 1938, as amended, to liquidated damages, in whole or in part, with respect to activities engaged in prior to the date of enactment of the bill.

Subsection (c) of section 3 of the conference agreement provides that any such compromise or waiver, in the absence of fraud or duress, shall, according to the terms thereof, be a complete satisfaction of such cause of action and a complete bar to any action based on such cause of action.

Subsection (d) of section 3 of the conference agreement states that the provisions of the section shall also be applicable to any compromise or waiver made or given before the date of enactment of the bill.

Subsection (e) of section 3 of the conference agreement defines "compromise" to include "adjustment", "settlement", and "release".

It will be noted that this section of the conference agreement lays down no rule as to compromises or waivers with respect to causes of action hereafter accruing. The validity or invalidity of such compromises or waivers is to be determined under law other than this section.

FUTURE PORTAL-TO-PORTAL CLAIMS

General rule

The House bill in section 3 applied to future causes of action under the three Acts the same rule as in the case of the past, namely, that an activity should not be compensable unless compensable under contract, custom, or practice.

The conference agreement in section 4, subsections (a) and (b), substantially follows the provisions of sections 6 and 7 of the Senate amendment. It is provided that, subject to the qualification stated below, no employer shall be subject to any liability or punishment under the three Acts on account of his failure to pay an employee minimum wages or overtime compensation for or on account of any of the following activities engaged in on or after the date of the enactment of the bill—

(1) walking, riding, or traveling to and from the actual place of performance of the principal activity or activities which such employee is employed to perform, and

(2) activities which are preliminary to or postliminary to said principal activity or activities,

which occur either prior to the time on any particular workday at which such employee commences, or subsequent to the time on any particular workday at which he ceases, such principal activity or activities.

The qualification above referred to is that the employer shall not be so relieved if the above-described activity is compensable by either (1) an express provision of a written or nonwritten contract in effect, at the time of such activity, between such employee, his agent, or collective-bargaining representative and his employer; or (2) a custom or practice in effect, at the time of such activity, at the establishment or other place where such employee is employed, covering such activity, not inconsistent with a written or nonwritten contract, in effect at the time of such activity, between such employee, his agent, or collective-bargaining representative and his employer.

Clarifying provisions

The conference agreement (section 4 (c)) contains a provision not stated expressly in the Senate amendment, that an activity shall be considered as compensable under the above referred to contract provision or custom or practice only when it is engaged in during the portion of the day with respect to which it is so made compensable. The provision is applicable only to walking, riding, traveling, or other preliminary or postliminary activities above described. Under this provision, for example, if under the contract provision or custom or practice such a preliminary or postliminary activity is compensable only when engaged in during the portion of the day prior to the morning whistle but is not so compensable when engaged in after the evening whistle, it will not be considered as a compensable activity when engaged in after the evening whistle. So also, if under the contract provision or custom or practice an activity is compensable only when engaged in during the portion of the day from whistle to whistle and is not made compensable when engaged in before the morning whistle or after the evening whistle, it will not be considered as a compensable activity when engaged in before the morning whistle or after the evening whistle.

Section 4 (d) of the bill as agreed to in conference contains a similar provision to that contained in section 2 (c) of the bill as agreed to in conference previously described in this statement in connection with section 2 (c), except that it is limited in determining the time for which an employer employs an employee with respect to walking, riding, traveling, or other preliminary or postliminary activities described in section 4 (a). The reasons for and the effect of its insertion in the bill are fully described in this statement in connection with section 2 (c).

REPRESENTATIVE ACTIONS BANNED

Section 5 of the bill as agreed to in conference amends section 16 (b) of the Fair Labor Standards Act of 1938, as amended, by repealing the authority now contained therein permitting an employee or employees to designate an agent or representative to maintain an action for and in behalf of all employees similarly situated. Collective actions brought by an employee or employees (a real party in interest) for and in behalf of himself or themselves and other employees similarly situated may continue to be brought in accordance with the existing provisions of the Act. The amendment also adds a new sentence to such section 16 (b), not contained in existing law, providing that no employee shall be a party plaintiff to any such action unless he gives his consent in writing to become such a party and such consent is filed in the court in which such action is brought. The amendment made by this section is to be applicable only with respect to actions which are commenced on or after the date of enactment of the bill. Representative actions which are pending on such date are not affected by this section.

STATUTE OF LIMITATIONS

Under the House bill and the Senate amendment there was a statute of limitations on actions commenced on or after the date of the enactment of the bill to enforce any cause of action for unpaid minimum wages, unpaid overtime compensation, or liquidated damages under the three Acts. Under the House bill the period was one year and under the Senate amendment two years.

Section 6 of the bill as agreed to in conference provides for a two-year statute of limitations (regardless of the period of limitation provided by any State statute) with respect to any action commenced on or after the date of enactment of the bill to enforce any cause of action for unpaid minimum wages, unpaid overtime compensation, or liquidated damages, under the three Acts if the cause of action accrues on or after the date of enactment of the bill. If the action is not commenced within two years after the cause of action accrued, it is to be forever barred.

If the cause of action accrued prior to the date of the enactment of the bill, action thereon may be commenced within two years after the cause of action accrued or, in the case of a State having a shorter statute of limitations, the period prescribed by the applicable State statute of limitations; but if such action is commenced within one hundred and twenty days after the date of enactment of the bill, the applicable State statute of limitations (whether longer or shorter than two years) will apply to such action. In other words, in such latter case, if a State statute of limitations, applicable to such cause of action, has run, no action on such claim may be commenced within such 120-day period. If the applicable State statute of limitations has not run, action may be so commenced within such 120 days, and may go back as far as permitted by the applicable State statute of limitations whether more or less than two years. If, with respect to a cause of action which accrued under the Walsh-Healey Act or the Bacon-Davis Act no State statute of limitations is applicable, an action to enforce such a cause of action commenced within such 120-day period will not be limited by any statute of limitations.

DETERMINATION OF COMMENCEMENT OF FUTURE ACTIONS

Section 7 of the bill as agreed to in conference provides a rule for determining when an action is commenced for the purposes of the statute of limitations provided in section 6. It lays down the general rule that, for such purposes, an action commenced on or after the date of enactment of the bill under the three Acts shall be considered to be commenced on the date when the complaint is filed. This is the same rule laid down in the Federal Rules of Civil Procedure. An ex-

ception to the general rule is provided in the case of a collective or class action commenced on or after the date of enactment of the bill under the Fair Labor Standards Act of 1938, as amended, or the Bacon-Davis Act (no collective or class action can be instituted under the Walsh-Healey Act). In the case of such a collective or class action (a collective action being an action brought by an employee or employees for and in behalf of himself or themselves and other employees similarly situated, and a class action being an action described in Rule 23 of the Federal Rules of Civil Procedure) the action shall be considered to be commenced in the case of an individual claimant—

(a) On the date when the complaint is filed, if he is specifically named as a party plaintiff in the complaint and his written consent to become a party plaintiff is filed on such date in the court in which the action is brought, or

(b) If such written consent was not so filed or if his name did not so appear—on the subsequent date on which such written consent was filed in the court in which the action was commenced.

PENDING COLLECTIVE AND REPRESENTATIVE ACTIONS

Section 3 of the bill as agreed to in conference provides in the case of a collective or representative action commenced prior to the date of enactment of the bill under the Fair Labor Standards Act of 1938, as amended, the statute of limitations prescribed in section 6 (b) (two years or State statute, whichever is shorter) applies to an individual claimant who has not been specifically named as a party plaintiff to the action prior to the expiration of 120 days after the date of enactment of the bill. In the application of such statute of limitations the action shall be considered to have been commenced as to him when, and only when, his written consent to become a party plaintiff to the action is filed in the court in which the action was brought.

Under this provision, the statute of limitations in section 6 does not apply to an individual claimant who has been specifically named as a party plaintiff to the action prior to the date of the enactment of the bill. Nor does such statute of limitations apply to any individual claimant who has been so named within the period beginning on the date of enactment and ending on the 120th day after the date of enactment, if the applicable law provides that the date on which the action is deemed to have been commenced as to him is the date on which the collective or representative action was commenced. If he is so named as a party plaintiff within such 120-day period, and the applicable law provides that the action was deemed to have been commenced as to him when he was so named as a party plaintiff, then the period of limitations to be applied to him is the same as is provided in section 6 (c), namely, the one provided by the applicable State statute of limitations.

If such individual claimant is named as a party plaintiff in any such pending collective or representative action on or after the expiration of such 120-day period, the action shall be considered to have been commenced as to him when, and only when, his written consent to become a party plaintiff to the action is filed in the court in which the action was brought, and the statute of limitations applicable with respect to his cause of action is two years, or the applicable State statute of limitations if less than two years.

RELIANCE ON ADMINISTRATIVE RULINGS, ETC.

Section 9 of the bill as agreed to in conference provides that in the case of an action or proceeding (including injunctive and criminal proceedings) heretofore or hereafter commenced, based on any act or omission prior to the date of enactment of the bill, no employer is to be subject to any liability or punishment for or on account of the failure of an employer to pay minimum wages or overtime compensation under the three Acts, if he pleads and proves that the act or omission complained of was in good faith in conformity with and in reliance on any administrative regulation, order, ruling, approval, or interpretation, of any agency of the United States, or any administrative practice or enforcement policy of any such agency with respect to the class of employers to which he belongs. Such a defense, if established, will be a bar to the action or proceeding, notwithstanding that after such act or omission, such administrative regulation, order, ruling, approval, interpretation, practice, or enforcement policy is modified or rescinded or is determined by judicial authority to be invalid or of no legal effect. It will thus be seen that the administrative regulation, order, etc., does not have to be in writing nor does it have to be a regulation, order, etc., of the Federal agency which administers the act in question. It will be sufficient if the employer can prove that his act or omission was in good faith in conformity with and in reliance on an administrative regulation, order, etc., of any Federal agency.

Section 10 of the bill as agreed to in conference, relating to an action or proceeding based on any act or omission on or after the date of enactment of the bill, contains a rule which is the same as the rule relating to acts or omissions prior to the date of the enactment of the bill, with two exceptions: (1) The regulations, orders, rulings, approvals, or interpretations, which may be relied on must be in writing; and (2) the regulations, practices, enforcement policies, etc., must be those of the Administrator of the Wage and Hour Division of the Department of Labor—in the case of the Fair Labor Standards Act of 1938, as amended; of the Secretary of Labor, or any Federal officer utilized by him in the administration of the Walsh-Healey Act—in the case of the Walsh-Healey Act; and of the Secretary of Labor—in the case of the Bacon-Davis Act.

It should be noted that under both sections 9 and 10 an employer will be relieved from liability, in an action by an employee, because of reliance in good faith on an administrative practice or enforcement policy, only: (1) where such practice or policy was based on the ground that an act or omission was not a violation of the Act, or (2) where a practice or policy of not enforcing the Act with respect to acts or omissions led the employer to believe in good faith that such acts or omissions were not violations of the Act.

However, the employer will be relieved from criminal proceedings or injunctions brought by the United States, not only in the cases described in the preceding paragraph, but also where the practice or policy was such as to lead him in good faith to believe that he would not be proceeded against by the United States.

The effect of the rules stated in the two preceding paragraphs may be illustrated as follows: An employer will not be relieved from liability under the Fair Labor Standards Act of 1938 to his employees (in an action by them) for the period December 26, 1946, to March 1, 1947, if he is not exempt under the "Area of Production" regulations published in the Federal Register of December 25, 1946, notwithstanding the press release issued by the Administrator of the Wage and Hour Division of the Department of Labor, in which he stated that he would not enforce the Fair Labor Standards Act of 1938 on account of acts or omissions occurring prior to March 1, 1947. On the other hand he will, by reason of the enforcement policy set forth in such press release, have a good defense to a criminal proceeding or injunction brought by the United States based on an act or omission prior to March 1, 1947.

It should also be noted that under both sections 9 and 10 the regulations, interpretations, enforcement policies, etc., which may be in good faith relied on must be those of an "agency" and not of an individual officer or employee of the agency. Thus if inspector A tells the employer that the agency interpretation is that the employer is not subject to the Act, the employer is not relieved from liability, despite his reliance in good faith on such interpretation, unless it is in fact the interpretation of the agency.

LIQUIDATED DAMAGES

Section 2 (g) of the House bill authorized the courts, in their discretion, in awarding liquidated damages under the three Acts to award a lesser amount than the amount specified therein. There was no comparable provision in the Senate amendment. Section 11 of the bill as agreed to in conference permits the court, in its sound discretion, to award no liquidated damages or award any amount thereof not to exceed the amount specified in section 16 (b) of the Fair Labor Standards Act of 1938, as amended, in any action under such Act of 1938 commenced prior to or on or after the date of enactment of the bill to recover unpaid minimum wages, unpaid overtime compensation, or liquidated damages, if the employer shows to the satisfaction of the court that the act or omission giving rise to such action was in good faith and that he had reasonable grounds for believing that his act or omission was not a violation of such Act.

AREA OF PRODUCTION

Section 12 of the bill as agreed to in conference is inserted to relieve the situation created by the decision of the Supreme Court in *Addison, et al.* v. *The Holly Hill Fruit Products, Inc.* (322 U. S. 607, decided June 5, 1944), holding invalid certain regulations of the Administrator of the Wage and Hour Division relating to "area of production", and directing him to issue new regulations, which the Administrator did not do for a period of approximately two and one-half years after the date of such decision.

This section relieves an employer from liability and punishment under the Fair Labor Standards Act of 1938 on account of the failure of such employer to pay an employee minimum wages, or to pay an employee overtime compensation, for or on account of an activity engaged in by such employee prior to December 26, 1946, if such employer (1) was relieved from such liability or punishment by reason of a valid definition of "area of production" by the Administrator applicable at the time of the performance of the activity, or (2) would have been so relieved by reason of an invalid definition applicable at the time of the performance if such definition had been valid, or (3) would have been so relieved if the definition finally made by the Administrator on December 18, 1946, and published in the Federal Register of December 25, 1946, had been in force on and after the effective date of the sections of such Act of 1938 providing for minimum wages and overtime compensation.

It should be noted that under the above provision the protection to the employer under the foregoing provisions for acts or omissions up to December 26, 1946, will exist even though hereafter the regulation of December, 1946, is held invalid.

DEFINITIONS

Section 13 of the bill as agreed to in conference contains definitions of the terms "employer", "employee", "wage", and "State". It also contains an official short title of the Walsh-Healey Act and the Bacon-Davis Act.

SEPARABILITY

Section 14 of the bill as agreed to in conference contains the usual separability clause.

SHORT TITLE

Section 15 of the bill as agreed to in conference provides that the bill may be cited as the "Portal-to-Portal Act of 1947".

AMENDMENT TO TITLE OF BILL

The conference agreement amends the title of the bill so as to read: "An Act to relieve employers from certain liabilities and punishments under the Fair Labor Standards Act of 1938, as amended, the Walsh-Healey Act, and the Bacon-Davis Act, and for other purposes."

EARL C. MICHENER,
JOHN W. GWYNNE,
ANGIER L. GOODWIN,
FRANCIS E. WALTER,
Managers on the Part of the House.

Mr. MICHENER. Mr. Speaker, I yield 10 minutes to the gentleman from Iowa [Mr. GWYNNE], the author of this bill.

Mr. GWYNNE of Iowa. Mr. Speaker, I am sure every person connected with this conference will agree that we had a full and a free conference. I shall explain very briefly what is in the conference report, comparing it as far as possible with the provisions of the original House bill.

The first part of the bill has to do with existing portal-to-portal claims which you will recall are defined as causes of action or claims seeking pay for activities which activities at the time they were performed were not compensable, either by custom or practice in the place of employment, or by contract between the employer and the employee or his representative.

The bill as it comes from the conference bans all existing claims of such character.

It provides that the courts have no jurisdiction to entertain suits or enter any judgment whatever in this type of case. That is substantially the same as the original House provision.

There is also another provision relating to existing portal-to-portal claims and causes of action which prohibits the assignment of those claims. That differs from the House bill in this respect: The House bill had a provision prohibiting the assignment of any claims of any kind or character under the three acts in question, which you will recall are the Fair Labor Standards Act, the Walsh-Healey Act, and the Bacon-Davis Act. There is also a provision in this bill which allows the settlement and compromise of all claims under these three acts in existence at the time the law becomes effective. They may be settled if there is a bona fide dispute between the employer and the employee as to the amount involved, subject to this provision, that no compromise may be based on less than the minimum provided under the Fair Labor Standards Act. That is the substance of the bill as it pertains to existing portal-to-portal claims.

The next part of the bill has to do with future portal-to-portal claims. Understand, I am talking about provisions having to do with causes of action arising in the future, which causes of action are based on activities not compensable at the time either by contract or custom. There the provision in this bill follows the Senate bill. The House bill made no distinction in treatment between existing and future portal-to-portal claims.

This bill divides them up and provides that, one, riding, walking, and traveling to the place of employment where the principal activity takes place and walking and traveling away from the place of the principal activity, or, two, preliminary activities to the principal activity and activities postliminary to the principal activities; as to those activities at the beginning and end of the day prior to the whistle, you might say, and subsequent to the whistle, the same treatment is given as was given to existing portal-to-portal claims. As to the main part of the working day, as to the principal activity for which any particular employee is employed, this law does not operate. I am not sure I made that too clear, but if you will examine the statement, you will find there a clear explanation of it. So much for the portal-to-portal part of the bill.

Mr. Speaker, both the House bill and Senate bill had certain provisions relating to all suits or claims or causes of action under these three acts in question. This bill has similar provisions. For example, there is a statute of limitations provided. The House bill, it will be recalled, provided a 1-year statute of limitations. In other words, every cause of action must be sued upon within 1 year after the cause of action accrued. Under this bill all causes of action arising in the future, and by that I mean after the effective date of the act, must be brought within 2 years after the cause of action accrues. As to causes of action accruing prior to the effective date of the act, action must be brought either within 2 years or within the applicable State statute, whichever is shorter. That provision became necessary when the statute of limitations was raised from 1 year to 2 years in order to protect certain States that now have a 1-year statute of limitations. Any cause of action that has accrued prior to the effective date of this act may be brought within 120 days after the act becomes effective, subject, however, to the provision that any cause of action barred by any State statute, whatever the length of it may be, is not revived. That action remains barred. Another very important feature of both the House and Senate bills is the so-called good-faith provision and that in modified form is contained in this conference report. There again the treatment is not the same for claims which are in existence, causes of action which had arisen prior to the effective date of the act and causes of action arising thereafter. As to causes of action which are in existence when the act goes into effect, we have adopted in substance the House bill which is this: In any suit under these acts—I am not talking now about the portal-to-portal suits—the employer may plead and prove that the act or the omission about which complaint is made was in reliance on a rule or regulation or enforcement policy or practice of any agency of the Government and if he does so plead and prove that to the satisfaction of the court it is a complete defense of the suit. That was, of course, the House provision. One difference between that and the provision relating to future suits is that the rulings and regulations and approvals that can be relied upon in the future must be in writing. Another difference is that the rulings and the regulations that can be relied upon must be rules and regulations out of certain specific agencies, to wit, the particular agency that is enforcing that particular law. In other words, as to the wage-and-hour law it must be a ruling or enforcement policy of the Wage and Hour Administrator. As to the Walsh-Healey Act, it must be a ruling or policy of the Secretary of Labor, or that official of the Government utilized by him to enforce it. In regard to the Bacon-Davis Act it must be a ruling, regulation, or policy of the Secretary of Labor. Now, we have in this bill a provision which was not in the House bill, which was made necessary because of the peculiar situation that arose under the area-of-production rulings.

I believe this provision will afford almost complete protection to the small processors who have in recent years been in a tremendous state of confusion about the rulings and about the decisions of the Supreme Court in that regard. You will recall that in the Fair Labor Standards Act is provided that first processors in the area of production as defined by the Administrator should be exempt; that is to say, there would be no exemption unless there was a ruling defining what the area of production was. Following the passage of that act the Administrator made a ruling and many processors began, of course, to comply with it. That got into litigation and the Administrator made a second ruling and some, of course, complied with that. Eventually the first regulation made by the Administrator went to the Supreme Court, and in 1944 the Supreme Court held that the regulation made by the Administrator was beyond his authority to make. It was, in substance, an invalid regulation. Of course, up to that point any person who had relied on the ruling would be protected under the good-faith clause in the bill about which I have already spoken. But the Supreme Court did a rather unusual thing in that case. They sent the bill back to the trial court with instructions to retain jurisdiction and directed the Administrator to make a new regulation defining what the exemption would be. That was in June 1944. The Administrator did not make any ruling, did not declare who was exempt until December of 1946, leaving a 2-year period in there when no one knew exactly what the situation was so far as the first processor in the area of production was. This provision provides, in substance that any person who was relying upon a ruling in existence at that time is protected regardless of whether or not that ruling was later on held invalid.

In 1946 the Administrator in making his ruling purported to make it retroactive, going back to the beginning of the act, and this bill also provides that any person who at any time came under that ruling, that retroactive ruling, the one which is now in effect, would also be protected.

Now, we had a provision in the original bill having to do with liquidated damages. Under the wage-and-hour law as it is presently being enforced, if the Court holds that an employer has not complied with the law, has not paid the minimum wages or the statutory overtime, it is mandatory on the Court to impose judgment for the amount of wages and overtime due, plus an additional amount for liquidated damages, and he has no discretion whatsoever even though the violation was not in bad faith. This bill provides that if the Court finds, in substance, that the violation was not in bad faith, that the employer had reasonable grounds to believe that his conduct was not in violation of the law, then in that case the Court has discretion to impose any amount of liquidated damages or none; any amount up to the maximum in the Fair Labor Standards Act.

There are other features of the bill but those are the main features.

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

Mr. GWYNNE of Iowa. I yield to the gentleman from Georgia.

Mr. PACE. It was not entirely clear to me on the portal-to-portal pay what was done with the future handling of those claims that immediately precede the moment of employment, not the walking and the riding, but the preliminaries to start work. What position did the committee of conference make of that type of claim?

Mr. GWYNNE of Iowa. That type of portal-to-portal claim is barred. In existing claims, the entire thing is barred, even though the so-called portal-to-portal claim may arise in the middle of the day, during the hours for which the man is employed. In future claims riding or walking or travel to the principal place of employment is barred, and barred with it are preliminary activities and postliminary activities.

Mr. PACE. Even though it involves the laying out of work the man is going to undertake in the next few minutes, the laying out of garments to work on, that claim would be barred?

Mr. GWYNNE of Iowa. It is barred unless there was an agreement or custom to pay for it.

Mr. PACE. Does the gentleman think that should be handled through collective bargaining?

Mr. GWYNNE of Iowa. No. The whole thought is that those claims are all barred, I mean as to existing claims as to activities for which the employer has not agreed to pay.

Mr. PACE. I understand that, but I mean in the future; it is barred in the future unless there is an agreement between the employer and the employee?

Mr. GWYNNE of Iowa. An agreement or custom.

Mr. MICHENER. Mr. Speaker, I yield 10 minutes to the gentleman from Pennsylvania [Mr. WALTER].

Mr. WALTER. Mr. Speaker, I do not believe any conference report—at least, there have not been many presented to this House for consideration—has received the care that was given this legislation. For what seemed like endless hours, we attempted in plain language to set forth what the House felt should be done when it passed the portal-to-portal bill and compromised the ideas of the Senate with our version. We had assisting us Messrs. Beaman and Craft, of our legislative service, Mr. Rice, of the Senate legislative service, and other experts we called in from time to time in order to endeavor to write in plain English the full intent of Congress so that there could not be another misinterpretation of that intent. If this report does not state the very clear ideas of the two bodies, then I do not think it is possible to state them in the English language.

In the first place, we endeavored to look to the objections raised in both bodies to the original legislation, and where there was any valid reason for modifying the language we endeavored to do that, always having in mind the reasons for the three acts and being careful not to do violence to them. In the latter respect I am certain we have been successful. In the House the principal objection to the bill was as to the good-faith provision. It was charged that with the House provision in the law everybody who was proceeded against would be able to dig up some sort of a regulation or ruling suggested by anybody even in the lower echelons of the Labor Department and set that ruling up as a defense. Of course, during the war there were a great many rulings made by people who were not connected with the Wage and Hour Division, but certainly during those trying times when a contractor was endeavoring to follow out the instructions of his Government, if he received instructions from somebody in a position of authority, then if those instructions resulted in his violating the law that man should have a defense. So we decided to treat this question of good faith in two ways, one, as to existing claims, and two, as to future claims.

As to existing claims it was decided that where an employer in good faith acted on the ruling of any official, apparently acting within the scope of his authority that employer could set up the instructions thus received as a defense, and incidentally an affirmative defense, and if he could prove it then he was relieved from liability. That was the method in which the House treated both types of claims. However, the Senate had a different provision. In order to reconcile the views, we decided the thing to do with respect to all future claims was to provide the defense of good faith, provided the employer acted on a decision or ruling of the Wage and Hour Administrator, knowing full well that henceforth both employers and employees will be on notice that there is only one kind of ruling they can rely on without being liable for a violation of the law.

The second matter in controversy was that of the statute of limitations. I felt there should be a 3-year statute. The House approved a bill with a 1-year period in it. The Senate bill provided for 2 years. But this compromise, as worked out, provides a 2-year statute for all future claims. As to existing claims, the statute of the State or 2 years, whichever is the shorter, applied and that claims can only be filed within 120 days, and that 120-day period does not have the effect of extending the statute of limitations.

There are certain provisions of the report which I believe require further explanation and clarification. The first relates to section 2 (c). As indicated in our statement, the purpose of section 2 (c) is to prevent the construction of subsection (a) relieving employers from liability for minimum wages which they now have and to make it clear that time worked includes only that time spent in activities which are compensable under subsection (a). However, neither section 2 (c) nor section 2 (a) is intended to create additional overtime liability in cases where employers now make special payments or allowances for certain specified activities of their employees which are not included in time worked, according to the contract or custom or practice.

I have in mind payments or allowances at straight time, or in stipulated amounts, for clothes changing or washing up, or other so-called fringe awards, directed or approved by the National War Labor Board.

The second point relates to the provision of section 3 (a) permitting compromises if there is a bona fide dispute as to the amount payable. It should be understood that the intent here is to permit compromises where there is a bona fide dispute as to the amount payable based upon an issue of law, not only where the dispute is based upon issues of fact. In other words the intent is to permit a compromise where the dispute as to amount due arises out of issues of law, such as coverage or exemptions, as well as issues of fact, such as the wage rate or hours worked.

The third point relates to the key words in section 4 (a) namely, principal activity or activities. It is intended that these words shall be interpreted with due regard to generally established compensation practices in the particular industry and trade. The intent is that consideration must be given to such prevailing compensation practices in determining what constitutes, or when any particular employee begins or ends, his principal activity or activities. In other words, the realities of industrial life, not arbitrary standards, are intended to be applied in defining the term "principal activity or activities." In this way we will avoid having another portal-to-portal situation in the future.

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

Mr. WALTER. I yield.

Mr. HINSHAW. The gentleman remembers the cases known as the stand-by cases which were brought out before his committee in which certain employees might be called upon at some time not during their regular working time to perform some duty and that many suits for wages have been instituted under that type of claim. Is that provided for in the present bill?

Mr. WALTER. Yes; we feel that under the language of section 2 (b) of

this bill that type of arrangement is covered and that the employer is not liable.

Mr. HINSHAW. The case I had in mind was one where there were certain persons who were left to guard electrical distribution stations where they were given a house and so forth and perhaps performed one or two labors per day and yet were paid on a monthly basis. Large suits were brought for time and a half for an additional 8 hours per day pursuant to the ruling of the court.

Mr. WALTER. We hope that we have met that situation and all of the situations that have been brought to our attention, because we had in mind that all of these portal-to-portal suits are in the nature of windfalls. None of the plaintiffs—and I say that advisedly—ever felt they were entitled to compensation for activities which are the basis of these suits. I think I should add to what I said about the defense of good faith. The defense of good faith is intended to apply only where an employer innocently and to his detriment, followed the law as it was laid down to him by governmental agencies, without notice that such interpretations were claimed to be erroneous or invalid. It is not intended that this defense shall apply where an employer had knowledge of conflicting rules and chose to act in accordance with the one most favorable to him. I say that because there must have been literally thousands of instructions sent by the Army, the Navy, and the Maritime Commission and other governmental officials to employers having Government contracts during the war, that were never issued or confirmed in the usual way, but the employer felt that the person giving those instructions was in a position to speak with authority, and in those classes of cases we hope this measure will provide a defense.

The SPEAKER. The time of the gentleman from Pennsylvania [Mr. WALTER] has expired.

Mr. MICHENER. Mr. Speaker, I yield 5 minutes to the gentleman from Massachusetts [Mr. GOODWIN], one of the conferees.

Mr. GOODWIN. Mr. Speaker, I also want to pay tribute to the industry of my colleagues who served as your conferees. And I include our diligent and faithful legislative counsel. I marvel at the patience that busy men were able to show, as evidenced in this conference, to spend long hours over a period of several weeks, oftentimes beginning at an hour in the morning before Members customarily start work in their own offices, and with an occasional evening session. I question very much whether any board of conferees ever worked harder, longer, or more conscientiously in an endeavor to bring out a report which would be understandable and as simple as possible, covering a subject which is highly technical and highly involved.

Mr. Speaker, some constituents of mine in the laundry and linen-supply business have expressed concern relative to a particular passage of the statement of the managers on the part of the House—House Report No. 326. The passage I refer to is that set forth at page 16 of the conference report, which purports to explain the circumstances under which employers will be relieved from liability in employee suits where they have relied in good faith on the practices or enforcement policies of a Federal agency.

Mr. Speaker, the situation which the laundries and linen-supply companies in the country find themselves is a most unusual one—one which I feel is entitled to be recognized as being within the scope and intent of the reliance-in-good-faith provisions of this bill. The Wage and Hour Administrator, under date of November 25, 1943—Wage-Hour Release A-2—issued an administrative statement on wage-hour enforcement policy for laundries and linen-supply companies, in which he announced that unless the United States Supreme Court should later decide that the section 13 (a) (2) exemption of the act was inapplicable, he would continue the policy of not instituting enforcement proceedings under the Wages and Hours Act against laundries and linen-supply firms. Apparently the court decisions of the time held laundries and linen-supply companies to be exempt from the law as service establishments, and the administrative policy was prompted by these decisions which, of course, the laundry owners also relied on.

Furthermore, but a year before, the Wage and Hour Administrator in an exchange of correspondence with the gentleman from New Jersey [Mr. HARTLEY], which appears in the Appendix of the CONGRESSIONAL RECORD—page A963, CONGRESSIONAL RECORD, volume 89—had stated:

> I am very much inclined to the view that all laundries, regardless of whether they do so-called commercial work or not, were intended by the Congress to be exempt, as you definitely state, and regardless of the outcome of the litigation I am inclined at the present time to think that our interpretation should be revised in this regard.

There are other circumstances relating to the laundries' situation which I will not take the time of the House to go into at this time. Certainly, however, the matters to which I have referred would seem to me to provide an ample basis for considering, that sections 9 and 10 of this bill—H. R. 2157—provide a defense to laundry and linen-supply employers against employee suits. Their reliance on the various expressions of the Administrator respecting the nonapplicability of the act to them and his policy of not enforcing the act as to them should provide a legal defense against potentially ruinous liabilities in employees suits. It is my understanding—and I believe it is concurred in by the conferees—it is my understanding of the intent of these provisions that such a defense against employee suits would be provided laundries and linen supply companies.

Mr. MICHENER. Mr. Speaker, I have been in Congress a long time and I have never known a more prolonged, yet diligent, conference on any legislation where there was disagreement between the two Houses. For hours and days and weeks, the conferees have constantly sought to bring back to their respective bodies legislation which the conferees could conscientiously recommend. I was just asked by a new Member how conferees proceed and just what they do. Well, it is like this:

In the instant case the House passed the Gwynne bill, H. R. 2157, and sent it to the Senate. This was not done until there had been extensive hearings in committee and adequate debate and amendment on the floor of the House. When the bill reached the Senate, it was referred to the Senate Judiciary Committee where careful consideration was given. Thereupon the Senate committee struck out everything after the enacting clause in the House bill and added a new bill in the form of a substitute. The Senate passed this substitute bill.

When the conferees met they had the House bill without amendment and the Senate bill without amendment before them. Under conference rules it was the duty of the conferees to compose the differences between the two bills. After trial and error extending over many meetings, some of the language in the House bill and some of the language in the Senate bill, with new and clarifying language added, resulted in a new bill. The new bill does not suit any one of the conferees in every minute detail. For instance, I favored, and the House favored, a 1-year statute of limitations. The Senate favored 2 years and, in the give and take process necessary to accomplish legislation, this bill contains the 2-year provision. In other words, the House eventually conceded that point. On the other hand, the Senate conceded other points to the House. By this process the new bill, which is now before the House and which is embodied in toto in the conference report was agreed to. Under the rules of the conference the House acts first on this report. If the House accepts the report, then it accepts as a substitute for the Gwynne bill, which the House passed, the new bill as composed by the conferees, and as found in the conference report which is before us. That is all that is before the House today.

Mr. Speaker, the statement of the conferees which has been read to the House is a detailed explanation of the conference bill. It is lengthy, it is complicated, and, at first blush, seems hypertechnical. It has been a real job on the part of the best draftsmen from the legislative services in the House and in the Senate to express in understandable language the policy and the intent of the Congress which finds expression in this conference bill. On the whole, they have done a good job. Personally, I never believe in using 10 words where 2 words will answer the purpose. The House bill as it went to the Senate was much shorter and to me was preferable. However, the Senate bill was preferred by the Senate, and in yielding we were simply making the legislative process work. While I have a personal feeling that the same objective might have been accomplished by using many less words, yet this is possibly a case where in numbers there is safety. I hope so. The explanation of this compromise bill made in this debate by the gentleman from Iowa [Mr. GWYNNE], the gentleman from Massachusetts [Mr. GOODWIN], and the gentleman from Pennsylvania [Mr. WALTER], all members of the Judiciary Com-

mittee and the conference committee, will be most helpful in arriving at the intent of the Congress. In fact, their statements are brief when compared with the prepared statement of the conferees, and are most clarifying.

Mr. Speaker, I know of no one who desires to speak in opposition to this conference bill, and I predict that it will be accepted by the House by as large a proportionate vote as the Gwynne bill received when it passed the House. There has been some newspaper conjecture as to whether or not the President will sign the bill if it reaches the White House. Surely, the vast majority of the people of the country are not in sympathy with the $6,000,000,000 windfall suits started by claimants, most at least of whom never suspicioned that they had any claim coming for portal-to-portal pay until an unfortunate decision of a district court was rendered. This bill protects the legitimate claims under the three acts referred to in the bill. It is not harsh, confiscatory, or arbitrary. It is equitable and will do much to stabilize the chaotic conditions now prevailing because of these technical portal-to-portal suits. I cannot believe that under all the circumstances the President will veto this bill.

Mr. Speaker, I ask unanimous consent that all Members may be permitted to extend their remarks at this point in the RECORD.

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

There was no objection.

Mr. MACKINNON. Mr. Speaker, as a members of the Labor Committee I have been interested in the good-faith section of this portal-to-portal bill. In several cases which were discussed on the floor of the House it appears that there were conflicting rulings as to employers' obligations.

Is an employer in good faith when knowing of two conflicting rulings he claims to have relied on one of them? The answer must be that having notice of conflict, he cannot be said to have relied in good faith when he picks one of the rulings on which to rely and, particularly, it seems to me, under the language of the bill, when he relies on the ruling that is most favorable to his, the employer's interest.

Can an employer avail himself of the good-faith defense when knowing of two conflicting rulings, he has secured indemnification against the probability that the courts will hold invalid the ruling in accordance with which he is acting?

Under these circumstances, reliance in good faith does not exist, and the good-faith defense is not intended to be made available in such situation.

When there are conflicting rules and interpretations by different Government officials, that is exactly the type of case which must be settled in the courts, and Congress should not and does not intend under this bill to attempt to interfere with final court decision on such questions.

Mr. KEATING. Mr. Speaker, although not one of the conferees, I know a good deal about their arduous toil and conscientious endeavor. This House owes them a great debt of gratitude for the prodigious effort and the exceedingly high quality of their performance. It is naturally a sense of gratification to me that they have seen fit to adopt two of the provisions for which I contended when the bill was before us: first, a 2-year statute of limitations rather than 1 year, as to future suits, and, second, the tightening up of the "good faith" provisions so as to insure that this measure will not weaken the Wages and Hours Act.

Mr. DEVITT. Will the gentleman yield?

Mr. KEATING. I am happy to yield to my colleague from Minnesota.

Mr. DEVITT. On this question of good faith, does the gentleman remember the situation regarding which evidence was given before the subcommittee of which he was a member, with reference to the employer in my district who had acted pursuant to two different administrative rulings and the action which is pending by a large number of employees to recover sums which they claim are due under the provisions of the Wages and Hours Act?

Mr. KEATING. Yes; I remember the case to which the gentleman refers, and my view would be this, with reference to that.

When this bill was up for its original consideration, I made some remarks as to the good-faith defense. As a member of the subcommittee which drafted the original bill, I do not believe that such defense is intended to apply where an employer had notice of conflicting rulings, but only where he innocently in good faith followed and relied upon a ruling believing it to be valid.

These cases were discussed when the bill was up for consideration on the floor in February where an employer working for the Government on cost-plus war contracts secured indemnification from the Government against the possibility that a ruling would be declared invalid by the courts. In such cases, under the language of the bill, I am sure there could be no good-faith defense because the employer apparently did not rely in good faith upon the ruling but went to the contracting officials and secured a guaranty that he would not lose by following certain rulings.

Where an employer has notice of the invalidity of a ruling or where he has notice of conflicting rulings of different departments of the Government the good-faith defense cannot be invoked.

Mr. MICHENER. Mr. Speaker, I yield to the gentleman from South Dakota to submit a consent request.

Mr. CASE of South Dakota. I ask unanimous consent to extend my remarks in the Appendix of the RECORD and include therein an address by Walter Lippmann on the United States Chamber of Commerce.

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

There was no objection.

Mr. MICHENER. Mr. Speaker, I move the previous question on the conference report.

The previous question was ordered.

The SPEAKER. The question is on agreeing to the conference report.

The question was taken; and there were—ayes 173, noes 27.

Mr. MARCANTONIO. Mr. Speaker, I object to the vote on the ground there is not a quorum present, and make the point of order there is not a quorum present.

The SPEAKER. The Chair will count. [After counting.] Two hundred and twenty-six Members are present, a quorum.

So the conference report was agreed to, and a motion to reconsider was laid on the table.

HOUSING AND RENT CONTROL

Mr. WOLCOTT. Mr. Speaker, I move that the House resolve itself into the Committee of the Whole House on the State of the Union for the further consideration of the bill (H. R. 3203) relative to maximum rents on housing accommodations, to repeal certain provisions of Public Law 388, Seventy-ninth Congress, and for other purposes.

The motion was agreed to.

Accordingly the House resolved itself into the Committee of the Whole House on the State of the Union for the further consideration of the bill H. R. 3203, with Mr. JENKINS of Ohio in the chair.

The Clerk read the title of the bill.

The CHAIRMAN. On yesterday all of title I had been disposed of and the first section of title II was read. Title II is now open for amendment.

Mr. SMITH of Ohio. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. SMITH of Ohio: On page 10, line 3, strike out all beginning with line 3 down to and including line 13.

Mr. SMITH of Ohio. Mr. Chairman, the objectionable feature of the language which I am seeking to strike out is the following:

At the same time the Congress recognizes that an emergency exists—

The gentleman from Michigan [Mr. WOLCOTT], chairman of the committee, has stated that the purpose of this language is to make political control of rents, for which title II of the pending bill provides, constitutional. I submit that this provision is in itself unconstitutional.

I hope the Congress has not reached a point in its thinking where it presumes to set itself above the Constitution of the United States. It seems to me that is what this provision does. It appears to be an outright attempt, perhaps made inadvertently, to override or set aside the Constitution by usurpation.

The matter dealt with in title II of the pending bill does not remotely involve a situation that can on true moral and legal grounds be construed a national emergency warranting the setting aside of the Constitution. I trust the House adopts my amendment.

Mr. WOLCOTT. The amendment offered by the gentleman from Ohio would do just the opposite of what he states. If the amendment is adopted without a

declaration of policy providing that an emergency exists, it is very, very doubtful whether any of the controls in title II could be enforced. I do not think there is any question or there should not be any question in anyone's mind that the reason for continuing any of these controls in title II is that an emergency does exist and will continue to exist until we have met the demand for rental units. We have got to be realistic about this situation, and this Congress cannot, by fiat, change a situation which actually exists.

Now, I do not think that anyone in this Committee would seriously contend that there are adequate dwelling units in the United States, and anyone who thinks, therefore, that knows that there are not enough dwelling units in the United States to house our people, I might say would be intellectually dishonest in voting to the contrary.

Mr. RIZLEY. Mr. Chairman, will the gentleman yield?

Mr. WOLCOTT. I yield to the gentleman from Oklahoma.

Mr. RIZLEY. Assuming that there is a shortage of rental units, is it not a rather far-fetched position for the Congress to take that because there is a shortage in the country of one commodity that there is such an emergency existing that warrants us to go beyond what we could do under the Constitution?

Mr. WOLCOTT. No. We only deal with one situation.

Mr. RIZLEY. I understand that.

Mr. WOLCOTT. We only deal with the situation that there is a shortage of housing units, and for that reason we recognize the necessity of continuing some of these controls.

Mr. RIZLEY. But following the gentleman's philosophy, there is probably never a time in the history of the country that there is not a shortage in some one commodity; therefore, following that idea further, we will always have an emergency in the country, because there will always be a shortage in some one commodity. Is that not the philosophy that the gentleman is adopting now?

Mr. WOLCOTT. There is nothing to compel the Congress to act because there is an emergency, but if the Congress does act, and acts constitutionally, then you must find a reason for your actions, and the reason for your actions in respect to rent controls, or the controls contained in title II, is, to be realistic about it, that an emergency exists. So why not say so?

Mr. KEATING. Mr. Chairman, will the gentleman yield?

Mr. WOLCOTT. I yield to the gentleman from New York.

Mr. KEATING. In other words, is it not, to put it in another way, a fair statement to say that the only person who would vote for this amendment would be one who wanted to take all controls off on the 30th day of June?

Mr. WOLCOTT. That would be the effect of the amendment, for the reason that it is very doubtful whether the controls under this law could be enforced after June 30.

Mrs. ROGERS of Massachusetts. Mr. Chairman, will the gentleman yield?

Mr. WOLCOTT. I yield to the gentlewoman from Massachusetts.

Mrs. ROGERS of Massachusetts. I think I understood the gentleman to say that the committee had under consideration a bill which would give the veterans a priority in the purchase of permanent Government property. I introduced a bill for that purpose last year. They have not been given a priority in the purchase of Government property thus far. Am I correct that the committee has it under consideration at the present time, or something of the kind?

Mr. WOLCOTT. There is a subject being considered by the Banking and Currency Committee at the present time which has to do with the disposition of what we call the Lanham permanents. I think when that study is completed, and if we report out legislation, it will be quite satisfactory to the gentlewoman, because I believe the committee will provide that the veterans will be given preference on the purchase of Lanham permanent projects.

Mr. RIZLEY. Mr. Chairman, I move to strike out the last two words.

Mr. Chairman, the committee, in order to continue rent controls in peacetime had to find that an emergency existed, and the distinguished chairman of the committee very frankly admits that in order to circumvent established law and the Constitution it is necessary to declare an emergency. By the same token we can keep an emergency in the country always. That is the very thing the New Deal has been successful in doing for about 16 years. Rental houses this year, something else next year, on, on, and on the emergency continues and we keep a program of planned economy. I cannot go along with such a program. And what else does this bill do Mr. Chairman? They set up some other categories. For instance, they say to people who may have been keeping their properties out of rental, That is, if you did not have your property rented between February 1, 1945, and February 1, 1947, you are not under rent control. You can charge as much as the traffic will stand. Nowhere in this bill except by indirection is any attempt made doing equity toward the honest landlords, who have had their property rented and who depend on rents for their income.

Nearly every other industry in the country has had a raise in prices, but this committee says to those folks who have had their houses rented over all this period, "No, we are not going to permit you to raise the rent at all." But if I sat back, if I was smart and did not rent my property, I can come in now and get the current rental prices of today.

What kind of business is this we are doing here today? Do you think the American people expect this Congress to keep on with this sort of class legislation, and that is all it amounts to under this bill? If this is not class legislation, I have never seen a bill brought before this Congress that was class legislation.

Mr. DONDERO. Mr. Chairman, will the gentleman yield?

Mr. RIZLEY. I yield to the gentleman from Michigan.

Mr. DONDERO. According to a poll made as late as February of this year, nearly 2,000,000 units in this country are away from rent control or have been withdrawn, and they will not come back under rental until rent control is lifted.

Mr. RIZLEY. Certainly.

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

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

Mr. RANKIN. If the House does not pass this bill, this rent-control fiasco will end on the 30th of June of this year?

Mr. RIZLEY. On June 30. But they have a bill here that says that if we pass it, rent control will end on December 31, unless the President finds that there is another emergency at that time and it ought to be continued until March. What kind of legislating is that?

Mr. RANKIN. If we go ahead and perpetuate this measure on the American people, I do not want ever to hear another Member of Congress talk about the President creating a crisis or emergency, or finding one.

Mr. RIZLEY. Of course, we are passing the buck as Members of Congress to the President of the United States. We say we do not want to legislate beyond December 31, but it is all right for the President to legislate beyond that time. I did not run on that kind of a ticket last fall. I told my people I was against Executive directives and decrees having the force and effect of law. This is our responsibility. We ought to have the courage to accept it. We ought to either definitely control or decontrol. We ought to stand for something. Why should we follow this un-American philosophy of planned economy for another 6 months? Last year a Democratic Congress fixed the expiration date for rent control as June 1947.

I have the highest regard for the members of this committee and the chairman of the committee, but I just do not understand this sort of philosophy. The gentleman says, "Yes; but we have to face an emergency." If you follow that philosophy, you will have an emergency in this country from now on. It may not be in rents, but there may be an emergency tomorrow where we may have a shortage of wheat or cattle or sheep or something else, and then all that would have to be done would be to come in and put that item under control because we have an emergency in that particular thing. That is not my understanding of the philosophy that this Government is founded upon.

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

Mr. RIZLEY. I yield.

Mr. RANKIN. If you act on the advice of these bureaucrats, they will perpetuate themselves just as they have in the case of the Indian Bureau that you are all complaining about.

Mr. RIZLEY. That is exactly right. Bureau control; I believe the American people were trying to get rid of that sort of thing when they voted on November 5.

Mr. BANTA. Mr. Chairman, I move to strike out the last word.

Mr. Chairman, I happen to be a member of the committee which considered this bill. I resent to some extent the fact that those of us who would vote in favor of this amendment might be

charged by our distinguished colleague and chairman with intellectual dishonesty. I could not with intellectual honesty vote for the bill if it contains the declaration that is embodied in this section.

Mr. WOLCOTT. Mr. Chairman, will the gentleman yield?

Mr. BANTA. I yield.

Mr. WOLCOTT. Does the gentleman recognize that an emergency does exist in housing?

Mr. BANTA. Will the gentleman permit me to finish?

Mr. WOLCOTT. Does the gentleman recognize that an emergency does exist in housing?

Mr. BANTA. No, sir; I do not.

Mr. WOLCOTT. Then, the gentleman would not be intellectually dishonest if he voted for this amendment. But if the gentleman recognizes that an emergency does exist and then voted for it, then he would be intellectually dishonest.

Mr. BANTA. You may argue that point, but I reserve the right to determine whether I am intellectually honest or not.

Mr. WOLCOTT. But I claim that you are.

Mr. BANTA. I should like to finish.

This bill declares that there is a national emergency and that Congress recognizes it. I tried with all the diligence at my command in cross-examining the witnesses to require the bureau representatives who appeared before us and who stated that there was an emergency to tell us how many unoccupied houses there are in this Nation now, and not one of them would or could tell us. Our own chairman declared before the Committee on Rules only the other day that we were unable to find out how many thousands of housing units there are in this country today which are wholly unoccupied.

Mr. OWENS. Mr. Chairman, will the gentleman yield?

Mr. BANTA. I yield.

Mr. OWENS. Did they tell you how many were occupied by one or two or three persons that could contain five or six persons?

Mr. BANTA. No; they would not tell us that. I have had some experience in analyzing testimony and determining when a case is made. There was no testimony before the committee on which anybody could base a fair conclusion that there is a national emergency.

There are less houses in this Nation than the people want, but that is a different thing. There has always been fewer houses than the people want. To want is wholesome; it stimulates ambition. But this Congress shoulud not declare a national emergency to exist simply because there are fewer houses than the people want.

There is not a word of testimony in this record on which to base the conclusion that there is now a national emergency, and for that reason I support this amendment. I say there is no evidence that anybody can point to in this record to justify a contrary conclusion

Mr. SCHWABE of Missouri. Mr. Chairman, will the gentleman yield?

Mr. BANTA. Yes; I yield.

Mr. SCHWABE of Missouri. How is one who is opposed to rent control going to vote for this bill? Is this bill one that will simply extend rent control?

Mr. BANTA. This bill will extend rent control. As far as the Congress is concerned it will extend it until December 31, 1947, and then throw it into the lap of the President and let him extend it, and this Congress next year will have the same cry from the same bureau representatives, that the same old emergency still exists, because all the people in the Nation do not have the kind of houses, and as many of them as they want at the price they want to pay for them. We will never get rid of controls if we continue this same kind of program that this bill will continue.

Mr. SCHWABE of Missouri. It is not clearly a decontrol bill, then?

Mr. BANTA. Not at all. Moreover, there is another declaration in this section which the amendment strikes at that is not a fair statement. There is nothing in the record to justify it. That is, that it is for the prevention of inflation. There are three basic things which the people of the Nation use and must have, namely, food, clothing, and shelter. If shelter may be had at a price which represents a less proportion of their income, than is normally used for shelter, and a disproportionate part of their income is freed to spend in the honky-tonks, in the places of recreation, and in the taprooms that some of the gentlemen on the other side have said the builders will construct if we decontrol materials, then you will contribute to inflation rather than prevent it.

The CHAIRMAN. The time of the gentleman from Missouri [Mr. BANTA] has expired.

Mr. COLE of Missouri. Mr. Chairman, I ask unanimous consent that the gentleman may be allowed to speak another 5 minutes.

The CHAIRMAN. Is there objection to the request of the gentleman from Missouri [Mr. COLE]?

There was no objection.

Mr. KEATING. Mr. Chairman, will the gentleman yield?

Mr. BANTA. I yield.

Mr. KEATING. In order that the record may be clear, do I understand that the reason the gentleman favors this amendment is because he believes that all rent controls should be off on the 30th of June?

Mr. BANTA. I believe they should be off now. I think the American people thought so last November.

Mr. KEATING. But the gentleman will agree that those who differ with him should vote against this amendment? Is that not a fact?

Mr. BANTA. Those who differ with me as to whether or not we should have rent controls may do just as I shall do. They may vote the way they please. But those who think that they can justify a vote for rent control on the theory that there is any evidence of a national emergency in the housing of this Nation, are simply whistling in the graveyard. There is not any evidence of a national emergency.

Mr. KEATING. But the gentleman will agree that to vote for this amendment will very likely kill this entire measure?

Mr. BANTA. Very good. I hope it will.

Mr. BUFFETT. Mr. Chairman, will the gentleman yield?

Mr. BANTA. I yield to the gentleman from Nebraska.

Mr. BUFFETT. Will the gentleman not agree with me that there was no evidence offered in the committee to indicate a stringency in the housing situation being solved? We did have evidence that a lot of rental units were going off the market but we did not have evidence that individual rental units were coming on the market to take up the stringency after that?

Mr. BANTA. We had no evidence. The gentleman from Nebraska is correct. But there was evidence that controls have prevented construction and kept houses off the rental market. You can take the record on all fours and interpret it in the way in which such a record should be interpreted and you will find that there is no evidence of anything resulting from rent-control experience to which this Nation is subjected, which should encourage this Congress to continue the program or any part of it.

Mr. BUFFETT. Rent control is operating to automatically accentuate the stringency in rental housing?

Mr. BANTA. It certainly is.

Mr. REDDEN. Mr. Chairman, will the gentleman yield?

Mr. BANTA. I yield.

Mr. REDDEN. It was suggested a while ago by the gentleman from Oklahoma that he would like to see the Republican Party take a position about this rent control and stand by it. I wish to ask the gentleman now if the majority of the Republican Members of Congress did not take a position in the last general election against rent control and against all other controls, and if that was not the principal plank upon which they were elected?

Mr. BANTA. The gentleman knows as well as I what all Members of Congress did, each spoke for himself; but aside from all party politics, Mr. Chairman, and aside from every other consideration, the people in Democratic families and the Democratic voters are as much affected by anything which represents an injustice to the American people as those who are members of the Republican Party.

Mr. REDDEN. Mr. Chairman, will the gentleman yield further?

Mr. BANTA. I yield.

Mr. REDDEN. Permit me to say that I took the position that the OPA, including rent controls and all other controls under it ought to be abolished, and I am not offended at the vote I got in the election by reason of it.

Mr. BANTA. That is a very fine contribution and I hope the gentleman votes just the way he talks.

Mr. HAYS. Mr. Chairman, I rise in opposition to the pro forma amendment.

Mr. Chairman, it seems to me that the chairman of our committee does not deserve the scolding that some of the Members are giving him. I share the feeling that I suppose most of you have that this bill is far from perfect and that there must be some apologies made for it. As the gentleman from Michigan [Mr. WOLCOTT] and others have said, it is the result of compromise; but there is one question we ought to keep in mind, and the gentleman from Ohio in this motion to strike out important language in the bill has raised it, and that is the existence of an emergency.

We cannot go home and tell our people honestly that no emergency exists. An emergency does exist. We ought to face it fairly and fearlessly and then legislate as best we can in the light of the existence of an emergency.

We might as well strike out the enacting clause as adopt the amendment now pending. We cannot afford to do that. We ought to recognize that the pouring of millions of dollars of appropriations into temporary housing for veterans is an effort to meet an emergency, and, as pointed out, we will have on the floor shortly a bill for an additional $40,000,000 to complete housing authorized under the Lanham Act. If no emergency exists, we cannot justify these actions.

I know you are aware of the plight of thousands of veterans. Their interests are identified with the interests of the whole population. We are not trying to designate for special recognition a group that is deserving, to do something for them just because they are deserving; we are simply trying to meet a situation in which the interests of the veterans are identified with the whole population. Whether an emergency exists in your particular district or not, surely you will agree that in many congested areas of America an emergency does exist, and it is because unless controlled it will affect the whole of the Nation that we are obliged to adopt something today to hold down the terrific costs of owning or renting a piece of property.

Mr. MONRONEY. Mr. Chairman, will the gentleman yield?

Mr. HAYS. I yield.

Mr. MONRONEY. Is it not a fact that wherever no emergency exists locally this bill is broad enough to provide for local decontrols?

Mr. HAYS. It is.

Mr. MONRONEY. So we only need these emergency powers where an emergency exists.

Mr. HAYS. The gentleman is correct.

Mr. BOGGS of Louisiana. Mr. Chairman, will the gentleman yield?

Mr. HAYS. I yield.

Mr. BOGGS of Louisiana. The gentleman knows from the record and the testimony before the committee that last summer when controls were removed for a short period of time that there were thousands upon thousands upon thousands of eviction notices for that brief period of 10 or 15 days.

Mr. HAYS. And we will be deluged with the same thing if we make the fatal mistake of leaving the country with no controls whatever.

Mr. Chairman there are not 48 States in the Union in the old sense, there are only 46 States, and the population of 2 States "on the road." This population is in certain congested areas of America as the result of the war effort and various other influences of recent years. We must be fair to all sections and all groups.

Mr. Chairman, I have time to read only one sentence from a statement of one of the fairest and best informed witnesses who appeared before our committee, Mr. William E. Russell, representing mortgageholders and property owners in New York City. He made the following statement:

> We do not know the conditions in other parts of the country, but in a great metropolis like New York I may say to you, gentlemen of the committee, that we fear for the consequences to the industry, as well as to the tenants, if we were to eliminate controls until there have been enough homes built to permit the tenant to operate in a free market, where he has a choice. And he has no choice today.

This is the man who pled with us to provide some relief for landlords but at the same time said that we must above everything else recognize the continuation of this emergency.

Mr. BOGGS of Louisiana. Were there any witnesses at all representing the real-estate interests themselves who testified to the effect that all controls should be removed on rentals?

Mr. HAYS. I am glad to have that pointed out. I do not remember any witnesses who appeared before our committee representing the real-estate interests—if I am wrong I want to be corrected—urging the lifting of all controls. As one who has been as critical of some of the practices of OPA with reference to rent control as any member of the majority, as one who has smarted under it and been bitterly resentful in wanting to correct them, I insist that we cannot afford to go home and say there is no emergency in the housing situation in the United States.

The CHAIRMAN. The time of the gentleman from Arkansas has expired.

Mr. WOLCOTT. Mr. Chairman, I ask unanimous consent that all debate on the pending amendment and all amendments thereto close in 10 minutes.

The CHAIRMAN. Is there objection to the request of the gentleman from Michigan?

There was no objection.

The CHAIRMAN. The Chair recognizes the gentleman from Michigan [Mr. HOFFMAN].

Mr. HOFFMAN. Mr. Chairman, how much time have I?

The CHAIRMAN. Three minutes.

Mr. HOFFMAN. Mr. Chairman, another one of those emergencies. Every time we get a bill on the floor of the House and some of us start to show what is in it, there is an emergency. We must finish debate—we must pass it tonight. I came down here in 1935 and went on a committee and began to read bills. I began to vote "no." Members would ask me, "How can you make up your mind so quickly?" That was easy. Every bill had in it a statement at the very beginning: "Whenever the President deems an emergency imminent," followed by a blank check for power and money. Well, somebody in the New Deal administration deemed an emergency to be imminent all the time. Someone always has an emergency. And the New Dealers used one emergency after another as a highway into more and more power.

The gentleman from Oklahoma [Mr. RIZLEY] asked what kind of business this is, meaning monkey business, I presume. I will tell you what it is. It is "me, too"; it is New Deal under Republican leadership—first in foreign policy, now on the home front. For 10 or 12 years we followed the New Deal theory, we followed along with the philosophy that you could take away from the people who have and give it to the people who have not and everything would be lovely. But along came November last, we had an election, and the home folks said they had had enough and I supposed that the people meant they did not want any more of that kind of government. Then the Republicans came down here, and lo and behold, both here and in the other body, they turn up with the same old doctrine, the same old policy; that is, if you can catch anybody who has worked and saved, who wants to create a business and employment and meet a pay roll, if you can get hold of that fellow take it away from him and give his savings and his profits, if he has any, to someone who has a vote.

Mr. Chairman, I am thinking about the fellow who is ready to give a job to somebody and create a pay roll, not somebody who wants to increase building costs and thereby deprive everybody of building and owning a home at a decent cost. Everything is up, but the landlord who saves his money, and the old lady who lives with him, who have a home and who want to rent it and get a little income, under this bill have at times to rent it for less than the total of the taxes, insurance, and repairs. I do not believe in that kind of a doctrine and, in my opinion, if the Republicans go on with this New Deal policy—the Presidential aspirants call it bipartisan statesmanship—until 1948 they will find themselves out in the cold, because the people have twice said, once to Mr. Willkie and once to Mr. Dewey, you might better let the experts do the job than a lot of amateurs—though I might add that some Republican politicians have had enough practice recently to take them out of the amateur class.

The CHAIRMAN. The Chair recognizes the gentleman from Louisiana [Mr. BROOKS].

Mr. BROOKS. Mr. Chairman, I want to use these minutes to expound an idea that I have had for some time; and I notice it has been discussed to some extent in the Senate. If it is found necessary to continue these rent controls, I wonder why the committee did not give serious thought and consideration to the matter of turning this over to the several States when the States indicate they are willing to handle the problem and to assume this responsibility? In the final analysis, Mr. Chairman, this is a matter dealing with real estate, and if there is anything fundamental in the operation of our Government, it has been the thought that the National Gov-

ernment should not fool with real estate, should not fool with landed titles and things of that sort. Now, handling rents is not like handling a matter of autos and trailers moving from one State to another. It is local. It is a local problem, local in origin and local in the handling. A good many States already have statutes which will cover such a situation in the event the Federal Government gives up rent control. Some of them, you might say, do not want to assume the responsibility, but I dare say that the State authorities, if they feel like a serious problem is presented to them, will assume their responsibility and handle such matter if it is put up to them in a proper light. I am keenly disappointed that there is nothing in this bill which would permit a State, where it desires or is willing to assume the responsibility, to do so. Many States have legislatures in session now or will have them meet soon, and if they are willing and able to pass the necessary enabling legislation, why not give them a chance if they sincerely believe that such an emergency exists, and controls should continue?

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

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

Mr. RANKIN. The main difference between Stalin and Hitler was that Stalin took over all the property, and Hitler just took over the control of the property.

Mr. BROOKS. There is entirely too great a tendency, Mr. Chairman, to bring everything to Washington, and I am one who believes, that where a State has such a problem and can and is willing and able to handle such a problem, it should be given an opportunity to do so.

The CHAIRMAN. The Chair recognizes the gentleman from Michigan [Mr. WOLCOTT].

Mr WOLCOTT. Mr. Chairman, I think you will recognize that most of the Members who have spoken in favor of this amendment are in favor of taking all controls off rent on June 30 of this year. I think perhaps we should have this issue crystallized. I am glad that they have spoken as they did because, of course, we recognize this problem. We recognized the problem in the committee. I think we were realistic about it in the committee but I do not think there is any justification in any fair-minded person's mind for the contention that there is not a shortage of homes at the present time, and if there is then there is an obligation on the part of this Congress recognizing it, to do something about it.

Now, we have here what we consider a pretty well-balanced bill. If there is not a shortage of houses, then the committee was all wrong in its approach in the matter, but recognizing that there is a shortage of houses, houses for owner occupancy and tenant occupancy, we have done I think, a splendid job in balancing off this situation.

We do not create any new emergency, but we are realistic in finding that the emergency which was created because of the war continues with us and will continue with us until we get enough rental units to lick it. It is not any emergency that we create here under the language of this bill. The emergency was created because of a great endeavor to disseminate American principles throughout the world. If these debates here today mean anything to me and if they mean anything to you, they mean that this is the republican form of government in action, that we are going to prevent thousands and thousands of evictions in this country come June 30. Any of you Members who want to take the responsibility for the untold number of evictions which will result from not continuing some kind of control beyond June 30, are at liberty to kill them and take the responsibility. Speaking for myself, and I hope that I reflect the attitude of a majority of the Members and my party, I am trying to do everything I possibly can to get rid of these controls just as quickly as we possibly safely can with as little shock as possible to our economy, recognizing the necessity for stabilizing this economy of ours, because, and I think I have noted it on several previous occasions, the economies of over 40 countries, the currencies of over 40 countries are tied to the American dollar and the American economy. We have to stabilize them just as quickly as we can. The only way we can do it is through production. Now, in this transition period, we have to continue certain of these controls to prevent hardships and suffering. You have a choice here between continuing some suffering and possibly a lot of suffering. I will take my choice on the side of a little suffering on the part of a relatively few people, rather than to make all of the people of the United States, and yes, perhaps the world, suffer because of the economic and financial dislocations which will result from the chaos here in America if we do not do the job and do it sensibly.

The CHAIRMAN. The time of the gentleman from Michigan has expired. All time has expired.

The question is on the amendment offered by the gentleman from Ohio [Mr. SMITH].

The question was taken; and on a division (demanded by Mr. SMITH of Ohio) there were—ayes 44, noes 117.

So the amendment was rejected.

Mr. WORLEY. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. WORLEY: On page 9, line 19, strike out all of title II, "Maximum Rents."

Mr. WORLEY. The purpose of this amendment, Mr. Chairman, is to allow rent control to expire on June 30, 1947. If this amendment is adopted it will permit the owner of a house to have it back in his full and free possession. He will be relieved of Government regulation and regimentation which has always been so obnoxious to our system of free enterprise, or, as some call it, the American way of life.

Hardly a day passes but what I receive letters from veterans who, despite all Government efforts to help them financially, say they simply cannot afford to pay the high price to buy a house but who want a place to rent. You can look in the classified section of almost any newspaper in a rent-controlled area and find house after house for sale but none for rent.

Mr. DONDERO. Mr. Chairman, will the gentleman yield?

Mr. WORLEY. I yield.

Mr. DONDERO. I have a communication from a man in Detroit who has 75 houses. If rent control is off, he will rent the 75 houses, and he says he will not rent them as long as rent control remains.

Mr. WORLEY. The gentleman's statement is additional evidence that continued control of rents is keeping hundreds of thousands of units off of the market and is working a hardship on thousands who cannot buy under present inflated prices but who can and do want to rent.

During the war, as everyone knows, I supported strict price controls because I knew we had to do it in order to try to prevent inflation and to keep the cost of the war as low as possible. Since then, however, controls on practically everything else in our economy have been removed and it seems unfair for the Government to continue regimentation of a small group of people. It would not be fair for Congress to freeze wages at 1942 levels, as rents are now frozen, and turn everything else loose. It would not be fair to freeze the price of meat or farm products at 1942 levels and turn wages and farm machinery prices loose. And it does not seem fair or democratic to continue to control rents when the cost of labor, building materials, paint, taxes, and practically everything else has gone to unprecedented heights. You cannot control one phase of our economy without controlling all, unless you would do serious inequity and injustice.

Further it seems to me the policy of continued controls now advocated by the Republicans is entirely contrary to their position last fall when they promised the people of this country an immediate return to a government freed of restrictions, red tape, and continued regimentation.

I doubt that this amendment will be adopted, and if it is not then I hope we can later amend the bill to permit the States themselves to determine whether they desire to continue these controls.

Mr. BOGGS of Louisiana. Mr. Chairman, I rise in opposition to the amendment.

Mr. WOLCOTT. Mr. Chairman, will the gentleman yield?

Mr. BOGGS of Louisiana. I will gladly yield to the gentleman.

Mr. WOLCOTT. Mr. Chairman, I ask unanimous consent that all debate on this amendment and all amendments thereto close in 5 minutes.

Mr. OWENS. Mr. Chairman, I object.

Mr. WOLCOTT. Mr. Chairman, I ask unanimous consent that all debate on this amendment and all amendments thereto close in 15 minutes.

Mr. COLE of Missouri. Mr. Chairman, reserving the right to object, how much time will that give us who want to speak for this amendment?

The CHAIRMAN. Fifteen minutes after the gentleman from Louisiana has concluded. Counting the gentleman now

standing, that will be divided between about 10 Members.

Is there objection to the request of the gentleman from Michigan?

Mr. COLE of Missouri. Mr. Chairman, I object.

Mr. BOGGS of Louisiana. Mr. Chairman, I am quite sure that the able chairman of the House Committee on Banking and Currency needs no defense on this floor. I have disagreed with him. I disagree with him on some of the provisions of this bill, but if there ever was a fair chairman, a man who permitted all sides to be heard, it is the chairman of this Committee on Banking and Currency the gentleman from Michigan [Mr. WOLCOTT] I do not agree with many provisions in this bill. I stated my position quite frankly on yesterday, but in the hearings before the committee, which continued for about a month, if I remember correctly, every segment of the economy of this country was heard and it was heard at great length. As the gentleman from Arkansas [Mr. HAYS] pointed out a few minutes ago, to my recollection and to his recollection, there was not a single responsible representative of the home owners, home builders, and real-estate agents who came before our committee and asked that rent controls be removed completely on June 30 of this year.

Mr. BUFFETT. Mr. Chairman, will the gentleman yield?

Mr. BOGGS of Louisiana. Not at this moment.

Now, why was that? Because all of those men who are in the real-estate business, who handle property every day, who know more about the business than any of us can know, because they work with it and make their livelihood out of it, know that if we arbitrarily remove controls on June 30 of this year we would have a situation which would be akin to chaos in the home markets throughout our country. I have the very highest regard and respect for my good friend from Texas [Mr. WORLEY]. He talked about the largest city in his district having a population of 70,000. Possibly the condition that he outlined in a town of 70,000 may be quite different in a city of the size of Pittsburgh, New York, Chicago, Detroit, New Orleans, or Houston, or the other great industrial and commercial areas throughout this great Nation of ours. The gentleman from Texas [Mr. WORLEY] talked about the fact that as he turned to the want-ad section of the newspapers he found very few units for rent, but that he found a great abundance of houses for sale. What accounts for that? Everyone knows that the market on old homes throughout this country is inflated and practically everyone who owns his own home and who wants to sell it knows that it is a temporary condition, that the market is going down, and that if he wants to get a high price for his home he had better get it now because as the building program gets under way these houses that are worth ten, twelve, or fourteen thousand dollars but selling for twenty-five or thirty thousand are going to be selling again for their normal value of ten or twelve thousand. That is why we find so many homes for sale and so few for rent.

Last summer we had a time in this country of 10, or 15, or 25 days when we did not have rent controls, and in every metropolitan center in America I believe without exception the eviction notices flooded the courts, and tenants and landlords were in those courts in a number heretofore unknown in the history of those courts. I have talked to the judges of those courts and they have told me quite frankly that one of the greatest calamities that could occur at this moment would be the lifting of all rent controls.

I voted for and I intend to vote today for a 10-percent across-the-board increase. I think it is fair, but what is proposed by this amendment would be a calamity.

The CHAIRMAN. The time of the gentleman from Louisiana has expired.

Mr. WOLCOTT. Mr. Chairman, I renew my request and ask unanimous consent that all debate on this amendment and all amendments thereto close in 10 minutes.

Mr. SCHWABE of Oklahoma. Mr. Chairman, I object.

Mr. WOLCOTT. Mr. Chairman, I ask unanimous consent that all debate on this amendment and all amendments thereto close in 20 minutes.

Mr. SCHWABE of Oklahoma. Mr. Chairman, I object.

Mr. WOLCOTT. Mr. Chairman, I move that all debate on this amendment and all amendments thereto close in 20 minutes.

The motion was agreed to.

The CHAIRMAN. Ten Members have indicated a desire to be heard on this amendment. The Chair will recognize each Member for 2 minutes.

The gentleman from Missouri [Mr. COLE] is recognized for 2 minutes.

Mr. COLE of Missouri. Mr. Chairman, I rise in support of this amendment.

I am a firm believer in local self-government and that each locality is best able to solve its own problems. Rent control may be necessary in some of our congested areas. However, the State and local authorities are the ones to decide this and are the ones to take steps to meet it. They are closer to the problem. They know the situation and circumstances prevailing. They can, by appealing to their people, secure wholehearted cooperation in any fair plan adopted by them. Furthermore, those affected do not resent regulations imposed upon them by their own State and municipal authorities who understand their situation as much as they resent being told what to do and what not to do by some bureaucrat in Washington.

Have we not had enough bureaucratic control? We have only to look at the record of the OPA to be convinced that regimentation, regulation, and control creates scarcity. In my opinion, the housing problem will not be solved until we abolish rent control, because many owners of rental property and many people who have space in their homes that they would, under ordinary circumstances, be glad to share in order to relieve the housing shortage, refuse to rent because, by so doing, they must submit to the unreasonable rules and regulations imposed upon them by the Federal bureaucrats.

My home town, St. Joseph, Mo., has many spacious houses that could be divided up into attractive apartments with very little alteration, but the owners refuse to do this as long as Federal rent control continues. Let me quote from one of many letters I have received:

> I know a building contractor who, with his wife, occupies an eight-room house. The upper story is vacant. He tells me he can put in a kitchen sink, do the work himself, and put in a family, but he will not do this as long as there is a vestige of regimentation left in Washington. That is the story. There are plenty of houses here in St. Joseph now to take care of everyone here, but the housing problem will never be solved from Washington. It never has been and never will be. The citizens of St. Joseph will solve it if Congress will give them the green light.

I quote from another letter:

> I know three elderly ladies occupying three houses—total 21 rooms. All have previously rented rooms. None of them will do so now. They say they will not rent and be stuck for 6 months to a year to get an unsatisfactory tenant out.

These are not isolated cases. There are hundreds of such cases in St. Joseph. I have been informed that in this city of 80,000 population there are now 235 vacant homes—vacant because the owners refuse to rent them during rent control.

In further proof of my contention that we will not be able to solve the housing shortage until we abolish rent control, I would like to quote an editorial that appeared in the St. Joseph Gazette of February 10 this year. It reads as follows:

> If anything were needed to show the complete inadequacy and futility of Government control over rentals it has been demonstrated in St. Joseph by the failure of the campaign to convert existing large structures—of which there are many here—into multiple dwelling units for war veterans.
>
> The city's emergency housing committee, the War Dads organization, contractors, and supply dealers made a concerted effort to see if a number of the existing buildings, including many sizable old homes, could not be remodeled into small apartments to relieve the current housing shortage. Facilities for conversion were available, but rents that could be charged were not sufficient, under the Federal ceiling restrictions, to encourage property owners to invest their capital in the projects. No one is going to put money into a venture that is foredoomed to be a losing one.
>
> Thus a St. Joseph chapter has been added to the volume of a governmental failure to provide promised housing to the men who fought the war.

This is not a condition peculiar to St. Joseph alone. It is true in every metropolitan center in these United States, and it will continue to exist until we get rid of this un-American program.

Mr. BUFFETT. Mr. Chairman, will the gentleman yield?

Mr. COLE of Missouri. I yield to the gentleman from Nebraska.

Mr. BUFFETT. I thank the gentleman for yielding. I simply want to point out to the House that at least two

speakers have said that no responsible witness appeared to oppose continuation of rent control. I quote from page 566 of the hearings, the testimony of Mr. Harry Hansen, of Des Moines, who represented some 20 or 25 different real estate groups. He said:

I am attempting to show that an extension of rent control would be unwise and unnecessary.

I do not know offhand how many witnesses opposed rent control extension, but there were others. There has been a lot of confusion because of the claim of no opposition which should be cleaned up.

Mr. COLE of Missouri. I thank the gentleman for his contribution.

Mr. Chairman, if this amendment is adopted rent control will terminate June 30 of this year. It should have been abolished long ago. To have done so would have solved the housing shortage, so let us now adopt the amendment of the gentleman from Texas, strike title II from this bill and be done with rent control.

The CHAIRMAN. The Chair recognizes the gentleman from California [Mr. BRADLEY].

Mr. BRADLEY of California. Mr. Chairman, I have heard several speakers say that the Republican Party pledged itself to do away with rent control. I do not believe that to be so. Some of you may have done so. I did not. I told my people that we must continue controls in my district for a short time. I favor local control. I would like to get controls down to the very lowest level. Let me say that my district started at the beginning of this war with 245,000 people and ended up with some 500,000 people, more than half of whom were brought there by the Government for war jobs. The war may be over, but where are we going to put these additional 250,000 people when we have built only a few houses in the meantime?

Mr. KEATING. Mr. Chairman, will the gentleman yield?

Mr. BRADLEY of California. I yield to the gentleman from New York.

Mr. KEATING. Is it not a fact that if rent control went off on the 30th day of June there would be complete chaos in the gentleman's district?

Mr. BRADLEY of California. I do not know what would happen. I believe we should have hundreds of people out on the street.

Mr. KEATING. I am happy that the gentleman has gotten up and said what he has because that is exactly what I stated in my campaign. I am for free enterprise, but I never said I would oppose a Government control if it became absolutely essential in order to prevent a chaotic economic condition in this country.

Mr. BRADLEY of California. Rent control, at least to a certain degree, is essential in my district for some few months to come.

I heard it said a few minutes ago that this is a question of a little suffering as opposed to a lot of suffering. As between the two, I stand for the little suffering.

The CHAIRMAN. The time of the gentleman from California has expired.

The Chair recognizes the gentleman from Iowa [Mr. JENSEN].

Mr. JENSEN. Mr. Chairman, during the last session of Congress I voted to unshackle the American people by stopping OPA in its tracks, just as did a lot of you ladies and gentlemen here on this floor today. I promised the people that I was going to do everything in my power to give America back to the people and that is sufficient reason for my opposition to the continuance of rent controls. I know that a good share of the veterans of this country are opposed to this kind of stuff; they did not win the war to lose their liberties. They want the shackles taken off of private industry; I know and you know that until we do take the shackles off the property owners and as long as we have this threat of Government control hanging over their heads, confusion and homes for rent will become worse and worse and less and less. How in heaven's name do you expect these people to go ahead with a fair rental program while they live in fear that maybe next year Congress will impose more controls. So I say, take the shackles off and relieve these people. We have long ago released our prisoners of war. Why not give this segment of good Americans their freedom, I ask you in all sincerity, by letting rent control die a natural death on June 30 next?

The CHAIRMAN. The Chair recognizes the gentleman from Oregon [Mr. ANGELL].

RENT CONTROL UNDER H. R. 3203

Mr. ANGELL. Mr. Chairman, in my district, which is a metropolitan district, rent control has not provided housing for veterans and others. There are two things that we ought to have as objectives in legislation of this type. One is to provide more rental properties and homes for sale at reasonable prices, and the other is to deal fairly with the people who have their funds invested in this type of property. We are accomplishing neither. During the Seventy-ninth Congress I voted for the legislation and the large subsidies that were intended to help solve this problem. They have not solved it, and, in my judgment, the bill that is before us will not do so. It is a travesty on the people who own property, trying to rent it at a fair rental. They cannot rent it and obtain a sufficient amount to maintain the properties, pay the taxes, and get anything on their investment. Now, that is un-American. It should not be allowed. On the other hand, it is preventing veterans from securing homes.

Mr. WORLEY. Mr. Chairman, will the gentleman yield?

Mr. ANGELL. I yield to the gentleman from Texas.

Mr. WORLEY. Would it not be far more desirable, if we had to have rent control, to have the several States administer it?

Mr. ANGELL. Absolutely. If we are going to have control over one segment of our industry or our economy, let us have it over others and not restrict it to any one single segment and give the others free rein. Under this legislation, you are allowing new houses to go sky high, no limit. You are allowing houses not rented for 2 years to go sky high, but these people who have been honest and decent with their property and have rented it under OPA rules are frozen at what they were in 1942. You have a heel on their necks, and you are going to keep it there under this bill.

Mr. Chairman, in common with all of our colleagues in the House, I am deeply interested in maintaining rents throughout the Nation on a reasonable basis so that veterans, as well as all low- or moderate-income families, may be able to secure housing accommodations within their means. Equally desirable is the maintenance of housing construction on a basis that will provide residential properties for these same classes of our citizens at a price which is not only within their means, but which is based on fair values for the properties obtained. Unfortunately under rent control these objectives have not been secured.

Construction of moderately priced homes has been stymied and the grandiose program enacted by the Congress, with heavy appropriation for subsidies, has failed to break the deadlock and provide home for veterans and others. Government controls have prevented construction of these low-cost houses instead of helping it. The rigid controls under rent control have prevented veterans from finding roofs for their families at prices they could afford. Under this new program, rent administrators will permit rental prices for newly constructed homes, or unrented homes, to soar sky high and, at the same time, they will hold down rentals at starvation levels for small family units owned by widows, retired school teachers and other property owners who are dependent on the income derived from these small properties for a livelihood—this inconsistency exists even where the two properties may be side by side in the same block. The Rent Administrator has refused to give any consideration to protests or efforts to remedy this injustice.

In the Portland area costs of operating residential properties has practically doubled, and many items have more than doubled. A recent survey in Portland shows the following increases in the cost of operation:

Fuel oil, price on March 1, 1942, $1.27 per barrel; price on April 1, 1947, $2.20 per barrel, an increase of approximately 80 percent.

Other costs which are necessary to keep a building in operating condition have risen as follows since March 1, 1942:

	Percent
Oil-burner repairs	80
Refrigeration repairs	80
Roofing repairs	80
Plumbing repairs	100
Paper and paperhanging	150
Recovering davenports	100
Cleaning apartments	100
Garbage collection	80
Boiler and firebox repairs	190
Paint	50
Carpets	60
Rebuilding mattresses	120

All other incidental expenses such as janitor supplies, brushes, garbage cans, electrical and plumbing fixtures have all risen.

As I have said, the rent administrators have turned a deaf ear to the protests and requests of owners of property to permit them to charge a fair rental so that they may be able to save their investment. Owing to these hardship conditions, owners of these properties have been unable to keep up repairs such as painting, redecoration, roofing, and other necessary corrective care which is necessary to prevent obsolescence and destruction of property, thus rendering it unfit for occupancy. This does not mean, however, that the funds which would have been spent for repairs was saved, as has been contended by OPA. It means that the evil day is only put off, and when controls are lifted the owners, if they are to preserve their properties from complete destruction, must make not only all the repairs which have been allowed to go by the board from month to month and year to year, but must make them at a considerably increased cost, due entirely to the fact that they were not made when first needed.

In the city of Portland there is a large number of residential facilities which would be available for veterans and others at moderate prices if rent control would permit them to be used for that purpose. OPA has consistently refused to place a rental price on these properties which would permit the owners to rent them without suffering a loss, and as a result they have not been rented. Furthermore, thousands of apartment units in the Portland area are occupied by one tenant, but are suitable for four to five tenants. However, OPA has refused to permit the owners to charge any substantial increase by reason of the increased number of tenants. Anyone familiar with the rental of properties knows that the owner is subjected to much greater expense in furnishing facilities for five persons instead of one, and in many cases he supplies laundry and laundry facilities, water, gas, light, heat, garage, and other services provided in apartment properties.

I call your attention to an instance which came to my personal attention when I was home during the last recess. A modern, five-room apartment was completely refurnished with new furniture, redecorated and repainted throughout, at a cost of some $3,000 to the landlord. The OPA, however, refused to permit an increase of more than $2.50 a month for these additional facilities in an apartment suitable for five tenants. As a result the apartment was rented to one lone tenant.

The Secretary of the Oregon Apartment House Association of Portland, whom I have known for a long time and whose word can be depended upon, some time ago advised me that in the Portland area rental units now available could house in excess of 20 percent more people if taken out of rent control and with a comparatively small increase in rental. He stated that a five-room apartment, now renting to one person for $40, could easily be rented to a family of three for $50, but under OPA regulations this cannot be done. He asks the question, and I quote from his letter:

Why should rental property alone be held to 1941 prices in these days of inflation, with the dollar at about 60 cents, labor prices more than doubled, and most commodities increased at least 40 percent?

An outcry is made if the Negro, the Catholic, any class of foreign-born citizen is discriminated against. Why, then, discriminate against the most patriotic citizens—the property owners—who on many crises were the sole remaining bulwark and support of our country and its institutions? Why discriminate against property?

OPA was justified by the courts, only as a war measure; but the war is now over. Housing control was justified on security of abode for war workers. There are no war workers now. Furthermore, there are 1,800 idle apartments in Portland alone, formerly used by war workers, so all necessitous cases can be now housed. All reasons now fail.

But housing shortage anywhere can be immediately alleviated 20 percent by granting fair charges for increased occupancy. For the good of those seeking housing, as well as OPA employees and the country generally, OPA should be discontinued.

Mr. Chairman, as I have said I want to do everything possible to protect veterans in their right to obtain homes at reasonable rents. Under date of April 29, 1947, I received a letter from Omar B. Ketchum, director of national legislative service, Veterans of Foreign Wars of the United States, in which he suggests certain amendments with reference to this legislation. The letter is as follows:

HOMER D. ANGELL,
Member of Congress,
Washington, D. C.

Re H. R. 3203.

DEAR CONGRESSMAN: As legislative director of the Veterans of Foreign Wars of the United States, representing some 2,000,000 overseas veterans of World War II, I should like to present our position with respect to H. R. 3203.

There are several amendments that should be made to H. R. 3203 in order to protect veterans and to provide the housing promised them under the Government housing program.

1. Authority to allocate a few basic raw materials, such as pig iron, shop-grade lumber, and steel, should be continued; otherwise we may lose a large volume of veterans' housing construction.

2. The Veterans Emergency Housing Act, passed last May, provided a program of guaranteed market contracts to induce companies to manufacture houses or new types of building materials. Many producers relied on these provisions continuing in force to the end of this year. What they will produce is important to veterans' housing, particularly in building houses at lower costs. Companies who have already filed applications are entitled to have the Government act on those applications and to make contracts, if the companies meet conditions set up in the law.

3. It isn't enough to just limit recreation-type construction. Any nonessential or deferrable construction should be postponed, so that it will not take materials from veterans' housing.

We are heartily in accord with the proposed Sundstrom amendment to title I (p. 3, line 9, sec. 4), which would amend title VI of the National Housing Act and place manufacturers of factory-built homes on the same FHA financing level as builders of conventional-type homes.

Under title II (sec. 204 (b), p. 13, line 21), the second proviso would, in our opinion, permit landlords to force prospective tenants to sign leases at a 15-percent increase, in order to occupy vacant housing units. We suggest that this proviso be carefully analyzed before passage of the bill. On the following page, we have listed suggested amendments to the bill H. R. 3203 for your consideration.

Very respectfully yours,
OMAR B. KETCHUM,
Director, National Legislative Service.

SUGGESTED AMENDMENTS TO H. R. 3203

1. Under title I, section 1 (a), end of line 5, on page 2, add: "*Provided further,* That the powers conferred by said sections shall continue in force and effect to permit continued allocation and priorities for pig iron, shop-grade lumber for millwork, steel, and for bottleneck items needed by public-service utilities and producers of housing and materials."

2. Under title I, section 1 (a), end of line 5, on page 2, add: "*Provided further,* That the powers conferred by said section shall continue in force and effect to enable action upon applications for guaranteed-market contracts filed prior to February 1, 1947, and to enter into guaranteed market contracts with such applicants when the necessary conditions for their approval are found to exist."

3. Under title I, section 1 (b) should be amended by adding the following words: "or any nonessential or deferrable nonresidential building or facilities, including tourist or residential construction not suitable for year-round occupancy."

Mr. Chairman, I urge the Committee to give consideration to these suggestions.

Mr. Chairman, as I said at the outset, the objective we are seeking is to take a course of action that will, as far as possible, provide housing both for rental and purchase by veterans and other moderate-income citizens at levels within their financial limitations. This is not possible under the existing controls of OPA. The Seventy-ninth Congress passed a number of laws and provided large appropriations in an attempt to bring relief in the housing emergency, but to no avail. Whatever action we take should be with the objective, first, to protect the rights of our people in need of homes for themselves and families. We should not, however, overlook the fact that our citizens who have invested their money in properties for residential purposes are entitled to the same consideration as any other group of citizens. The great percentage of these owners are people of small means—in many cases their only income is from the rental of these small units. They have been frozen at prewar prices which, in most instances, were distressed prices based on depression conditions, and now the income is wholly insufficient to maintain the properties and provide any return to the owners on their investments. There is no reason, in my judgment, why these owners should be singled out in a class by themselves, to have the return on their investments frozen, whereas every other segment of our national economy has been given substantial increases in income ranging from 25 to 75 percent over prewar income. There seems little doubt that the present bill we are considering will not provide rea-

sonably priced housing for veterans and others, and it will still keep the heavy hand of war controls on owners of rental residential properties. It is not a solution of either horn of the dilemma. Under it owners of newly constructed properties and unrented units of 2 years standing have the right to rent at any price they like, but the thousands of others who have maintained their properties through the prewar depression, through the war and now through the postwar period at starvation prices, are given no relief.

Mr. Chairman, a veteran who buys a new home at present prices which are 50 to 100 percent above prewar values is buying a gold brick. Five, ten or fifteen years from now in all likelihood its value will have shrunk to prewar values and the veteran will have lost all moneys invested therein. Many of these homes are poorly constructed, much of the material therein is of inferior quality and the houses rapidly deteriorate.

Mr. Chairman, this bill is also objectionable for another reason in that the Congress surrenders its power to legislate to the President. We are passing the buck to the President.

The Congress should face its duty itself, pass legislation as provided by the Constitution. Let us not delegate any more of our constitutional duties.

Mr. Chairman, this bill will work a great injustice on veterans and other renters as well as upon the landlords.

The CHAIRMAN. The Chair recognizes the gentleman from California [Mr. JACKSON].

Mr. JACKSON of California. Mr. Chairman, 2 minutes under the latest national emergency is not very much, but I am here to express exactly the same thought I expressed yesterday—not rent control or noncontrol, but the more basic issue as to whether we are going to live under the terms of our Constitution or whether we are going to abridge the fundamental rights set forth in that great document.

Now, this legislation and any legislation which mitigates against one section of the public is class legislation, and the moment we open the door to class legislation we open it up to legislation against Catholics, Protestants, Jews, or any other group, creed, or color. The door is open.

Due process of law is assured under our Constitution. This legislation and any legislation like it does not accord this due process of law. It is not due process to confiscate property by legislation, when you make it impossible for the man who owns that property to maintain it. That is not due process of law.

Go out here, gentlemen, and look at the painting on the staircase wall which pictures the signing of the Constitution. I say they were signing a great Magna Carta of personal freedom under law. They were not signing a mandate for confiscation.

The CHAIRMAN. The Chair recognizes the gentleman from Mississippi [Mr RANKIN].

Mr. RANKIN. Mr. Chairman, I am ready to vote on this. I yield back my time.

The CHAIRMAN. The Chair recognizes the gentleman from Michigan [Mr. HOFFMAN].

Mr. HOFFMAN. Mr. Chairman, supplementing the remarks of the gentleman from California who just left the floor, the Constitution also says that citizens shall have the right to be secure in their property. I want to shed a few tears, real tears, and a few synthetic tears, for the tenant who cannot find a home, except at what he considers excessive rent. Then I want to shed a few more tears for the veteran who last week wrote me a letter, for the woman who is a widow who also wrote me a letter last week—maybe I can put them in the RECORD so you can be sure to have them; they both owned property which each wanted to rent, but neither could rent—one was in South Bend, Ind., and the other in Niles—neither could rent the property to a tenant whose wages were double what they had been prior to the war, and keep up the taxes, insurance, and repairs—when forced to accept the rent fixed by the Federal agency.

I do not know whether the gentleman from Michigan, the chairman of the committee, feels more sorrow for the tenant or for the veteran who had the house for rent, or for the widow. But to me it certainly is repugnant to think that the old man and the old woman who worked and saved and bought a home—maybe the husband died, maybe the widow is there alone, she has the old home, there are more rooms in it than she can use and she wants to rent some of them, and she would like to get enough rent so that she can pay the taxes and pay for the repairs that are absolutely necessary, keep the roof from leaking, if you please. She would like to rent for enough for all that; but no, the Government says—because the Congressman says—"You cannot do that, even though the man who is in the apartment with his family is receiving twice the wage he received a few months before." No, even though the old Constitution says you shall be secure in your property, Congress now declares you must bear a part of the tenants' rent. To me that is unjust.

The CHAIRMAN. The Chair recognizes the gentleman from North Carolina [Mr. FOLGER].

Mr FOLGER. Mr. Chairman, it has been my habit never to say anything when silence would do as well, but strange things have happened, when the claim is made that there is not a need for housing in the United States of America. I remember just a little bit differently from the statement made by some of my friends. One man who was excited, and I thought was so intense about things that concerned him personally, made the statement that there was no housing shortage in this country. Every person in the room was astonished at such a statement. Men who were in the real-estate business, men who were representing rental agencies, men who were home builders—every one of them testified to that committee that there is yet a serious shortage of houses and that if you take the rent ceilings off in this country you will have a state of chaos.

What is it for? To keep the man of small income from being turned out in the street by the bidding of somebody financially able to turn him out into the road. I am standing by this committee on this proposition.

Mr. KEATING. Mr. Chairman, will the gentleman yield?

Mr. FOLGER. I yield to the gentleman from New York.

Mr. KEATING. With thousands of such people in this country today, does the gentleman need any long figures to prove to him that there is a serious emergency existing in this country?

Mr. FOLGER. Not at all. We are going upon the testimony, and every bit of it, except in that one instance, was to that effect.

The CHAIRMAN. The Chair recognizes the gentleman from Michigan [Mr. WOLCOTT].

Mr. WOLCOTT. Mr. Chairman, I think all of the arguments which were made against the amendment offered by the gentleman from Ohio [Mr. SMITH] apply equally to this amendment. As I understand it, this amendment has a similar, if not identical, purpose and likewise should be defeated.

Mr. RANKIN. Mr. Chairman, I ask unanimous consent that the amendment be again reported.

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

There was no objection.

The Clerk read as follows:

Amendment offered by Mr. WORLEY: On page 9, line 19, strike out all of title II, "Maximum Rents."

The CHAIRMAN. The question is on the amendment offered by the gentleman from Texas [Mr. WORLEY].

The question was taken; and on a division (demanded by Mr. WORLEY) there were—ayes 60, noes 133.

So the amendment was rejected.

Mr. RANKIN. Mr. Chairman, I offer a preferential motion.

The Clerk read as follows:

Mr. RANKIN moves that the Committee do now rise and report the bill back to the House with the recommendation that the enacting clause be stricken out.

Mr. RANKIN. Mr. Chairman, the passage of this motion will simply mean that this crazy rent-control program will end on June 30. You talk about democracy; you talk about constitutional government. The only difference between communism and fascism between Stalin and Hitler, when it came to taking the property of the people of Russia and Germany, was that the Communists took over all the property in Russia, and Hitler took over control of all the property in Germany.

I am surprised to hear men get up here and talk about the house owners as a little minority. Who constitutes this little minority? They are the sound patriotic people back in your districts who are trying to own their own homes and who want to control their own property. I have heard them get up and talk about

veterans. I have been the author of more legislation for the benefit of veterans in the last 16 years than any other man who has served in the Congress of the United States. This thing is injuring the veterans. If you will go back to your districts, you will find that the majority of them want to get rid of it and get back to constitutional government and get rid of these regimentations.

If this bill is passed, in my opinion, you will have the same trouble next year and the next year and the next year. If you were back home and owned a house, you would not want to rent it to anybody, for the simple reason that the moment you did you would get the hands of this bureaucracy on it and you would never know where you were from that time forward. You will have more houses for rent and more rooms for rent and more apartments for rent if you adopt this motion and kill this measure and let this rent control die on June 30.

Mr. COLE of Missouri. Mr. Chairman, will the gentleman yield?

Mr. RANKIN. I yield.

Mr. COLE of Missouri. Does not the gentleman think that in those congested areas where they might need some control the local authorities would be best able to cope with that?

Mr. RANKIN. Let the local authorities do it.

Mr. COLE of Missouri. That is right.

Mr. RANKIN. Let the States do it. The gentleman from New York [Mr. KEATING] talks about his own State. I cannot think of any way the State legislature can regiment the people of New York any more than they have regimented them under that crazy FEPC law that they have up there. If they can stand for that they can stand for anything the Legislature of the State of New York can put upon them. But in those States and those areas where they want this regimentation, let them have it, but let the States do it.

Mr. SMITH of Ohio. Mr. Chairman, will the gentleman yield?

Mr. RANKIN. I yield.

Mr. SMITH of Ohio. The gentleman stated that if he had a house he would not rent it. That is not because he would be afraid of the renter, but because he would be afraid of the bureaucrats.

Mr. RANKIN. Why, certainly. I would not want one of these bureaucrats to get his fingers on it. That is exactly what I am talking about. When I say that, I am expressing the views of thousands and thousands of people throughout the United States—hundreds of thousands of them, and probably millions of people, who own property and who have held it back because they do not want the hand of some bureaucrat on that property and have somebody in Washington telling them what to do.

This thing will swell and grow until it will be a worse scandal than the present Indian Bureau. Look how it has grown. Bureaucracy grows on what it feeds on. We have just fought a war against Hitler and against Japan. We were fighting against the very thing that this bill exemplifies; that is, dictatorship; totalitarianism. Who do you think will tell the people of California what to do with their property? Who do you think will tell the people of Michigan or Mississippi or Alabama or Tennessee? It will not be somebody there who knows what they are doing. It will be some long-nosed bureaucrat behind a desk here in Washington.

Mr. CHURCH. Mr. Chairman, will the gentleman yield?

Mr. RANKIN. I yield.

Mr. CHURCH. On page 245 of the hearings there is recited the testimony of Herbert Q. Nelson, in brief, as follows:

> Altogether the net result of rent control and the drive to create new rental properties has resulted in a loss of approximately 2,000,000 rental units.

Mr. RANKIN. Absolutely. It has done more harm than good. Here we are, 2 years after the war has closed, regimenting the property owners, including the veterans who fought the war to end such dictatorship.

Mr. KEATING. Mr. Chairman, will the gentleman yield?

Mr. RANKIN. Yes, I yield.

Mr. KEATING. I think it should be brought out that the gentleman who gave that testimony is executive vice president of the National Association of Real Estate Boards.

Mr. RANKIN. Well, does the gentleman think that disqualifies him to testify?

Owning a house ought not be made a crime in this land of the free.

The CHAIRMAN. The time of the gentleman from Mississippi [Mr. RANKIN] has expired.

Mr. WOLCOTT. Mr. Chairman, I would like to call attention to the fact that if the gentleman's motion prevails, all of the controls on the allocation of materials, including the payment of subsidies, including guaranteed markets, including directions by the Expediter to all other agencies of the Government in respect to materials—in other words, controls over our entire country will be continued until December 31, 1947.

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

Mr. WOLCOTT. Yes; I yield.

Mr. RANKIN. All right. If the committee does its duty, it will bring in another bill relieving us of that.

Mr. WOLCOTT. The committee has done its duty.

Mr. RANKIN. You are piling one monstrosity on top of another.

Mr. WOLCOTT. The committee has done its duty. In addition to that, I should call attention to the fact that if the motion prevails rent controls will be continued on new properties until June 30, 1947. Of course, the motion offered by the gentleman from Mississippi should be defeated.

Mr. CURTIS. Mr. Chairman, will the gentleman yield?

Mr. WOLCOTT. I yield.

Mr. CURTIS. Is continuation of rent control the consideration that must be paid to get these other controls ended that are no obnoxious?

Mr. WOLCOTT. Well, I assume the committee has already acted on that, and they have already passed, without deleting it, title I, which has to do with the controls other than rent. The committee in its judgment has already accepted that provision. So the provision before us now is title II, having to do with rent controls. The orderly procedure, of course, would be to take it up and either vote it all up or down. I assume anybody will be given an opportunity to offer amendments to it.

Mr. HOFFMAN. Mr. Chairman, will the gentleman yield?

Mr. WOLCOTT. I yield.

Mr. HOFFMAN. Assuming there is a shortage of homes and that the rents are exorbitant, how do you justify putting the whole burden of helping the tenants on the property owner, instead of on the taxpayers at large? Why not let the Federal Government pay subsidies?

Mr. WOLCOTT. Does the gentleman recommend paying home owners a subsidy to keep rents down?

Mr. HOFFMAN. Not the home owners, no. I am asking if you must give the tenants relief, why not let all the taxpayers do it through the payment of subsidies?

Mr. WOLCOTT. What have the taxpayers got to do with rent control?

Mr. HOFFMAN. Oh, what you are proposing to do is to make the home owner make concessions so that the tenants can get cheaper rent. I say that if that is the position, why not let the public do it? Why make a goat out of the home owner?

The CHAIRMAN. The time of the gentleman from Michigan has expired.

All time has expired.

The question is on the motion offered by the gentleman from Mississippi [Mr. RANKIN].

The question was taken; and on a division (demanded by Mr. RANKIN) there were—ayes 56, noes 153.

So the motion was rejected.

The Clerk read as follows:

DEFINITIONS

SEC. 202. As used in this title—

(a) The term "person" includes an individual, corporation, partnership, association, or any other organized group of persons, or a legal successor or representative of any of the foregoing.

(b) The term "housing accommodations" means any building, structure, or part thereof, or land appurtenant thereto, or any other real or personal property rented or offered for rent for living or dwelling purposes (including houses, apartments, rooming- or boarding-house accommodations, and other properties used for living or dwelling purposes) together with all privileges, services, furnishings, furniture, and facilities connected with the use or occupancy of such property.

(c) The term "controlled housing accommodations" means housing accommodations as defined in subsection (b), except that it does not include—

(1) those housing accommodations, in any establishment which is commonly known as a hotel in the community in which it is located, which are occupied by persons who are provided customary hotel services such as maid service, furnishing and laundering of linen, telephone, and secretarial, or desk service, use and upkeep of furniture and fixtures, and bellboy service; or

(2) any motor court, or any part thereof; or any tourist home serving transient guests exclusively, or any part thereof; or

(3) any housing accommodations (A) the construction of which or the conversion of which from existing residential use into

housing use providing additional housing accommodations, is completed after the date of enactment of this act, except that contracts for the rental of housing accommodations to veterans of World War II and their immediate families, the construction of which was assisted by allocations or priorities under Public Law 388, Seventy-ninth Congress, approved May 22, 1946, shall remain in full force and effect, or (B) which at no time during the period February 1, 1945, to January 31, 1947, both dates inclusive, were rented (other than to members of the immediate family of the occupant) as housing accommodations.

(d) The term "defense-rental area" means any part of any area designated under the provisions of the Emergency Price Control Act of 1942, as amended, prior to March 1, 1947, as an area where defense activities have resulted or threaten to result in an increase in the rents for housing accommodations inconsistent with the purposes of such act, in which maximum rents were being regulated under such act on March 1, 1947.

(e) The term "rent" means the consideration demanded or received in connection with the use or occupancy or the transfer of a lease of any housing accommodations.

Mr. MONRONEY. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. MONRONEY: On page 11, line 10, strike out the semicolon and the word "or"; strike out all of lines 21 to 25 inclusive, and on page 12 strike out all of lines 1 to 10, inclusive.

Mr. MONRONEY. Mr. Chairman, this amendment is an effort to prevent authorizing uncontrolled rents for a large segment of property owners, those new builders or people who have not rented their houses for the last 2 years. It is an effort to put all of the people in the rent-control areas on a more equal basis.

We had a good deal of testimony, I am willing to admit, that was given to the committee that by removing all ceilings on rents on new construction and on houses which have not heretofore been rented, that we might bid out an additional supply of housing.

I cannot go along with that line of reasoning.

I think you are going to increase and magnify inequalities within the same rental areas by giving uncontrolled rent ceilings on new houses which will sit next door to or across the street from houses that have been under rent control since 1942. I have, in the past, received a great amount of correspondence from people who have houses to rent complaining against the high-rent prices that have been allowed for new construction.

You are not subjecting people who have new construction for rent to the 1942 ceiling or at rates that are comparable to the 1942 ceilings. Most of the testimony from those connected with the administration of the program was that people who do build new housing, either apartments or single-family dwellings, are satisfied with the higher rent ceilings given them because their costs are a great deal higher.

Mr. Creedon, the Housing Expediter, and Mr. Foley of the FHA stated they have had practically no complaint against the ceilings that have been established on newly constructed houses.

But now under the bill as written, if my amendment is not adopted, you are going to say to these people who build new houses: "Boys, the sky is the limit. You can come in and charge anything that the traffic will bear, not the high ceiling as granted by FHA, but you can use your own judgment and get any rate that you can."

Across the street and down the street 95 percent of the people are under price control who must stay there and take that degree of inequity. I do not think it is fair to the people who have had to put up with the difficulties of rent control to free these others from the act.

There is one other thing I want to call your attention to and that is the Government help in new construction which I think is highly important. Under title VI that is continued in this bill, we give what amounts to 100-percent insurance of investment for any rental project under FHA. Can you imagine any better deal that has ever been given to the constructors of housing than what you are giving them under a hundred percent Government insurance to build housing at this time?

I think we are entitled to expect these builders to live under some kind of a reasonable ceiling. The testimony has been that these ceilings fixed for new construction are reasonable. I do not think it is asking too much, and I think it would be very wise, to strike out the language in the bill that gives this carte blanche exception to anything that has been newly built after the passage of this act.

One other thing I would like to especially stress and that is the complete exception given by this bill for anyone who has held a house off the market for 2 years. If you have been opposed to rent control for 2 years, if you have denied a veteran a chance to find a roof to put over his head for 2 years after he came back from the war, then we are going to reward you with an uncontrolled rent ceiling; you can charge anything you want to charge simply because you have been obstinate enough to take your house off the rental market for the past 2 years.

Mr. Chairman, I do not think that is the kind of reward we ought to give the people who have denied the veterans much needed housing.

The CHAIRMAN. The time of the gentleman from Oklahoma has expired.

Mr. MONRONEY. Mr. Chairman, I ask unanimous consent to proceed for two additional minutes.

The CHAIRMAN. Is there objection to the request of the gentleman from Oklahoma?

There was no objection.

Mr. MONRONEY. Mr. Chairman, it is not clear in the bill—I am sure it is not intended—but this 2-year exemption, which means that if your house has not been rented for 2 years you can rent it and not have a ceiling on it might result in this: If a landlord owns two houses, one in which he lives and the other which he rents, he can, if he wishes, get possession of the house he has been renting, then turn around and rent without any price ceiling at all on his own home. I think you are going to upset considerably the status of the tenants who have been living in these houses simply because of this key switching to avoid any ceiling on the house from which the owner has moved.

Mr. JENSEN. Mr. Chairman, will the gentleman yield?

Mr. MONRONEY. I yield to the gentleman from Iowa.

Mr. JENSEN. The 100-percent guaranty under title VI is in my estimation, one of the greatest detriments that this country ever imposed on the veterans, for the very reason that the veteran goes in and says: "I want to build this house, which will cost $8,000." The banker says, "Well, he is a veteran and we have to be good to him." So the veteran builds an $8,000 house. It is the most inflationary thing we have. It is the thing today that is raising the prices of houses away beyond all reason and that is a detriment to the veteran. This week a subcommittee of the Appropriations Committee is considering a bill in which housing appears. When that bill comes to this floor we will prove to you what title VI has done to the American veteran.

Mr. MONRONEY. The gentleman is talking about houses for sale. I am talking about houses that are built for rent, large apartments built by nonveteran contractors for rent to veterans with a hundred percent Government insurance. We now take the ceiling off and tell them they can charge any price for rent they want.

Mr. JENSEN. But the gentleman was talking about title VI.

The CHAIRMAN. The time of the gentleman from Oklahoma has again expired.

Mr. HOFFMAN. Mr. Chairman, I move to strike out the last word.

Mr. Chairman, a little while ago something was said about intellectual honesty. Over the years we have been paying subsidies to milk producers, to farmers on many crops. We have been paying on cotton on meat, on butter—to others—many others.

Mr. SMITH of Ohio. Mr. Chairman, will the gentleman yield?

Mr. HOFFMAN. I yield.

Mr. SMITH of Ohio. Tell the House what the difference is between intellectual honesty and any other kind of honesty.

Mr. HOFFMAN. And a moment ago I asked a hypothetical question. I want to ask it again, and it is this: Assuming that there is a shortage of housing; that rents are excessive. Just accept those two statements as facts. There is not enough housing, and the greedy landlord in overcharging. Inasmuch as over the years the Government has subsidized practically—well, first this group and then that group here in America, and spent something like so many billions, I do not know how many, to subsidize the people of other countries, the poor Greeks and the Turks, and a half dozen other peoples, in fact almost everybody everywhere in the world, so we have now this great emergency here in America where the poor folks, some of whom are getting twice what they got before for the same work, still cannot pay the rent without inconveniencing themselves, we

say we must give them homes and apartments at a lower rent—accept all that as true.

Then, my question is this, and I say again to the chairman of the committee—being intellectually honest. I am just returning the compliment—inasmuch as you insist upon giving the tenant cheaper rent or, at least, no higher rent, are you going to make the man who owns the home, the veteran, or the widow—are you going to make that individual come down on the rent or hold it down at a figure which is below actual cost of repairs and taxes? Do you intend to put the whole burden on the home owner instead of on the Nation or the taxpayer? If tenants must be aided, why do you not pay it out of the United States Treasury as you do the subsidy to the milk producer, to the cotton farmer, the wheat farmer, and the people of Europe, Asia, and Africa? What particular thing was in the minds of the committee or of the Members who support this bill that induces them to make the home owner shoulder the whole burden? What grudge have you, I want to know, what grudge have you against the man who owns property?

What grudge have you against the men and the women who worked and saved and denied themselves until they could purchase rentable property? He pays taxes, he supports the Government, and in return the Congress makes him share his property with a class—with tenants. Now, you come along and say, "Oh, well, the tenant cannot afford to pay, so you must stand the loss and make good a part of his rent." Why do you not be fair about this thing; at least, as I see it, why do you not be fair about it and let the Government pay to the tenant whatever is necessary to enable him to obtain a place to live? Give him a subsidy, if you must, but do not load it all on the home owner. Why soak the individual who has been industrious, who has been thrifty? What have you against him?

Now, think that one over tonight, and if you cannot sleep because of something you ate, not because of your vote that you intend to cast which will deprive a man of a part of his property, but because you had too much for dinner; if you cannot sleep, think that one over and tell me sometime privately—I would not want you to tell me publicly—what is the answer to that question—to the question: Why soak the landlord for the benefit of the tenant? Why, if tenants need help, not let the Federal Treasury absorb the cost? It cannot be because there are more tenants than landlords, can it? It cannot be because votes are needed? That cannot be the answer. What is the answer?

Mr. SHAFER. Mr. Chairman, I move to strike out the last word.

The CHAIRMAN. The gentleman is recognized for 5 minutes.

Mr. SHAFER. Mr. Chairman, I am puzzled and disturbed by the antics of many Republicans on this bill. I am unable to understand why many who were loud in their cries to get rid of controls last year are today vigorously supporting this mongrel bill.

How so many can change their colors in a year's time, especially in view of the action of the people in the election last November, is unexplainable. A year ago when the question of extending rent control was being considered in this body most Republicans stood shoulder to shoulder and fought legislation offered by the Democrats. We told the people that the war was over and that we were going to end all controls and get rid of the bureaucrats and government by emergency. The people believed us. They said they had had enough.

Today some of the same Members who last year fought continuation of controls are today supporting this mongrel bill. A year ago, at the same time, those Members on the other side of the aisle demanded and voted for continuance of controls. What happened to them last November is well known. Many of them were retired to private life. Now, Mr. Chairman, just because the Democrats were crazy a year ago, why would we be crazy this year?

I have attended many committee meetings since the beginning of the Eightieth Congress during which extensions of this and that control have been considered. I have heard one bureaucrat after another testify that there are still emergencies and that controls must be continued. I am convinced that the testimony I have heard is a part of the New Deal technique to defeat the Republicans in 1948. This is how they are planning. They want the Republicans to fail in their promises to remove controls and they want all controls to continue at least until June 30, 1948. Then they themselves will join the movement to decontrol. They know that there is certain to be a temporary increase in prices following the removal of controls, and they want those increases to prevail just prior to the 1948 election. Then they can blame the Republicans for them.

I say, now is the time to take off controls. Prices will then level off in the next 6 months and government by emergency and fear will be history. Wait until next year to remove controls and you can hold the first Republican caucus of the Eighty-first Congress in a telephone booth.

That prices will level off is shown in the meat situation in the United States today. Since the removal of price controls the price of meat has been steadily leveling off and meat is becoming more and more plentiful. Prices are certain to come down.

Let us defeat this bill before us today I have never seen a worse piece of legislation. No matter how much you amend it, it will still be a bad bill. Let us do away with it. Get rid of those bureaucrats who have proven they are unable to use common sense in administration of controls. Let us give the country back to the people. Take off rent and building controls and we will get houses in America. Controls are the reason we have a housing shortage in the country today.

The CHAIRMAN. The time of the gentleman from Michigan has expired.

Mr. WOLCOTT. Mr. Chairman, I rise in opposition to the pro forma amendment.

Mr. Chairman, I think I should call attention to the fact that the amendment offered by the gentleman from Oklahoma would continue rent controls on newly constructed units, units constructed after the effective date of the act, and those which are made available through conversion. It also would continue controls on properties regardless of whether they had been rented between February 1, 1945, and February 1, 1947. In other words, the effect of the adoption of the amendment offered by the gentleman from Oklahoma would be to continue rent control on all units. The purpose of taking rent controls off units completed after the effective date of the act is really the meat of this title. We seek by taking these controls off to encourage production, and through production, which we think will result from the removal of these controls, we hope to get enough rental units so that it will be safe to take controls off all units even before the expiration date of this act.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Oklahoma [Mr. MONRONEY].

The amendment was rejected.

Mr. SMITH of Ohio. Mr. Chairman, I move to strike out the last word.

Mr. Chairman, I desire at this time to propound an inquiry to the chairman of the Committee on Banking and Currency, the gentleman from Michigan [Mr. WOLCOTT]. Did I understand you to say a while ago that if the motion of the gentleman from Mississippi to strike out the enacting clause carried, that the Committee on Banking and Currency would not reconvene and pass title I which frees practically all building materials from control?

Mr. WOLCOTT. I do not remember saying anything like that. The gentleman from Mississippi said that we should reconvene and do that, but I did not say whether we would or not. I do not recall that.

We are considering the bill in Committee of the Whole and that is past.

Mr. SMITH of Ohio. I just wanted to make sure that the gentleman did not intend to say what certainly some of us understood him to imply.

Mr. WOLCOTT. We have not reached that point because the House did not adopt the motion.

Mr. MURDOCK. Mr. Chairman, I rise in opposition to the pro forma amendment.

Mr. Chairman, I wish, if I may, to ask a question of the chairman of the committee, but first I would like to make this statement.

I recognize the force of much of what I have heard here on the floor this afternoon. I, too, have learned that many old people and others in my community who have spent their lives getting a little property accumulated now depend upon rentals of such property for a living and they feel they have been unduly hurt because of the situation existing under present rent control. We all know how all costs have gone up to the hurt of landlords. I further understand that some rents have been reduced in the last few months to create additional elements of hardship for them.

I would like to ask the chairman of the committee, or someone on the committee, what the provisions are in existing law relative to adjustment of inequities, or what provision is in this bill that would take care of hardship cases. Would the gentleman answer both questions, please.

Mr. WOLCOTT. On page 13, line 18, we provide that whoever is designated as the administrative officer shall make such adjustments in such maximum rents as may be necessary to correct inequities.

Mr. WORLEY. Mr. Chairman, will the gentleman yield?

Mr. MURDOCK. Yes; if the gentleman from Michigan [Mr. WOLCOTT] has finished his answer.

Mr. WORLEY. The very fact that you changed the word "may" to "shall" is an admission that the OPA has not worked fairly and equitably, is it not?

Mr. WOLCOTT. If you want me to admit it, I surely shall.

Mr. MURDOCK. Do I understand then from the colloquy that has just taken place that injustices have occurred and that there have been hardship cases that have not been remedied under existing law but that this bill would provide for a remedy? Is that what I am to understand?

Mr. WOLCOTT. I think that is a very strong declaration that it is the intent of the Congress that any inequities shall be corrected and that the administrator will not be doing his duty as we intend it to be done if he does not correct inequities. The question was asked me the other day as to what might constitute an inequity. I am going to state my own opinion on that. I am not speaking for the committee because the committee does not attempt to define "inequities."

My own thought is that if the landlord is not receiving rent which covers the cost of maintenance, plus a reasonable return on his investment, an inequity exists which should be corrected.

Mr. MURDOCK. I thank the gentleman. I recognize that the landlords as a class have necessarily suffered under existing law and I want them to suffer as little as possible in the general welfare. I do not want to remove all controls and thus create chaos and terrible suffering occasioned by all of these hundreds of thousands of evictions which I am sure would follow. Such a condition, I believe, would not only cause suffering but would probably cause disorder.

Mr. CRAWFORD. Mr. Chairman, will the gentleman yield?

Mr. MURDOCK. I yield to the gentleman from Michigan.

Mr. CRAWFORD. I think this may give us some light on it. Let us take this language which the chairman has just read to us. Go to your own town and select a certain block where there are four or five houses being rented. That block constitutes a rental area. One of your friends has a home on one corner of the block which is rented. I own a house on another corner of the block. Yours may be a 6-room house, well finished, well painted; mine is a 6-room house, run down. I will wager dollars to doughnuts you could not get an adjustment from the standpoint of an inequity, because it would be claimed that my house was worth just as much as yours, and if you wanted an increase in rent I do not think you could get it under this language.

Mr. MURDOCK. I have a feeling that most of the inequity and injustice caused by the operation of the necessary rent control law for the past few critical years has grown out of lack of adequate adjustments in inequities and hardship cases.

The CHAIRMAN. The time of the gentleman from Arizona [Mr. MURDOCK], has expired.

Mr. DONDERO. Mr. Chairman, I move to strike out the last four words, and I ask unanimous consent to proceed for two additional minutes.

The CHAIRMAN. Is there objection to the request of the gentleman from Michigan?

Mr. WOLCOTT. Mr. Chairman, reserving the right to object, will the gentleman yield to me for the purpose of propounding a unanimous-consent request?

Mr. DONDERO. I could not resist yielding to my genial friend.

Mr. WOLCOTT I ask unanimous consent that all debate on this section and all amendments thereto close in 7 minutes.

The CHAIRMAN. Is there objection to the request of the gentleman from Michigan [Mr. WOLCOTT]?

There was no objection.

The CHAIRMAN Is there objection to the request of the gentleman from Michigan [Mr. DONDERO]?

There was no objection.

The CHAIRMAN. The gentleman from Michigan [Mr. DONDERO] is recognized for 7 minutes.

Mr. DONDERO. Mr. Chairman, a little while ago I listened with interest, and satisfaction, to the statement made by my able friend the gentleman from Louisiana [Mr. BOGGS] that he proposed to offer an amendment allowing an increase in rents of 10 percent, straight across the board. I have an amendment on the desk for a 10-percent increase to small property owners of 10 units or less, exclusive of janitor or manager space. Perhaps I am too modest. If that amendment is defeated, I will vote for the amendment which will be offered by the gentleman from Louisiana [Mr. BOGGS] for a 10-percent increase, straight across the board.

The committee that brought this bill to the House has pleaded guilty that this bill is inequitable and unjust, and they did it by indirection. First, they say that for 1947 small property owners shall have no increase in rent, but for 1948, next year, they are entitled to an increase of 15 percent under the provisions of this bill.

The second way in which they plead guilty to the fact that this bill is inequitable and unjust is that if anybody builds a house in 1947, he can have $60 a month for a five-room house, while his neighbor, with the same space exactly and the same modern conveniences, now under rent control and getting $30 a month, can have no increase. How can you justify such a situation as that?

Somebody has expressed a great fear that if rent control is terminated we would have many evictions in this country. There would not be many evictions if a fair and just rent was established between the property owner and the tenant.

One thing more. What would a 10-percent increase amount to on $30 a month rent? It amounts to $3 per month. It would not absorb the increase in taxes alone. Taxes have increased nearly 40 percent since rent control was established. How can anyone reconcile the present rent level of 1941 when nobody denies that the maintenance of property has increased between 70 and 80 percent since rent control was established?

Mr. WOLCOTT. The gentleman does not believe that real-estate taxes have increased 40 percent, does he?

Mr. DONDERO. Very nearly that.

Mr. WOLCOTT. I mean real-estate taxes.

Mr. DONDERO. Nearly that much. I have tax receipts presented to me from some areas showing that the increase has been nearly that much.

Mr. BROWN of Georgia. Mr. Chairman, will the gentleman yield?

Mr. DONDERO. I yield.

Mr. BROWN of Georgia. If the gentleman desires to help that class of people which has been discriminated against in this bill, it is entirely correct that this bill does not give any relief to that class of people. That class of people under present law has received an upward increase of only three-hundredths of 1 percent—3,670 out of 16,000,000 renters.

Mr DONDERO. And there are more than 15,000,000 people in that class.

Mr. BROWN of Georgia. Now they say they want an amendment in there, they want the word "shall" substituted for the word "may." The word "shall" is no stronger than the word "may" in the hands of an unsympathetic administrator. The word "shall" does not give relief to the class of people under consideration.

Mr. DONDERO. That would not give relief if we depend upon the administration of this act for relief of the small-property owners, because they will get none.

The CHAIRMAN. The time of the gentleman from Michigan has expired; all time on this section has expired.

The Clerk read as follows:

TERMINATION OF RENT CONTROL UNDER EMERGENCY PRICE CONTROL ACT OF 1942

SEC. 203. After the effective date of this title, no maximum rents shall be established or maintained under the authority of the Emergency Price Control Act of 1942, as amended, with respect to any housing accommodations.

Mr. SPENCE. Mr. Chairman, I move to strike out the last word.

Mr. Chairman, I have a very high regard for the chairman of our committee. He is capable, he is industrious, and he is sincere, but I think in this particular instance the mountain has labored and brought forth a mouse.

I voted with reservations and misgivings and some regret to report this bill.

I voted for it because of the alternatives: Either rent control would be discontinued on June 30 or we would have this bill which would continue it to March 31, 1948. I am not one of those who believes that we can do away with rent control at the present time.

I believe there is an emergency, and the courts place a high regard on the findings of fact in a legislative body and will not go behind them. We have said there is an emergency in this case, and there is. Ten million men have been away. We have had to figh a war. All of our energy and our industry was used in fighting that war and homes were not built. Now these men are coming home. This is the biggest question that can present itself to the American people. "House" does not mean shelter. It means a home; it means comfort and the satisfaction of our citizens. That is the greatest force against subversive activities, because none of them are born in the home. It is the very pillar of our Republic and when the American people have not sufficient homes you weaken the very structure of our Government. It is a great question.

Mr. Chairman, I do not believe this bill will do what it proposes to do. You do not like regimentation, you do not like control, but the profit system is almost as strong as the desire for self-preservation. Men are going to build things from which they think they will realize the greatest profit. The home is not always the most profitable investment. It is a stable investment and a good investment, but men, particularly in these times when there is plenty of money and great opportunity, will channel their materials into other fields and they will not build homes. That, it seems to me, is obvious.

How can you make under our free institutions a man build any kind of a structure that he does not desire to build? The only way is by the allocation and priority of materials and in consideration of those materials he promises to build a certain character of structure. That is out of this bill. Allocations and priorities are gone. You may say that is regimentation. Well, maybe it is, but it is temporary regimentation for a very meritorious purpose.

Then we come to the question of controlling rents. It has been demonstrated that a weak price-control bill is worse than no price-control bill at all and a weak rent-control bill will be worse than no rent-control bill. If you are going to control prices on rents you must control them adequately and entirely. This bill does not do that.

The CHAIRMAN. The time of the gentleman from Kentucky has expired.

Mr. PATMAN. Mr. Chairman, I ask unanimous consent that the gentleman may be allowed to proceed for five additional minutes.

The CHAIRMAN. Is there objection to the gentleman from Texas?

There was no objection.

Mr. SPENCE. Mr. Chairman, the committee adopted a straight across the board increase of rents of 10 percent. Then after long deliberation it revoked that decision and in lieu of that was placed the amendment that gives the landlord, if he can persuade the tenant to agree to it, after the effective date of this act and before March 31 a 15 percent increase in a lease that will expire on or after December 31, 1948. I agree that many landlords are entitled to an increase. It is not a one-way street. I agree there is nothing so fine as justice to be done to the rich and the poor, the weak and the strong. But what is that amendment going to do? The hard landlord is going to say to his tenant: "I want you to agree to an increase of 15 percent. If you do not agree to it, very shortly these controls will be off rents and I am going to give you all the traffic will bear." What is the tenant going to do? The tenant will say: "Why, of course, I will do that." If the tenant does not say that, it is going to create a strained relationship between the landlord and tenant.

Then, as I read the bill, if that first lease expires or is forfeited, the landlord can make any increase he pleases. Now, you cannot shut your eyes to the fact that there is a lack of housing in America, everybody knows it, and when there is that condition a landlord who has no regard for his tenant can impose what conditions he may see fit upon the tenant. But, the good landlord will not do that. So, this is not a bill having to do just between landlord and tenant or to take care of the hardship cases and to help the hardship cases. Many landlords are fine people, but there are some men who get the tenants in their toils in that respect and just give him all they can. Those are some of the things that this act does.

Another thing, instead of taking the responsibility ourselves we pass the buck to our great hard-working and overburdened President and tell him to decide whether or not it should continue after December 31. That is a legislative function and that is a legislative duty that is our responsibility, and I do not think that ought to be in the bill. I think we ought to decide when these controls should cease. I do not think there is any doubt that the same conditions that exist now will exist on March 31, and I am not so much enamored of statistics. I know the conditions that exist. You know the conditions that exist. There is a shortage of housing in America, and every man who has had an opportunity to observe conditions knows that. I do not care what these statistics show or that there may here and there be an increase of housing over the demand. Wherever there is, the controls may be taken off even under this bill. But where those conditions exist these controls ought to continue until normal conditions somewhat return, not only for the benefit of the veteran. The veteran is not a segregated class of the American citizens. The veteran has not an interest different from the rest of the people of America. Prosperity and happiness are shared by all the people and we should be interested in the welfare of all the people, including the veterans. I think that we ought to consider this thing.

I am going to vote to recommit this bill in the hope that a bill may come out of the committee that will serve the purpose we desire to achieve. The proper solution of the housing problem is not only of the greatest importance to our people now, but to future generations.

Mr. KEATING. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. KEATING: On page 13, line 2, after line 2 and before line 3, insert:

"On the termination of rent control all records and other data used or held in connection with the establishment and maintenance of maximum rents by the department or agency designated pursuant to section 204 (a) and all predecessor agencies shall, on request, be delivered without reimbursement to the proper officials or any State or local subdivision of government that may be charged with the duty of administering a rent-control program in any State or local subdivision of government to which such records and data may be applicable."

Mr. WOLCOTT. Mr. Chairman, will the gentleman yield?

Mr. KEATING. I yield to the gentleman from Michigan.

Mr. WOLCOTT. Speaking only for myself, may I say to the gentleman that as far as I am concerned there is no objection to the gentleman's amendment if I understand it correctly, that the records are turned over to a State upon request of the State, upon the termination of the Federal rent control.

Mr. KEATING. That is right, in those States which still have a rent-control program. This amendment is offered for a twofold purpose: First, in order to have the records covering all properties in their State in the hands of those who may need them for administrative purposes if rent control should continue in a particular State; and also to serve another purpose. If these records are in the hands of the States, it may prevent the Office of Temporary Control or some other agency from coming in and asking us for a couple of million dollars to write a history of what they have been doing. If they do not have the records they cannot engage in that boondoggling operation at the taxpayers' expense.

Mr. DONDERO. Mr. Chairman, will the gentleman yield?

Mr. KEATING. I yield to the gentleman from Michigan.

Mr. DONDERO. Will the gentleman give the House the number of States that have rent control?

Mr. KEATING. I am not able to do that. I know that my State has, and Minnesota, but I am not familiar with all of them.

The CHAIRMAN. The question is on the amendment offered by the gentleman from New York [Mr. KEATING].

The amendment was agreed to.

The Clerk read as follows:

RENT CONTROL UNDER THIS TITLE

SEC. 204. (a) The President shall designate the head of a department or agency of the Government, other than the Office of Price Administration or any other temporary agency, to administer the powers, functions, and duties under this title.

(b) During the period beginning on the effective date of this title and ending on the date this title ceases to be in effect, no person shall demand, accept, or receive any rent for the use or occupancy of any controlled hous-

ing accommodations greater than the maximum rent established under the authority of the Emergency Price Control Act of 1942, as amended, and in effect with respect thereto on the date this title takes effect: *Provided, however*, That the head of the department or agency designated pursuant to subsection (a) shall, by regulation or order, make such adjustments in such maximum rents as may be necessary to correct inequities or to further carry out the purposes and provisions of this title: *And provided further*, That in any case in which a tenant and landlord, prior to March 31, 1948, enter into a valid written lease in good faith with respect to any housing accommodations for which a maximum rent is in effect under this section and such lease takes effect after the effective date of this title and expires on or after December 31, 1948, and if a true and duly executed copy of such lease is filed, within 15 days after the date of execution of such lease, with the head of the department or agency designated pursuant to section 204 (a), the maximum rent for such housing accommodations shall be, as of the date such lease takes effect, that which is mutually agreed between the tenant and landlord in such lease if it does not represent an increase of more than 15 percent over the maximum rent which would otherwise apply under this section; and such maximum rent shall not thereafter be subject to modification by any regulation or order issued under the provisions of this title. No housing accommodations for which a maximum rent is established by a lease pursuant to the provisions of this proviso shall be subject, on or after the date such lease takes effect, to any maximum rent established or maintained under other provisions of this section.

(c) The head of the department or agency designated pursuant to subsection (a) is hereby authorized and directed to remove any or all maximum rents before this title ceases to be in effect, in any defense-rental area if in his judgment the need for continuing maximum rents in such area is no longer required due to sufficient construction of new housing accommodations or when the demand for rental housing accommodations has been otherwise reasonably met.

(d) The head of the department or agency designated pursuant to subsection (a) is authorized to issue such regulations and orders, consistent with the provisions of this title, as he may deem necessary to carry out the provisions of this section.

(e) On or before December 15, 1947, the President shall make a determination, and shall declare by Proclamation, whether the controls authorized under this title should or should not be continued beyond December 31, 1947. Such determination, together with the current facts and reasons for such determination, shall be certified to the Congress and copies thereof filed with the Secretary of the Senate and the Clerk of the House. If the President determines that the controls authorized under this title should not be continued then such controls shall cease to be in effect on December 31, 1947. If the President determines, and by Proclamation declares, that the controls authorized under this title should be continued beyond December 31, 1947, in order to carry out the policy declared in section 201, then the provisions of this title shall cease to be in effect on March 31, 1948.

Mr. DONDERO (interrupting the reading of the bill). Mr. Chairman, I ask unanimous consent that the further reading of section 204 be dispensed with and that the section be open to amendment.

The CHAIRMAN. Is there objection to the request of the gentleman from Michigan?

There was no objection.

Mr. FLETCHER. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. FLETCHER: On page 13, line 22, strike out "prior to March 31, 1948." and insert in the lieu thereof "on or before December 31, 1947."; and on page 15, line 8, after "(e)" strike out the remainder of the subsection and insert in lieu thereof, "The provisions of this title shall cease to be in effect on December 31, 1947."

Mr. FLETCHER. Mr. Chairman, as a member of the committee, I am convinced that the only final and completely fair way to end rent control is to terminate it as soon as practicable. I have listened to the comments of the other members of the committee with a great deal of interest. I do not want to question their integrity but I do want to say that there were many, many instances where men appeared before our committee and gave testimony to the effect that rent control could very properly be ended right now. I refer to Mr. Carr, of the National Association of Home Builders, Arthur Binns, of the National Home and Property Owners Foundation; George West, of the United States Chamber of Commerce; Herbert Nelson, of the National Realty Board; and a great many others that I can recall.

Of course, there is a shortage in housing, everyone will agree to that, but I do say there is not a national emergency. I have voted for all of these amendments which have been offered which would terminate rent control on June 30, and I shall continue to vote that way.

However, I can see there is a very definite cleavage here. There are some who feel that would be too abrupt. I am inclined to think that possibly there is some wisdom to a short period before which rent control should be terminated. I feel also there are certain provisions in this bill which will give an orderly termination. I refer to an amendment which I had the privilege of offering in committee which makes it possible by voluntary agreement between tenant and landlord that the two parties can agree to a lease which will carry through December 31, 1948, and the lease will be binding on an increase of rents not to exceed 15 percent.

I believe the indications are that a great many tenants and landlords will get together and voluntarily to all intents and purposes decontrol a great many units and that by December 31, 1947, we will have a problem which will be quite simple and there will not be this great clamor for extended controls at that time.

Mr. CRAWFORD. Mr. Chairman, will the gentleman yield?

Mr. FLETCHER. I am very happy to yield.

Mr. CRAWFORD. In other words, the amendment which the gentleman offers leaves the responsibility entirely in the Congress and we say in this bill that rent controls shall positively end on December 31, 1947.

Mr. FLETCHER. That is correct.

Mr. CRAWFORD. And there will be stricken from the bill the language which, as it has been expressed, in passing the buck to the President and lets the President determine whether or not rent control shall run from December 31, 1947, to March 31, 1948.

Mr. FLETCHER. The gentleman is absolutely correct.

Mr. CRAWFORD. The gentleman puts it squarely up to the Congress and the people by his amendment.

Mr. FLETCHER. The gentleman from Michigan is correct.

Mr. Chairman, this bill ends rent control on December 31, 1947, with only one proviso, and that is the big proviso. I want to call your attention to it if you have not already come upon it. It says where the President by proclamation filed with the House and Senate shows that there is an affirmative need for the extension of rent control, rent control may be extended to March 31, 1948.

Gentlemen, I am unalterably opposed to this Congress giving legislative powers to the President. I feel we must stop passing the buck. We should face this issue squarely. It has been shown that it is not a partisan matter. A great many of my friends on the Democratic side of the aisle are ready to vote for the final termination of rent control, but they do feel that possibly June 30 is a little abrupt. Why give the President an opportunity to extend rent control if you want to see it end? You and I know that as of December 31, 1947, there will be an extension of rent control under the plan which we now have in the bill.

The CHAIRMAN. The time of the gentleman from California has expired.

Mr. OWENS. Mr. Chairman, I ask unanimous consent that the gentleman may be permitted to proceed for three additional minutes.

Mr. WOLCOTT. Mr. Chairman, reserving the right to object, and I shall not object, I merely want to point out to the Committee that we want to get along with this bill. I understand we are going to finish the bill tonight. Of course, I do not object to the gentleman proceeding for three additional minutes, but I think we should have in mind that if we are going to finish tonight we will not be able to take longer than the time provided under the rules of the House, and that hereafter objection should be made to any extension of time.

The CHAIRMAN. Is there objection to the request of the gentleman from Illinois?

There was no objection.

Mr. SPENCE. Mr. Chairman, will the gentleman yield?

Mr. FLETCHER. I yield.

Mr. SPENCE. As I understand the gentleman's amendment, it takes away from the President the discretion of continuing rent control. I am heartily in favor of that.

Mr. FLETCHER. I thank the gentleman very much.

Mr. SPENCE. I do not think we ought to pass the buck or pass the legislative responsibility to the President. I think we ought to assume that responsibility, and I shall vote for the amendment.

Mr. FLETCHER. I thank the gentleman. It will only become a political football in the 1948 elections. I have a feeling that this Congress has to stand up and be counted and stop passing the buck. I think we have got to have the

courage to set free the property owners of this country. Even if you are against this bill, I say if you want June 30 as the date and you propose to vote against the bill, I believe by all means that in the perfection of the bill we should pass the amendment which will definitely end and terminate rent control as of December 31, 1947.

The CHAIRMAN. The time of the gentleman from California [Mr. FLETCHER] has expired.

Mr. WOLCOTT. Mr. Chairman, I understand the Senate is sending over a message on the deficiency bill, and for that reason I move that the Committee do now rise. I think I should inform the Members that the Committee will resume its sitting immediately after the message is received.

I move that the Committee do now rise.

The motion was agreed to.

Accordingly the Committee rose; and the Speaker having resumed the chair, Mr. JENKINS of Ohio, Chairman of the Committee of the Whole House on the State of the Union, reported that that Committee, having had under consideration the bill, H. R. 3203, had come to no resolution thereon.

MESSAGE FROM THE SENATE

A message from the Senate, by Mr. Carrell, one of its clerks, 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 Senate to the bill (H. R. 2849) entitled "An act making appropriations to supply deficiencies in certain appropriations for the fiscal year ending June 30, 1947, 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 amendment of the Senate to the bill (H. R. 2157) entitled "An act to define and limit the jurisdiction of the courts, to regulate actions arising under certain laws of the United States, and for other purposes."

ENROLLED BILL SIGNED

Mr. LECOMPTE, from the Committee on House Administration, 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. 2849. An act making appropriations to supply deficiencies in certain appropriations for the fiscal year ending June 30, 1947, and for other purposes.

HOUSING AND RENT CONTROLS

Mr. WOLCOTT. Mr. Speaker, I move that the House resolve itself into the Committee of the Whole House on the State of the Union for the further consideration of the bill H. R. 3203.

The motion was agreed to.

Accordingly the House resolved itself into the Committee of the Whole House on the State of the Union for the further consideration of the bill H. R. 3203, with Mr. JENKINS of Ohio in the chair.

The Clerk read the title of the bill.

Mr. MONRONEY. Mr. Chairman, I offer an amendment to the amendment offered by the gentleman from California [Mr. FLETCHER].

The Clerk read as follows:

Amendment offered by Mr. MONRONEY to the amendment offered by Mr. FLETCHER: Strike out "December 31, 1947," and insert "March 31, 1948."

Mr. MONRONEY. Mr. Chairman, I will take only a minute. I agree with the gentleman from California [Mr. FLETCHER] against the delegation of authority to the President, on his finding alone, to continue rent control.

I think the Republican Party is on solid ground against the designation of this legislative authority to the President in this case. But I want to call attention to the fact that you are going to take grave chances by discontinuing rent control abruptly on December 31 while the Congress is not in session and can do nothing about continuing it, even though they might find need for its continuance. My amendment merely tries to give us enough time after we return to resurvey the situation so that action can be taken by Congress, if needed. But to discontinue it on the 31st of December, when the Congress is not here—the Congress will not return until the 6th of January—and rent control has been dead for 6 or 7 days, you will create a chaotic situation. So I think at this time we should try to avoid that.

Mr. RIZLEY. Mr. Chairman, will the gentleman yield?

Mr. MONRONEY. I yield.

Mr. RIZLEY. Of course, I agree with the gentleman to this extent—that the Congress should not be passing legislation back to the President of the United States, but the Congress will be in session on June 30 of this year.

Mr. MONRONEY. Yes; it will. That is true.

Mr. RIZLEY. Then, why not let this bill go along until June 30 and see what happens?

Mr. MONRONEY. I may say to my friend that our past policy of waiting on price control last year until June 30 gave us the highest level of consumer's prices in history.

Mr. OWENS. Mr. Chairman, I move to strike out the last word.

Mr. Chairman, it is quite odd that when the Clerk was reading the amendment offered by the gentleman from California I thought it was my amendment because it was the same, word for word. I therefore think it is a very important amendment. The reason I believe it is important is because I represent the largest district in the United States, with over a million people. There are more tenants in that district than in any other district in the United States, and I believe I can speak for a district which has a large number of renters. In other words, if there is any head being put on the political block I am placing mine on it right now because I truly believe that if I have to return to Congress because of an injustice to any segment of our population I would rather stay home, for I would not be at ease here at any time during the remainder of my term in Congress. When, however, my constituents write me—and they write by the thousands, I say by the thousands—concerning this matter, so much so that I virtually had to have a form letter printed, thousands of them, I reply promptly giving them my opinion. I sign each letter but in those letters I tell them that I believe that Congress, which was responsible for the condition which now exists, should give the people a reasonable time in which to release themselves from that position, and a reasonable time, of course, would not be 1 month and could not be 2 months; but I tell them that I believe that if we put an end to controls by not later than the end of the year the various States would have an ample opportunity to pass laws to take care of their local situations; and giving them that much advance notice we could not have anyone saying we turned any tenants out in the middle of winter. I would not be in accord with such action. From now until the end of the year every State ought to be able to take care of its local problems. I therefore believe that is the time we should fix as our limit.

With respect to the matter of the President, I believe, Mr. Chairman, that those who believe they are doing something clever politically may be in the same position Goliath was when he went out to meet David. I do not believe I need tell you what happened, but you may find that Goliath is going to meet a David again when you try to place that responsibility on the shoulders of the President. I think it is entirely wrong and I do not believe you should do that. I believe you should place the limit at December 31 and leave it there, without trying to shift your responsibility on the theory that Congress will not be in session.

Mr. KEATING. Mr. Chairman, will the gentleman yield?

Mr. OWENS. I yield.

Mr. KEATING. At the risk of meeting the gentleman's Goliath, may I ask the gentleman if he does not feel that the factual situation in November or December of this year may be such that it would cause less hardship to end these controls at the end of March than at the end of December in the middle of winter?

Mr. OWENS. You are a part of the Goliath of which I spoke. I believe I have just answered your question by saying that the various States will have sufficient time to adjust their local situations. We are the Congress and we should act like a Congress, and stop delegating our legislation prerogatives to others.

The CHAIRMAN. The time of the gentleman from Illinois has expired.

Mr. SCHWABE of Oklahoma. Mr. Chairman, I rise in opposition to the pro forma amendment.

Mr. Chairman, the section under consideration is 204 (a). It reads:

The President shall designate the head of a department or agency of Government other than the Office of Price Administration or any other temporary agency.

Mr. Chairman, I submit that it is in evidence on all sides, it seems to be universally admitted, that the OPA, which had control of rent ceilings, was a colossal blunder and a maladministration from start to finish. I do not believe

there was any more obnoxious, unpopular bureau among all our many bad Federal bureaus, and yet Mrs. Roosevelt on April 30, 1946, in her syndicated column entitled "My Day" said:

It has been a long fight to place the economy of our country in the hands of the Government.

She censured all Members of Congress for criticizing Mr. Bowles, then Stabilization Director, and Mr. Porter, then OPA Administrator. She said that unless the people would come to the rescue of those bureaucrats the bureaucrats were likely to be defeated by the Representatives of the people in Congress.

Mr. Chairman, we have heard much said about changing this to another bureau or another administrator. In other words, just take the group because they are trained in this Gestapo method of administration and put them under some other head. A rose smells just as sweet by whatever name it is called.

I want to suggest to you that everyone admits the administration has been bad, yet all the indications are that we shall have the same group in control, that is, at our level, maybe not at the President's level. We have no confidence in the present group of personnel and the transfer will not help the situation.

The present law and this act is unfair, confiscatory, discriminatory, and is not in any sense an American approach to the problem.

We have no complaints, if you will notice, from towns and cities where they do not have rent control in force. Somebody said, "Well, that is because there is no congestion there." Think for yourselves. There is not a town or a city in the country to speak of where there is no rent control but what the occupancy is at a higher level and at a higher percentage than it is where you do have rent control. We do not have it on the farms and we do not have it in commercial buildings, and in industrial sections.

As the father of four sons and one son-in-law, all veterans of World War II, I think I know how the veteran feels.

I want to call your attention further to the fact that I have made a canvass of the veterans of World War II. I polled the adjutants and the commanders and the service officers of every post of the Veterans of Foreign Wars and the American Legion in my district, and they are against this. As an example of the views of many veterans of my district I quote the following letter which I just received from Mr. George J. Overmyer, commander of the Veterans of Foreign Wars of Tulsa Post, No. 577:

OVERMYER-PERRAM GLASS CO.,
Tulsa, Okla., April 28, 1947.

HON. GEORGE SCHWABE,
United States House Office Building, Washington, D. C

DEAR MR. SCHWABE: Why is it that one class of citizen is singled out for one of the worst cases of injustice and discrimination ever to be visited upon any group of citizens of any nation, including totalitarian ones.

I am referring to the continued imposition of rent control on a certain class only; and within a certain class, too. This rent control is the most vicious discrimination ever perpetrated. Only a portion of landlords are subject to rent control. Those whose money is invested in office buildings or commercial buildings (mostly big capitalists or insurance companies by the way), have no restrictions whatever upon their rental property. Other landlords whose residential rental property lies outside certain areas also have no restrictions whatever upon their property.

How do those advocates of rent control figure this can be constitutional when it is so flagrantly discriminatory, not only between landlords and other classes of citizens, but discriminatory as between different classes of landlords themselves? To say it is constitutional is rank hypocrisy. It denies that fundamental right of any American—"equal justice under law."

I notice that the House and Senate committees have both refused to permit or recommend a blanket raise in rents despite the fact that the second round of wage increases is now underway; and despite the fact Congress has seen fit to raise the salaries of Congressmen themselves. Every landlord under rent control has taken a big reduction in his rental income because the rent dollar he is now getting is worth only about 70 cents or less as compared with the dollar at the time he rented his property. Not only that but the situation is worsened because the cost of hiring plumbers is now almost twice what it was when he rented the property, also plasterers, and capenters, and painters. Other maintenance costs have gone up 60 percent.

Those whose life's savings is in residential property in rent control areas are getting the rawest deal ever handed out by any legislative body of any nation. The war is over, so why doesn't Congress please let up on those who sacrificed all during the war financially as compared with other groups, except servicemen? Now our tenants thumb their noses at us when we ask for possession of our property in order to place it in decent condition after their misuse; to try to sell it in order to put the sorely needed funds into a new business. I'm sure you will vote against extension of rent control because I know your aversion of these Government controls; therefore, I hope you will persuade others to vote against its extension.

Yours very truly,
GEORGE J. OVERMYER.

The CHAIRMAN. The time of the gentleman from Oklahoma has expired.

Mr. WOLCOTT. Mr. Chairman, I rise in opposition to the pending amendment.

Mr. Chairman, I do not know as we should be so greatly concerned about whether the President does or does not continue rent controls by Executive order beyond December 31. You are delegating to him the authority to terminate rent controls at any time he sees fit by Executive order. Now, we are just meeting a situation which might develop in the dead of next winter. He must make an affirmative finding if he continues rent controls, and must find the necessity for doing so. He must find, make a determination, and issue a proclamation which must be filed with the Secretary of the Senate and the Clerk of the House of Representatives giving his reason for finding that it is necessary for rent controls to be continued.

Now, you do not give him carte blanche authority to continue rent controls for an indefinite period of time. We put a limitation on here March 31, 1948. Why do we do that? Is the Congress going to be in session on December 31, 1947? I do not think we will be in session on December 31, 1947. I do have in mind that on December 31 of almost every year it gets mighty cold up here in the North, and people do not like to sit out on sidewalks because they have been evicted from their property. The Congress will not be in session to prevent that condition, and I do not want to take the responsibility for even one mother and a little baby sitting out on a snow bank after the 1st of January because nobody in the Government was given authority to adjust the situation which made it possible. Do you want to take the responsibility for that?

Now, if you want to do the job otherwise, if you have any qualms of conscience about giving the President authority to continue these controls for a matter of 90 days, then you should vote to continue controls until March 31, 1948. From the remarks made here by some Members you would think we were setting up a permanent agency for the permanent control of rents, but have in mind that this is just a temporary arrangement. If it has been other than temporary since 1942, it is because this Congress acted in the matter, and we can act again in the matter in any way we see fit. They say that we have no assurance that the controls will come off on March 31, 1948. Of course, we have no assurance that any of us are going to be here, but we do have assurance that if we are here under the rules of this House we can act to continue them or not just as we please. So, all of this talk about whether we have any assurance or not, whether controls are going to be continued, depends on the action which we ourselves take next year.

Now, I think in the interest of the public welfare we should either continue these controls until March 31 next year or we should give the President the authority to continue them on a finding of fact that it is necessary beyond December 31. That is the only sensible, humane way to act, and I think both of the amendments should be defeated and the bill left as it is as a happy compromise of a very difficult situation.

Mr. SMITH of Ohio. Mr. Chairman, I ask unanimous consent that the amendment be again read.

The CHAIRMAN. Is there objection to the request of the gentleman from Ohio?

There was no objection.

The Clerk again read the amendment.

The CHAIRMAN. The question is on the substitute offered by the gentleman from Oklahoma [Mr. MONRONEY] for the amendment offered by the gentleman from California [Mr. FLETCHER].

The amendment was rejected.

Mr. GWINN of New York. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Substitute amendment offered by the gentleman from New York, Mr. GWINN, to the amendment offered by the gentleman from California, Mr. FLETCHER: Page 15, line 8, strike out line 8 and all down to and including line 22 and insert in lieu thereof the words "The controls authorized under this title shall expire October 1, 1947."

Mr. GWINN of New York. Mr. Chairman, we are not going to cure this shortage of space until we begin to move. Our economy requires mobility. We have not

moved for 5 years. The people of this country now are just as anxious to move into other houses that are already built as they were to get rid of OPA in April last year. We Republicans did not take the lead then. We left it to the President, and he took the credit. We have a diamond-studded horseshoe here. The people want to move, not into new houses which they cannot build with the laboristic monopoly, but into some of the 38,000,000 houses we now have.

The people know that there are 800,000 houses surplus now lived in by one person. They know that the wife has died or the husband has died, and the survivor lives on there. Why? He cannot move. The people know, or should know, that we have 10,000,000 houses or living units that are occupied by two persons. That is a surplus of nearly 2,000,000 houses occupied by two persons. This means that the husband and wife, with the children gone to school or married, continue to live in their old houses. So we have a total of 2,800,000 old units available for those in need if we could only move. But we cannot move. The low-income group, the veterans, the young growing families could move into some of these old one- and two-tenant houses. These old tenants will normally move into rented rooms or smaller space. That is how freedom cures our ills. Control worsens every situation.

October 1 is the moving date for most people. We have new jobs but we cannot move. We have new employment in other places but we cannot move from where we are.

The other evil thing that is upon us is the cry from the people, especially the low-income group, saying, "Oh, godstate, you are managing our houses but we cannot move. Then, godstate, build us new houses." Build new houses, with the laboristic prices that are so high that half the families cannot even contemplate building new houses? Even if we have this rent control eliminated as of March 31 we cannot look to new houses for relief. We must look to the adjustments in the spaces we have.

Finally, while it is true that we have a shortage of houses, we have an increase per person of 9 percent in the rooms that we have. Instead of having 1.45 rooms per person, as we had in 1940, we now have 1.58 rooms per person. Let us make people free to adjust the space we have to their needs as a free economy alone can provide. We will move into the places we have as we move into old automobiles, waiting for the prices of the new ones to come down so we can buy them. Let us have the courage of our faith in freedom. The people want it. They are in rebellion against petty Government compulsions.

Mr. WOLCOTT. Mr. Chairman, I ask unanimous consent that all debate on this amendment and all amendments thereto do now close.

The CHAIRMAN. Is there objection to the request of the gentleman from Michigan?

There was no objection.

The CHAIRMAN. The question is on the substitute amendment offered by the gentleman from New York [Mr. GWINN] to the amendment offered by the gentleman from California [Mr. FLETCHER].

The question was taken; and on a division (demanded by Mr. GWINN of New York) there were—ayes 55, noes 114.

So the substitute amendment was rejected.

The CHAIRMAN. The question is on the amendment offered by the gentleman from California [Mr. FLETCHER].

The question was taken; and on a division (demanded by Mr. FLETCHER) there were—ayes 65, noes 90.

So the amendment was rejected.

Mr. BUCHANAN. Mr. Chairman, I offer an amendment, which is at the Clerk's desk.

The Clerk read as follows:

Amendment offered by Mr. BUCHANAN: On page 13, line 21, after word "title", strike out the remainder of the paragraph down to and including line 18 on page 14.

Mr. BUCHANAN. Mr. Chairman, this section referred to was offered originally and is included in the bill and has since been referred to as the hidden clause in title II which permits a voluntary arrangement between landlord and tenant for a 15-percent rent increase. May I quote from the minority report that once such a lease is entered into the housing accommodations covered by the lease are forever after decontrolled? This provision has a certain surface plausibility for it can be argued that tenants will benefit by exchanging fear of decontrol after December 31, 1947, or March 31, 1948, with resulting skyrocketing of rentals, for the certainty that they will have if they agree to this 15-percent increase in rent.

I think that this section is outright subterfuge, that it gives to the landlord a club over the tenant in that if he does not enter into this agreement, which is tantamount to a 15-percent across-the-board increase and that on and after December 31, 1947, you can vision what the situation will be so far as the relationship between landlord and tenant is concerned. It is either 15 percent now or any amount after that particular period. I think this is outright duress and coercion and is playing on the fears of the tenant. I think it should be stricken out. I ask you to support my amendment to strike it out.

Mr. PATMAN. Mr. Chairman, will the gentleman yield?

Mr. BUCHANAN. I yield.

Mr. PATMAN. May I invite the gentleman's attention to the fact that on page 19 and page 20 under "Eviction of Tenants" you will find that the landlord can tell this tenant, "If you do not sign this lease for a 15-percent increase,"—the terms of the lease are not set forth here and the landlord will write the terms of the lease—he can remove the tenant and take the property for his own use; he can remove the tenant and sell the property, or he can remove him to alter or remodel the building. He can give any one of these reasons and he can tell the tenant, "If you do not give me a 15-percent increase I will have you removed for one of these purposes." The tenant would not have a chance. It means a 15-percent increase right straight across the board.

Mr. BUCHANAN. The gentleman is exactly correct.

The CHAIRMAN. The time of the gentleman from Pennsylvania [Mr. BUCHANAN] has expired.

Mr. WOLCOTT. Mr. Chairman, I ask unanimous consent that all debate on this amendment and all amendments thereto close in 10 minutes.

The CHAIRMAN. Is there objection?

There was no objection.

Mr. MONRONEY. A parliamentary inquiry, Mr. Chairman.

The CHAIRMAN. The gentleman will state it.

Mr. MONRONEY. This would not preclude an amendment to the original Fletcher amendment? This would mean that amendments could be offered to the original language in the bill? I mean the language in the bill which incorporated the Fletcher amendment. Only the Buchanan amendment will be affected by the request. Is that correct?

The CHAIRMAN. That is correct.

Mr. BRADLEY of California. Mr. Chairman, people from all parts of the United States come to California. I cannot say that I blame them, for—with due apologies to Florida—I believe California is the very best place in which to live.

A great many of those who come to California are people who have sold their farms or business and have a small amount of capital. They are older people. They put their funds into small homes for rental or into a four-apartment building—sometimes living in one unit and using the rents of the other three for enough income to get along in simple comfort. They join the former small property owners of the State. All of them are deserving of every consideration.

The small property landlord in southern California has had and is having a hard time of it. His every expense has gone up. His taxes have been increased.

Some of these landlords, even though they came to California with ample funds for their old age, are having a very difficult time to get enough income to keep their houses habitable and to live.

I have many letters from tenants who state that they are not paying enough rent to give their landlords a square deal. They ask a change of law so as to permit them to do so.

I want to protect the widow, the pensioner, the so-called little man, and I recognize the need of rent controls for some months more, but I do believe that when tenant and landlord agree on higher rates—up to 15 percent—they should be allowed to do so, and I cannot see how this program will break rent control in any way. To me, to give some relief to the little landlord seems only a decent thing to do.

Mr. FLETCHER. Mr. Chairman, I rise in opposition to the amendment.

Mr. Chairman, I feel there is probably no more simple part of this bill, no part more easily understood, nor more fair than this particular section. It simply

brings together the tenant and the landlord in a voluntary agreement. There is no compulsion. There may be some remodeling that has to be done, a room painted. What has happened in the past? Both the tenant and the landlord have been driven apart by rent control. For the first time we are offering them the American way of getting together. There is nothing about this that is compulsory. The gentleman from Pennsylvania [Mr. BUCHANAN] said it meant a 15-percent increase. It does not. I will tell you it is purely a matter of agreement between the landlord and the tenant. It may mean no rent increase. I can conceive of a case where by painting a room or two or redecorating an apartment, the owner could very possibly get the tenant to sign a lease until December 31, 1948, at a 15-percent increase; or it could mean a 5- or 10-percent increase. But that is the beautiful part of this amendment. There is no compulsion at any set percentage increase.

Mr. JENSEN. Mr. Chairman, will the gentleman yield?

Mr. FLETCHER. I yield.

Mr. JENSEN. Does not the gentleman agree that this country has come to a pretty pass if we have got to the place where two good Americans, an owner and a tenant, are forbidden to get together and arrange a mutual agreement which is satisfactory to both?

Mr. FLETCHER. I certainly do.

I would like to say further, the gentleman from Pennsylvania [Mr. BUCHANAN] made the statement that this means the decontrolling of this property.

I wish to read at this time a memorandum by assistant counsel, Allen H. Perley, relative to that particular matter, and read it into the RECORD:

HOUSE OF REPRESENTATIVES,
OFFICE OF THE LEGISLATIVE COUNSEL,
Washington, D. C. May 1, 1947.

Memorandum for Mr. FLETCHER:

In response to your inquiry, regarding my opinion as to the effect of the last proviso to section 204 (b) of the bill H. R. 3203, I do not read it as providing for decontrol of housing accommodations except in the limited sense that it provides a method by which, through mutual agreement between a landlord and tenant, the maximum rent for particular accommodations may be increased to an amount not more than 15 percent above that which would otherwise apply.

In my opinion the maximum rent fixed by the lease becomes, for purposes of title II of the bill, the maximum rent for the housing accommodations, and will continue to be the maximum rent for such accommodations during the life of rent control, even if there is a change of tenancy.

Also, as I read the proviso, it does not prevent the prohibition and enforcement provisions of title II from operating in the case of the particular housing accommodations where the maximum rent fixed by the lease is not observed.

ALLEN H. PERLEY,
Assistant Counsel.

Mr. BREHM. Mr. Chairman, will the gentleman yield?

Mr. FLETCHER. I yield.

Mr. BREHM. This may be a minor point, but I have had letters from 12 tenants who state that they would like to pay more rent because they realize that the landlord is not receiving sufficient money for his property, and asking that this provision be put in some control bill.

Mr. FLETCHER. I thank the gentleman for that contribution. I have had dozens and dozens of letters from tenants and landlords after they saw this proviso stating that they felt it was the only basis on which they could get together.

The CHAIRMAN. The time of the gentleman from California has expired.

The gentleman from New York [Mr. BUCK] is recognized for 5 minutes.

Mr. BUCK. Mr. Chairman, I have an identical amendment at the Clerk's desk. I therefore rise in support of the Buchanan amendment.

Mr. Chairman, make no mistake about it, unless the Buchanan amendment is adopted rentals in the city of New York and in every other city of America where a housing shortage exists will increase by 15 percent within a month after the President signs this bill.

I, of course, am speaking for the city of New York which embraces some 8,000,000 people and which has the largest concentration of people who rent their homes of any city in the country. Due to our land values and to the nature of our housing it is simply impossible for housing to catch up with demand before December 31, 1948. There is serious housing shortage in the city today. I had a letter only recently from a man who spent 2½ years in a Japanese prison camp, who married following his discharge, whose wife is expecting a baby in the near future and who has been unable to find any housing on Staten Island or in nearby Manhattan despite a 6 months' search.

To say that this 15-percent increase is voluntary is a ghastly joke. Where there are no surplus housing accommodations available the landlord will say to the tenant: "I want you to sign this lease or else"; and the tenant, unwilling to face the certainty of ouster by December 31, 1948, will take pen in hand and sign the lease with the 15-percent increase. Thereby inflation is served.

Mr. PATMAN. Mr. Chairman, will the gentleman yield?

Mr. BUCK. I prefer to continue my statement.

Some say that this provision in the bill is a cushion against still greater rent rises with the expiration of rent control. I say that the means by which that should be met would be for the States to enact rent-control laws similar to those of the State of New York. Speaking again from the standpoint of New York, it would be far better for Federal rent control to end immediately, thus permitting the State law to take over, than to subject New Yorkers to the 15-percent increase enacted into law by this bill.

I urge all who want to prevent rents from increasing 15 percent to vote in favor of the Buchanan amendment.

Mr. PATMAN. Mr. Chairman, will the gentleman yield?

Mr. BUCK. I yield to the gentleman from Texas.

Mr. PATMAN. May I invite the gentleman's attention to the fact that the landlord will be in a perfect bargaining position because he can tell the tenant: If he does not sign, why, first, he will use the place for himself, he wants it for his own use; second, or that he has a purchaser and wants the property for that reason; or third, he wants to alter or repair the building. He has a number of different reasons either of which he can use to force the tenant into signing the lease.

Mr. BUCK. There is no bargaining whatever. The landlord is absolutely in the driver's seat. In every city the landlord will get his 15-percent increase.

Mr. JAVITS. Mr. Chairman, will the gentleman yield?

Mr. BUCK. I yield to the gentleman from New York.

Mr. JAVITS. The gentleman will agree that this increase will in effect be a straight-across-the-board increase?

Mr. BUCK. It will be an across-the-board increase in every city where a housing shortage exists.

The CHAIRMAN. The time of the gentleman from New York has expired. All time has expired.

The question is on the amendment offered by the gentleman from Pennsylvania [Mr. BUCHANAN].

The question was taken; and on a division (demanded by Mr. BUCHANAN) there were—ayes 49, noes 127.

So the amendment was rejected.

Mr. MONRONEY. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. MONRONEY: On page 14, line 13, after the period, strike out the balance of line 13 and all of lines 14 to 18 and insert: "Housing accommodations for which a maximum rent is established by a lease, pursuant to the provisions of this proviso, shall be subject to former maximum rent ceiling rates in case of premature termination of such lease, or may be re-leased under the limitations of this proviso, upon mutual agreement of landlord and tenant, at a rate not in excess of the maximum rent which could have been provided for by the original lease made under this proviso."

Mr. MONRONEY. Mr. Chairman, this is an attempt to clarify what has proven to be quite a misunderstanding as to how the so-called Fletcher 15-percent lease provision will work. Many authorities who have studied this bill claim that once the 15-percent lease is entered into that house is then forever decontrolled.

In an effort to avoid evasion of the idea of this 15-percent lease agreement by phony lease arrangements, thereby decontrolling that property or that apartment forever, this proviso merely spells out that if the lease does not run to its termination or as long as rent control is in effect, that if the lease is voided by mutual agreement of landlord and tenant, the property goes back to its previous ceiling, or, if the landlord and tenant wish to sign up a new lease, then it is at the 15-percent provision above the former original ceiling.

I would like to say that I cannot agree with many of my friends who have severely condemned the lease provision. I think that it is an effort to begin the renegotiations between landlord and tenant; that it will not provide a blanket 15-percent increase across the board, but

will only provide for an increase where a tenant wishes to agree with his landlord for a 15-percent increase in exchange for security after the end of price control.

I think there are benefits that flow both ways, and I do not think you have to regard the landlord and tenant as mortal enemies and that the Government must always stand between them. I think they should be permitted to bargain on a lease arrangement.

But I do want to make it crystal clear that if you provide for this 15-percent increase that landlords not be permitted to make a lease and then void it to take their house out from under control of all rentals.

I would like to see if the majority members of the committee would accept this provision, to clarify the section against such evasion.

Mr. FLETCHER. Mr. Chairman, will the gentleman yield?

Mr. MONRONEY. I yield to the gentleman from California.

Mr. FLETCHER. In effect what the amendment does, when you have negotiated a 15-percent lease on a voluntary basis, mutually between landlord and tenant, and if that lease for some reason or other is disturbed, it takes the property back to the rent ceiling it had prior to the increase of 5, 10, and 15 percent, or whatever it was.

My point is this, that where a property has met the test of landlord and tenant, where two people have in an honorable way gotten together that this property is worth so much in its present condition I do not see any reason why the property should then revert back to its former natural rent because, after all, it may be that the apartment needed painting, the apartment needed remodeling, and that was the consideration for the increase in the rent.

Mr. MONRONEY. I think the gentleman then admits that the house will be out from under future rent control. What I am trying to do is to see it revert to its original ceiling, or if a tenant is willing to sign a new lease, then he pays only the 15 percent from the original ceiling again. I think the Fletcher provision distinctly needs this help to make it fair and to prevent evasion through phony lease arrangements.

Mr. WOLCOTT. Mr. Chairman, I ask unanimous consent that all debate on this amendment do now close.

The CHAIRMAN. Is there objection to the request of the gentleman from Michigan?

There was no objection.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Oklahoma [Mr. MONRONEY].

The amendment was rejected.

Mr. REDDEN. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. REDDEN: On page 15, line 22, after the period, insert "Provided the governing body of any county, city, or town may in their discretion terminate rent control earlier by a finding that the necessity therefor no longer exists."

Mr. REDDEN Mr. Chairman and gentlemen of the Committee, this amendment does one thing. It takes the right of rent control or the privilege of rent control back to the people of the municipalities affected thereby; in other words, they are the people that ought to know more about it than anybody who might be attempting to administer it in Washington. They are the people who govern your city or your county and they are the people who ought to have the knowledge of conditions existing with respect to the necessity for rent control.

If this amendment is passed, the governing body can find as a fact that whatever conditions did exist necessitating rent control no longer exist, and therefore terminate rent control earlier than March 31, 1948. I think that is where it ought to be. I ask you to support this amendment and let the governing authorities, the municipalities, say when rent control ought to terminate.

The CHAIRMAN. The question is on the amendment offered by the gentleman from North Carolina [Mr. REDDEN].

The question was taken; and on a division (demanded by Mr. REDDEN) there were—ayes 73, noes 85.

Mr. REDDEN. Mr. Chairman, I demand tellers.

Tellers were ordered, and the Chairman appointed as tellers Mr. WOLCOTT and Mr. REDDEN.

The Committee again divided; and the tellers reported that there were—ayes 129, noes 84.

So the amendment was agreed to.

Mr. DONDERO. Mr. Chairman, I offer an amendment which is at the Clerk's desk.

The Clerk read as follows:

Amendment offered by Mr. DONDERO: On page 13, line 16, after the colon insert "*Provided, however,* That an increase of 10 percent on existing rent is hereby authorized on all residential buildings consisting of 10 dwelling units or less, exclusive of janitor or management space."

Mr. DONDERO. Mr. Chairman, I do not intend to take the 5 minutes because I explained this amendment a short while ago and I think it speaks for itself. I make no pretense in saying to the Committee that 10 percent in no way equalizes the disparity now existing between the income of property and the expense of maintaining property. The amendment is offered to bring some relief to small property owners. You will notice it is limited to 10 residential units or less. That includes the income bungalow or the income type of property of one, two, or three dwelling units, but not exceeding 10. I cannot possibly foresee anybody objecting to this amendment when it is admitted on this floor that the maintenance of property has increased about 80 percent since rent control was established. How can anybody object to partial relief extended to small property owners to help them preserve their life savings and safeguard their modest income?

Mr. HARNESS of Indiana. Mr. Chairman, will the gentleman yield?

Mr. DONDERO. I yield.

Mr. HARNESS of Indiana. I wonder, if this amendment is adopted, if the Administrator would say in all of these cases of inequities, that this is the maximum; that Congress has fixed a maximum of 10 percent, and no more will be granted. The gentleman knows as well as I do that there are many cases where 10 percent will not meet the disparity. Let me give you one example. In a town in my district the taxes alone between 1946 and 1947 have increased 40 percent. Take a property with an assessed value of $5,000, rented at $30 a month. The tax increase alone on that property is $8 a month this year. Ten percent would not help him very much.

Mr. DONDERO. I admit that, yet I am trying to bring some relief to a segment of our people who have been penalized for being thrifty and self-sustaining. I hope this amendment will be adopted. I have stated before today that taxes throughout the Nation have increased nearly 40 percent since rent control was established. How can anybody deny to these people at least partial justice and equity?

Mr. HARNESS of Indiana. Will the gentleman yield further?

Mr. DONDERO. Yes: I yield.

Mr. HARNESS of Indiana. I would gladly support the amendment. It gives them a little something, but I am afraid it will mean a freezing of all increases, regardless of the inequities involved.

Mr. GAMBLE. Mr. Chairman, will the gentleman yield?

Mr. DONDERO. I yield to the gentleman from New York.

Mr. GAMBLE. Has the gentleman any idea how many housing units this would affect? Has the gentleman any figures on that, as to the number of housing units that will be affected throughout the country?

Mr. DONDERO. No, I have not. I am trying to provide some relief to small property owners by giving them at least 10 percent.

Mr. BROWN of Georgia. Mr. Chairman, will the gentleman yield?

Mr. DONDERO. I yield.

Mr. BROWN of Georgia. I desire to say to the gentleman that those witnesses who appeared before the committee said we should show some consideration to this class of people, and they all ask for a 10-percent raise. They say, just like the gentleman from Michigan has stated, that that is not enough, but certainly if we are going to take off the ceiling on everything else, we ought to show some consideration to the little man. They all say this will be just a gesture, but we ought to do something for them.

Mr. DONDERO. It is only a small gesture.

The CHAIRMAN. The time of the gentleman from Michigan [Mr. DONDERO] has expired.

Mr. BUFFETT. Mr. Chairman, I rise in support of the amendment. I ask unanimous consent to revise my remarks.

The CHAIRMAN. Is there objection to the request of the gentleman from Nebraska?

There was no objection.

Mr. BUFFETT. Mr. Chairman, this amendment attempts to remedy some of the obvious injustices of a legislative and economic maverick. A 10-percent blanket increase has inequities, but it does represent a measure of justice to the people who have their savings in rental property.

There has been some loose talk about intellectual honesty on this bill. In the last 4 years we, as Members of Congress, have raised our pay 50 percent presumably because of increased costs.

If there is someone who can explain to me how we can raise our own pay 50 percent, and yet say to the people who have their savings in property in this country, "You are entitled to no relief because of increased costs," I hope they will come around to me after this session and explain it carefully, because I am afraid I will have a hard time understanding that kind of acrobatics.

We had a great many witnesses before the committee. Perhaps the most valuable testimony we had was from the American Legion housing committee.

An American Legion housing committee went all over America studying this problem. They came before us and favored a 10-percent across-the-board increase on rents. Thus the American Legion went on record for a 10-percent blanket increase.

Let me show you the socialistic aspect of this situation in the minute or so I have remaining. Over in Europe Communists come up to a little fellow who has invested his savings in a cow. They take his cow and may give him some kind of phony money, but they take his cow. They lead it away and his investment is gone. In this country under rent control the Government of the United States is saying by its actions to the small property owner, the frugal person who has put his life savings in a rental house, "We will not confiscate your property outright. We will but take it away from you over a period of years by fixing rents under which you will lose your investment." That moves toward communism by the silk-glove route, with drawing-room finesse. It certainly has no place in a Congress that wants to give a square deal to the frugal people who have placed their savings in rental properties.

I hope this amendment, a gesture of fairness to property investors, is passed.

Mr. WOLCOTT. Mr. Chairman, I ask unanimous consent that all debate on this amendment and all amendments thereto close in 10 minutes.

The CHAIRMAN. Is there objection to the request of the gentleman from Michigan?

There was no objection.

The CHAIRMAN. The gentleman from New York [Mr. BUCK] is recognized for 3 minutes.

Mr. BUCK. Mr. Chairman, I oppose this amendment on two grounds: No. 1, it is inflationary; we are deliberately implementing the upward spiral of the cost of living. No. 2, I do not feel that landlords generally have been doing so badly. They no longer have the vacancy problem for which they normally allow 10 percent of their gross. Again, interest rates have come down substantially in the last dozen years and property can be carried for very much less than formerly. Furthermore, the bill already provides that in the event of inequity the Administrator shall make appropriate adjustments.

I feel that it is not a proper function of this Congress to contribute to the inflationary spiral by direct action.

I hope the amendment will be defeated.

The CHAIRMAN. The gentleman from Georgia [Mr. BROWN] is recognized for 3 minutes.

Mr. BROWN of Georgia. Mr. Chairman, what we want to do is to give justice to all groups. We have seen now the placing in this bill of a provision that those who build new houses from now on will not have any ceilings, nor will those who refused to give shelter in 1945 or 1946; nor is there any limit on ceilings to those who are able to increase the accommodation of the present building by erecting a little partition and making one more room. All these people are out from under the ceiling, and the sky is the limit.

In addition to that we have all the hotels now out from under ceilings. Furthermore on a lot of apartment houses there will be no ceilings under this provision, those housing accommodations in any establishment which is commonly known as a hotel in the community in which it is located which are occupied by persons who are provided customary hotel service such as maid service, furnishing linen, and so forth, telephone and desk service, will be exempted. Therefore it will leave a little helpless group for which we have done nothing.

This 15-percent amendment on which the landlord and tenant are supposed to agree will not be workable. They will never agree and you know it as well as I do. A 10-percent across-the-board raise means something to that group of people, confined principally to the little fellow, not benefited by the bill. Certainly we want to make some gesture to this class. Practically all the witnesses who testified said that the increase in the cost of living, in taxes, and on building materials for repairs had gone up so much since the freeze date that certainly some raise should be given to these people who have practically nothing except a small home to rent. In view of the fact that almost half of the population will not be under a ceiling, it is nothing but fair that we should raise the rent for the small fellow to help defray a part of this increased cost since the freeze date.

The amendment offered by the gentleman from Michigan should be adopted in order to give justice to a class of people, many of whom are receiving barely enough to repair their homes and pay the taxes imposed on them.

Mr. Chairman, I hope the pending amendment will be adopted.

The CHAIRMAN. The Chair recognizes the gentleman from Michigan [Mr. WOLCOTT].

Mr. WOLCOTT. Mr. Chairman, the amendment very obviously should be defeated. A long time ago when we were considering this matter and milling over the relief which might be given landlords, it was suggested that we increase the rates horizontally 10 percent. This appealed to some Members until we found that we would have to at least date the base period back to the time when rent controls were put on to make it at all equitable, because in many of these apartments adjustments have already been made. In units of 10 or less many have gotten adjustments, the same kind of adjustments which you seek to make here in order to correct an inequity.

The thing you have to be careful of is that you do not create just as many hardships by this amendment as you seek to correct and if you do create a hardship by this amendment what machinery is there in the law for the expeditious review of a petition on the part of a tenant for relief of this hardship? None whatsoever. He cannot sue the landlord and he cannot sue the Government. There is no machinery set up for the alleviation of those hardships, so you cannot do this equitably and fairly unless you set up some machinery for the expeditious relief of the hardships which might be created by it.

Mr. DONDERO. Mr. Chairman, will the gentleman yield?

Mr. WOLCOTT. I yield to the gentleman from Michigan.

Mr. DONDERO. What assurance have the people of this country that they will get any equitable adjustment?

Mr. WOLCOTT. May I say to the gentleman that all of the deficiencies in this law are administrative, not legislative. This Congress cannot administer the law. Under the system of government we have, the Executive has the responsibility of administering the law in accordance with the intent of the Congress. We say in this declaration of intent that hardship cases shall be corrected. We cannot administer the law. We have no way of knowing whether 10 percent is going to create more hardships than it seeks to correct. The gentleman cannot give me any figures on the number that will be affected by this, either on the negative or positive side.

The CHAIRMAN. All time has expired.

The question is on the amendment offered by the gentleman from Michigan [Mr. DONDERO].

The question was taken; and the Chair being in doubt, the Committee divided, and there were—ayes 104, noes 127.

Mr. DONDERO. Mr. Chairman, I demand tellers.

Tellers were ordered, and the Chairman appointed as tellers Mr. WOLCOTT and Mr. DONDERO.

The Committee again divided; and the tellers reported that there were—ayes 119, noes 135.

So the amendment was rejected.

Mr. HOLIFIELD. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. HOLIFIELD: On page 14, line 11, after the semicolon, strike out the balance of the paragraph and insert the following: "*And provided further*, That such leases under this section shall apply to a maximum of four rental units owned by any landlord."

Mr. WOLCOTT. Mr. Chairman, will the gentleman yield?

Mr. HOLIFIELD. I yield to the gentleman from Michigan.

Mr. WOLCOTT. Mr. Chairman, I wonder if we cannot agree upon a limitation of debate on all the remaining amendments. I understand there are eight of them. I also understand that most of the controversial amendments have been disposed of. For that reason, Mr. Chairman, I ask unanimous consent

that the balance of the bill be considered as read and that all debate on the bill and all amendments thereto close in 30 minutes.

Mr. BUSBEY. Mr. Chairman, a parliamentary inquiry.

The CHAIRMAN. The gentleman will state it.

Mr. BUSBEY. How many amendments are on the Clerk's desk?

The CHAIRMAN. Eleven altogether. Some of these amendments may be similar to others, and the Chair cannot tell how many other amendments will be offered.

Mr. BUSBEY. I hate to object to a request of the chairman of the committee, but I know there is one very important amendment on the desk.

The CHAIRMAN. Is there objection to the request of the gentleman from Michigan?

Mr BUSBEY. I object, Mr. Chairman.

Mr. WOLCOTT. Mr. Chairman, I move that the balance of the bill be considered as read and that all debate on the bill and all amendments thereto close at 6:45.

Mr. RANKIN. Mr. Chairman, I make the point of order that it is not in order to move to dispense with the reading of the bill. If it cannot be done by unanimous consent, it cannot be done at all. It is not in order to move to dispense with the reading of the bill.

The CHAIRMAN. Does the gentleman from Mississippi insist on the point of order?

Mr. RANKIN. I do, Mr. Chairman.

The CHAIRMAN. The point of order is sustained.

Mr. WOLCOTT. Mr. Chairman, I move that debate on the bill and all amendments thereto close at 6:45 p. m.

The CHAIRMAN. The question is on the motion of the gentleman from Michigan [Mr. WOLCOTT].

The motion was agreed to.

Mr. WOLCOTT. Mr. Chairman, I ask unanimous consent that the balance of the bill be considered as having been read.

Mr. RANKIN. Mr. Chairman, I make the point of order that the bill must be read. Somebody must know what is in it.

Mr. WOLCOTT. Mr. Chairman, I ask unanimous consent that the balance of the bill be considered as having been read.

Mr. RANKIN. Mr. Chairman, I make the point of order that the request is not in order, and I object.

The CHAIRMAN. Objection is heard.

Mr. HOLIFIELD. Mr. Chairman, I ask unanimous consent that notwithstanding the time that has just been taken out of my 5 minutes I may have 5 minutes in the event that I need it.

Mr. WOLCOTT. Of course, the gentleman from California [Mr. HOLIFIELD] understands that it was not my purpose to take the gentleman off his feet.

The CHAIRMAN. Is there objection to the request of the gentleman from California?

There was no objection.

Mr. HOLIFIELD. Mr. Chairman, I realize it is getting late. I will try not to take too much time.

I have offered this amendment to strike out from line 11, the balance of the section at the top of page 14. This amendment accomplishes the following purpose.

It insures that the 15-percent rent raise to the landlord from the original signer of the lease will be guaranteed. It also provides that the property shall not be rented for more than 15 percent above the present rate for the duration of rent control. That is the first purpose which it is designed to accomplish. It applies to the landlord holding up to four rental units and allows him to obtain this 15 percent which is already provided for in the bill. We have heard a great deal of talk on the floor about the small landlord. This is your opportunity to help the small landlord who depends on his rent to take care of his livelihood. It assures that the small landlord owning up to four units of rental property will be allowed to have the 15-percent raise. In the name of the small landlord, I appeal to you to support this amendment.

Mr. OWENS. You are to be complimented on this amendment because this strikes at the crux of the whole problem. Those are the people who have suffered the greatest.

Mr. HOLIFIELD. I thank the gentleman. The people who really need the help, and I agree that a great many of them do need help, are the small people who have labored a lifetime to acquire three or four pieces of rental property and who are depending upon this income to pay their grocery bill and other expenses. Those are the people who are more entitled to the raise than anybody.

The language which I have asked to be inserted in the bill guarantees the small landlord that he will get his 15-percent raise. That applies to the landlords who own four rental units.

The amendments offered by the gentleman from Michigan [Mr. DONDERO] applied to 10 units and gave them a 10-percent raise. This provides a guarantee of a 15-percent raise and applies to landlords owning four units or less. It protects the public against over-all raises by the mass rental agencies who have hundreds of rental units.

This is an attempt to improve a bill which I fear cannot be made workable.

Unless clarifying amendments are adopted, I shall vote to recommit this legislative monstrosity.

The CHAIRMAN. The question is on the amendment offered by the gentleman from California [Mr. HOLIFIELD].

The question was taken; and on a division (demanded by Mr. HOLIFIELD) there were—ayes 64, noes 86.

Mr. HOLIFIELD. Mr. Chairman, I demand tellers.

Tellers were refused.

So the amendment was rejected.

Mr. RIVERS. Mr. Chairman, a preferential motion.

The CHAIRMAN. The gentleman will state the motion.

Mr. RIVERS. Mr. Chairman, I move that the Committee do now rise.

The question was taken; and on a division (demanded by Mr. RIVERS) there were—ayes 45, noes 131.

So the motion was rejected.

Mr. COLE of Kansas. Mr. Chairman, I offer an amendment which is at the desk.

The Clerk read as follows:

Amendment offered by Mr. COLE of Kansas: On page 13, line 16, just before the colon insert a comma and the words, "except that where the real-estate taxes levied against such housing accommodations have been increased since such maximum rent was established or are increased during the effective period of this title, the maximum rent shall be subject to an automatic upward adjustment by the landlord not in excess of the amount necessary to offset such tax increase for the future period covered thereby."

Mr. COLE of Kansas. Mr. Chairman, I shall not take much of the time of the committee, but I believe this is an amendment which can be accepted.

Not long ago the committee declined to accept an amendment offered by the gentleman from Michigan [Mr. DONDERO], because there was some question that perhaps a 10-percent straight across-the-board raise in rentals might freeze rentals. The amendment which I have offered provides that if there has been a raise in the levy of real-estate taxes since the maximum rental was fixed, the landlord may, in his discretion, raise the rent by an automatic upward adjustment not in excess of the amount necessary to offset such tax increase.

Mr. Chairman, I know that this particular raise on the part of the landlord is one that is just, that it is fair, that it cannot be considered to allow some increase in fraud, but one which every landlord is entitled to if he has had an increase of his taxes.

Mr. BATES of Massachusetts. Mr. Chairman, will the gentleman yield?

Mr. COLE of Kansas. I yield.

Mr. BATES of Massachusetts. I believe the gentleman has a good amendment. If we had better administration of the rent-control law that would take advantage of the opportunities in the present law where we could recognize these hardship cases then we would not have all this turmoil on the floor of the House today.

In the State of Massachusetts this year some of the tax rates are going up as high as $10 on a thousand, or an increase of 20 to 30 percent. If, as I say, the administrators under the present law would recognize those hardship cases there would not be this turmoil on the floor of the House today.

Mr. COLE of Kansas. The gentleman is absolutely correct.

I wish to say to the Committee that from a survey recently made in 70 groups from 59 cities embracing 24 States it shows that taxation on the buildings covered by the study have increased a minimum of 20 percent since the institution of rent control. The increase has been 50 percent in some of the cities. The highest increase reported in any of the cities was 116 percent.

This is the increase which the gentleman said a moment ago should have been permitted if the administration of this law had been properly carried out, but which has not been allowed in the past. If this is permitted the rent increase allowed the landlords will not be 10 percent, or 15 percent, or 20 percent,

it will be the fixed amount by which his tax levy has been increased, a basic substantial figure to which no one can object.

Mr. POULSON. Mr. Chairman, will the gentleman yield?

Mr. COLE of Kansas. I yield.

Mr. POULSON. Does not the gentleman think that is one reason why we should turn it back to the municipalities or those agencies which are raising the taxes, for instance?

Mr. COLE of Kansas. I do not quite agree that we should turn it back to the municipalities.

Mr. POULSON. They are the ones who raised the taxes.

Mr. COLE of Kansas. I believe that would cause more trouble than the gentleman might think. Nevertheless, I believe this particular amendment is a good one. I therefore hope the Committee will adopt it.

The CHAIRMAN. The time of the gentleman from Kansas has expired.

Mr. BATES of Massachusetts. Mr. Chairman, I rise in support of the amendment.

The CHAIRMAN. The gentleman from Massachusetts is recognized for 5 minutes.

Mr. KLEIN. Mr. Chairman, will the gentleman yield?

Mr. BATES of Massachusetts. I yield.

Mr. KLEIN. I understand that all debate on the bill closes at 6:45. There are about 10 amendments at the desk. Has there been any agreement or arrangement as to the division of the time amongst those who have amendments to offer?

The CHAIRMAN. There is no arrangement whatever as to dividing the time.

Mr. KLEIN. What happens to those who have amendments pending but no chance to argue them?

The CHAIRMAN. Those who offer any amendment after 6:45 will not have an opportunity to debate the amendment but the amendment will be voted on.

Mr. EBERHARTER. Mr. Chairman, a parliamentary inquiry.

The CHAIRMAN. The gentleman will state it.

Mr. EBERHARTER. Is it not the practice for the Chair to recognize only those who have amendments at the desk rather than those who do not have amendments?

The CHAIRMAN. That is what the Chair expects to do, but it is not the province of the Chair to be arbitrary.

Mrs. DOUGLAS. Mr. Chairman, a parliamentary inquiry.

The CHAIRMAN. The gentlewoman will state it.

Mrs. DOUGLAS. Mr. Chairman, I have an amendment at the desk. The chairman of the committee stated that he thought all controversial amendments had been disposed of. I do not consider my amendment free from controversy. I would like to have 1 or 2 minutes to discuss my amendment.

The CHAIRMAN. The Chair may state that the Chair understands the gentlewoman's amendment applies to striking out the whole title and that would properly come after the bill had been read. A request to dispense with further reading of the bill was dispensed with so the bill must be read. This being the case the gentlewoman's amendment could not be in order until after the bill is read.

Mr. BATES of Massachusetts. Mr. Chairman, I rise in support of the amendment offered by the gentleman from Kansas [Mr. COLE] because I believe the time has come when hardship cases ought to be given some recognition. The great difficulty up to the present time is that we have, for the most part, political boards determining questions involving the flexible provisions of the law. These cases involving hardship should be determined and given consideration.

Mr. Chairman, under the present law there are flexible provisions that permit the administrators of the law to recognize hardship cases where there are unusual expenses involved in the administration of the property. In the bill we are today considering there is provision also for adjustments in maximum rents which can be made where it is necessary to correct inequities. May I ask the chairman of the Committee on Banking and Currency this question: In view of the fact that we have substantial increases in tax rates and the tax bills all over the country and in every community, whether or not in his opinion in the administration of the law as now proposed by the committee these excessive increases in tax rates and the tax bill can be considered inequities? I would like to ask the gentleman, What is his interpretation of the bill and those provisions?

Mr. WOLCOTT. If the gentleman had asked me if I thought an inequity would be created under those circumstances I would answer in the affirmative, because I have already stated that I thought where the income from the rented property is not sufficient to reflect the cost of maintaining the property, plus a reasonable return on the investment, an inequity existed and should be corrected.

Mr. BATES of Massachusetts. Unfortunately, in the administration of the act up to the present time those principles have not been recognized.

The CHAIRMAN. The time of the gentleman from Massachusetts has expired.

Mr. WOLCOTT. Mr. Chairman, I ask unanimous consent that all those having amendments at the Clerk's desk may be recognized for 2 minutes and that those in opposition to the several amendments may be recognized for 2 minutes within the time previously agreed upon.

The CHAIRMAN. Is there objection to the request of the gentleman from Michigan?

There was no objection.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Kansas [Mr. COLE].

The amendment was rejected.

Mr. ROONEY. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. ROONEY: On page 14, after line 18, add a new section to read as follows:

"In view of the desperate housing situation the American people deserve our sympathy."

The CHAIRMAN. The question is on the amendment offered by the gentleman from New York [Mr. ROONEY].

The amendment was rejected.

Mrs. DOUGLAS. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mrs. DOUGLAS: On page 9, line 19, strike out all of title II and insert:

"*Be it enacted, etc.,* That the provisions of the Emergency Price Control Act of 1942, as amended, and all regulations, orders, and requirements thereunder, insofar as rents are concerned, shall be continued until June 30, 1948.

"No general increase in rents shall be granted under authority of that act except as may be required under the provisions of section 2 (b) thereof."

Mrs. DOUGLAS. Mr. Chairman and Members of the Committee, I have asked to strike out all of title II and to put in its place an amendment to continue the control of rents, as we have them now, for another year. In the face of the rising cost of living and in the face of the most acute housing shortage in the history of our country, to do away with rent controls, as this bill proposed even before it was amended, is to invite the American people to the dizzy waltz of inflation.

The distinguished chairman of the Committee on Banking and Currency said that he did not want to be responsible for one picture appearing in one paper of a mother with her little child in her arms sitting in the street—evicted from her home—with nowhere to go. I say that this bill, if passed, guarantees that there will be thousands of mothers in the streets—evicted from their living quarters—with their children in their arms—and with nowhere to go.

This bill legalizes blackjacking; this bill legalizes the use of fear to obtain higher rents; this bill legalizes decontrols; this bill guarantees that rents will skyrocket; this bill guarantees that there will be no rent control. This program legalizes evictions.

We either believe we need rent controls or we do not. We should stand up and be counted.

We are concerned over the rising cost of living or we are not. We should stand up and be counted.

I hope that this House will vote for my amendment.

I hope that this House will vote for the millions of men, women, and children who need their protection today.

The CHAIRMAN The question is on the amendment offered by the gentlewoman from California.

The question was taken; and on a division (demanded by Mrs. DOUGLAS) there were—ayes 52, noes 195.

So the amendment was rejected.

Mr. MACKINNON. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. MACKINNON: On page 20, line 13, after the comma strike out "and" and insert "that the altering or remodeling is reasonably necessary to protect and conserve the housing accommodations and cannot practicably be done with the tenant in occupancy, and that the landlord."

Mr. WOLCOTT. Mr. Chairman, will the gentleman yield?

Mr. MACKINNON. I yield to the gentleman from Michigan.

Mr. WOLCOTT. Although I think the gentleman's amendment goes to the good faith of the transaction and that it is covered in the first sentence, I do think perhaps the gentleman spells it out a little more completely. As far as I am concerned, the language is entirely satisfactory.

Mr. MACKINNON. I thank the gentleman. I am glad to have the gentleman's statement.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Minnesota [Mr. MACKINNON].

The amendment was agreed to.

Mr. VAIL. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. VAIL:

On page 13, line 16, after the colon, insert the following: "*Provided*, That the head of the department or agency designated pursuant to subsection (a) shall authorize an increase of 10 percent, effective on and after the effective date of this title, in the maximum rent in effect on that date for all controlled housing accommodations in all defense rental areas."

And strike out the second proviso of section 204 (b) beginning on page 13, line 21, after the colon through page 14, line 18, and change the colon to a period on page 13, line 21.

Mr. VAIL. Mr. Chairman, this amendment affords a measure of relief from the punitive provisions of the Emergency Price Control Act of 1942 in their application to investors providing housing to others who by choice or necessity elect to rent rather than to own. This amendment is also intended as a substitute for the provision for 15 percent maximum increase by agreement between landlord and tenant, which can only serve to accentuate inequities if successful and create rancor and resentment if unsuccessful.

When the Government arbitrarily established in 1942 a ceiling on existing rents, it also assumed the implied obligation to protect the investor in housing facilities from losses through mounting costs. Either costs should have been frozen or normal net earnings assured through subsidy, but no such provision was made and no action for relief has been taken, and through the years 1942, 1943, 1944, 1945, 1946, and thus far in 1947 each succeeding year has brought with it increased costs and added hardship to investors in a vital public service.

News of the failure of the committee to provide adequate consideration in the reported bill for relief of the situation came to me, and I believe to you as well, as a severe shock. It seems to me that the issue here is more far-reaching than the proposed amendment itself. We, of the Congress, are on trial to determine whether we are legislating for right and for equity or if we intend to follow the philosophy of subordinating those factors to political expediency—to the sacrifice of fairness to minorities in the quest for votes from large numerical groups.

No other minority group providing a vital service to the public has been so punished. Through sharp wage and material increases already low net rental incomes of 1942 have been in effect confiscated by Government decree to a point where extension of normal services to tenants is jeopardized. Through the war years and up to the present time labor and materials have not been available and properties could not be maintained by normal repairs. Investors are now faced by major cumulative repair cost without income from which they may be met. The landlord has borne the burden of sacrifice long enough—he is entitled to relief now—not sometime in the indefinite future. The 10-percent across-the-board increase in rents can only serve to alleviate, not cure completely, a distressing and discriminatory condition. It must be remembered that the landlord's dollar, too, buys less today than in 1942.

Not only do the landlords appeal to you for justice and fair play, but the right-thinking tenants of the country—and they are the majority—support their plea in the knowledge that the cause is just. The House has achieved a splendid record to this date and it is my hope that its action upon this amendment will be such as to fully establish the confidence of the American public in its intent to hew firmly to the cause of justice let the chips fall where they may.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Illinois [Mr. VAIL].

The amendment was rejected.

Mr. HARDY. Mr. Chairman, I offer an amendment, which is at the Clerk's desk.

The Clerk read as follows:

Amendment offered by Mr. HARDY: On page 14, line 18, insert the following: "This proviso shall not apply with respect to housing accommodations constructed with priority ratings or under specific authorization from the United States or any agency thereof for which the rent has been approved by the United States or any agency thereof in connection with the granting of such priority rating or such authorization."

Mr. HARDY. Mr. Chairman, since I am not too concerned about getting a statement in the RECORD for home consumption, I do not think I will even use all of my 2 minutes. I do want to explain, however, just what this amendment is proposed to do. Its purpose is to prevent the accentuation of certain flagrant inequities that now exist.

I do not know whether in your districts you have the same situation that I have. But during the war we had a great many defense rental housing projects constructed. The rents for those projects were not fixed by the Office of Price Administration, but they were fixed by the agency which granted the priority which enabled them to construct those projects. In every case the rents in those projects are far in excess of rents for comparable properties owned by private individuals locally and which properties were constructed prior to the beginning of the war. There is no justice in a man having property on one side of the street getting twice as much rent as a man with comparable property on the other side of the street.

I hope the Committee will approve this amendment.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Virginia [Mr. HARDY].

The question was taken; and on a division (demanded by Mr. HARDY) there were—ayes 53, noes 121.

So the amendment was rejected.

Mr. JAVITS. Mr. Chairman, I offer an amendment, which is at the Clerk's desk.

The Clerk read as follows:

Amendment offered by Mr. JAVITS:

On page 20, line 20, at the end of section 209, insert "*Provided, however*, That any court of competent jurisdiction may stay any proceeding or action by virtue of paragraphs 2, 3, or 4 of this section, or any order, judgment, or decree of eviction issued therein for a period of not to exceed 6 months if the tenant for good cause shown is unable to vacate such controlled housing accommodation."

Mr. JAVITS. Mr. Chairman, my amendment gives the courts power to stay eviction in a case in which eviction is permitted under this act for acts that the tenant has nothing to do with; that is, in the case where a landlord seeks the tenant's premises because he has sold the building or because he wants to move into it himself or because he wants to remodel it. My amendment gives the tenant enough time to find new quarters in those circumstances and does not leave it to State laws alone. The figures show that an enormous shift has taken place in the country from rental to ownership occupancy. The shift is from 41 percent owner occupied in 1940 to 51 percent owner occupied in 1946 of the aggregate number of rental units in the country and shows that this amendment is essential. As you are going to stop a galloping inflation by keeping a roof on rentals without an across-the-board increase, you should also take this additional precaution regarding repossession of premises in the event of sales or for personal occupancy of the landlord, and give the tenant added protection in those cases. I believe the courts of New York will do their best in such cases, but it is a very useful safeguard to have it in the bill.

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

The question is on the amendment offered by the gentleman from New York [Mr. JAVITS].

The question was taken; and on a division (demanded by Mr. JAVITS) there were—ayes 16, noes 136.

So the amendment was rejected.

The CHAIRMAN. All time for debate has expired.

Are there any further amendments to section 204? If not, the Clerk will read.

The Clerk read as follows:

RECOVERY OF DAMAGES BY TENANTS

SEC. 205. Any person who demands, accepts, or receives any payment of ent in excess of the maximum rent prescribed under section 204 (b) shall be liable to the person from whom he demands, accepts, or receives such payment, for reasonable attorney's fees and costs as determined by the court, plus liquidated damages in the amount of (1) $50, or (2) three times the amount by which the payment or payments demanded, accepted, or received exceed the maximum rent which could lawfully be demanded, accepted, or received, whichever in either case may be the greater amount: *Provided*, That the amount of such liquidated damages shall

be the amount of the overcharge or overcharges if the defendant proves that the violation was neither willful nor the result of failure to take practicable precautions against the occurrence of the violation. Suit to recover such amount may be brought in any Federal, State, or Territorial court of competent jurisdiction within 1 year after the date of such violation. For the purpose of determining the amount of liquidated damages to be awarded to the plaintiff in action brought under this section, all violations alleged in such action which were committed by the defendant with respect to the plaintiff prior to the bringing of action shall be deemed to constitute one violation, and the amount demanded, accepted, or received in connection with such one violation shall be deemed to be the aggregate amount demanded, accepted, or received in connection with all violations. A judgment in an action under this section shall be a bar to a recovery under this section in any other action against the same defendant on account of any violation with respect to the same plaintiff prior to the institution of the action in which such judgment was rendered.

PROHIBITION AND ENFORCEMENT

SEC. 206. (a) It shall be unlawful for any person to offer, solicit, demand, accept, or receive any rent for the use or occupancy of any controlled housing accommodations in excess of the maximum rent prescribed under section 204 (b).

(b) Whenever in the judgment of the head of the department or agency designated pursuant to section 204 (a) any person has engaged or is about to engage in any act or practice which constitutes or will constitute a violation of subsection (a) of this section, he may make application to any Federal, State, or Territorial court of competent jurisdiction, for an order enjoining such act or practice, or for an order enforcing compliance with such subsection, and upon a showing by the head of such department or agency that such person has engaged or is about to engage in any such act or practice a permanent or temporary injunction, restraining order, or other order shall be granted without bond.

MAINTENANCE OF ACTIONS FOR CERTAIN ALLEGED PAST VIOLATIONS

SEC. 207. No action or proceeding, involving any alleged violation of Maximum Price Regulation No. 188, issued under the Emergency Price Control Act of 1942, as amended, shall be maintained in any court, or judgment thereon executed or otherwise proceeded on, if a court of competent jurisdiction has found, or by opinion has declared, that the person alleged to have committed such violation acted in good faith and that application to such person of the "actual delivery" provisions of such regulation would result or has resulted in extreme hardship.

TRANSFER OF PROPERTY AND PERSONNEL

SEC. 208. (a) There are hereby transferred to the head of the department or agency designated pursuant to section 204 (a), (1) all records, property, or other data of the Office of Price Administration and/or the Office of Temporary Controls used or held in connection with the establishment and maintenance of maximum rents; (2) so much of the unexpended balances of appropriations, allocations, or other funds available for use by the Office of Temporary Controls in the establishment and maintenance of rents as the Director of the Budget shall determine; and (3) such of the personnel employed by the Office of Temporary Controls in connection with the establishment or maintenance of maximum rents as the head of the department or agency designated pursuant to section 204 (a), subject to the approval of the Director of the Budget, certifies are needed in connection with the administration of this title.

(b) There are authorized to be appropriated to the department or agency designated pursuant to section 204 (a) such sums as may be necessary to carry out the provisions of this title.

EVICTION OF TENANTS

SEC. 209. No action or proceeding to recover possession of any controlled housing accommodations shall be maintainable by any landlord against any tenant in any court, notwithstanding the fact that the tenant has no lease or that his lease has expired, so long as the tenant continues to pay the rent to which the landlord is entitled unless—

(1) under the law of the State in which the action or proceeding is brought the tenant is (A) violating the obligation of his tenancy (other than an obligation to pay rent higher than rent permitted under this act or an obligation to surrender possession of such housing accommodations) or (B) is committing a nuisance in such housing accommodations or using such housing accommodations for an immoral or illegal purpose or for other than living or dwelling purposes;

(2) the landlord seeks in good faith to recover possession of such housing accommodations for his immediate and personal use and occupancy as housing accommodations;

(3) the landlord has in good faith contracted in writing to sell the housing accommodations to a purchaser for the immediate and personal use and occupancy as housing accommodations by such purchaser;

(4) the landlord seeks in good faith to recover possession of such housing accommodations for the immediate purpose of substantially altering, remodeling, or demolishing them and replacing them with new construction, and has obtained such approval as may be required by Federal, State, or local law for the alterations, remodeling, or any construction planned: or

(5) the housing accommodations are nonhousekeeping, furnished housing accommodations located within a single dwelling unit not used as a rooming or boarding house and the remaining portion of which is occupied by the landlord or his immediate family.

APPLICATION

SEC. 210. The provisions of this title shall be applicable to the several States and to the Territories and possessions of the United States, but shall not be applicable to the District of Columbia.

EFFECTIVE DATE OF TITLE

SEC. 211. This title shall become effective on the first day of the first calendar month following the month in which this act is enacted.

TITLE III—SEPARABILITY OF PROVISIONS

SEC. 301. If any provision of this act or the application of such provision to any person or circumstances shall be held invalid, the validity of the remainder of this act, and the applicability of such provision to other persons or circumstances, shall not be affected thereby.

Mr. WOLCOTT (interrupting the reading of the bill). Mr. Chairman, I ask unanimous consent that further reading of the bill be dispensed with.

The CHAIRMAN. Is there objection to the request of the gentleman from Michigan [Mr. WOLCOTT]?

Mr. RANKIN. Mr. Chairman, since the bill cannot be made any worse than it is, I withdraw my objection.

There was no objection.

The CHAIRMAN. Are there any further amendments?

Mr. ALMOND. Mr. Chairman, I offer an amendment which is at the Clerk's desk.

The Clerk read as follows:

Amendment offered by Mr. ALMOND:

Page 20, line 22, strike out "The" and insert "(a) Subject to the provisions of subsection (b) of this section, the."

And after line 25 insert the following subsection:

"(b) Whenever the governor of any State advises the head of the department or agency designated pursuant to section 204 (a), hereinafter referred to as the "administrator", that the legislature of such State has adequately provided for the establishment and maintenance of maximum rents with respect to housing accommodations within defense-rental areas in such State and of the date on which such State rent control will become effective, the administrator shall immediately make public announcement to the effect that he has been so advised. At the same time all rent controls under this title with respect to housing accommodations within such State shall be terminated as of the date on which State rent control is to become effective; and the administrator shall make available to the proper officials of such State any records and other information in his possession with respect to the establishment and maintenance of maximum rents for housing accommodations in such State which may be requested by such officials. Any such records and other information shall be so made available subject to recall for use in carrying out the purposes of this title or any other law. As used in this subsection, the term 'State' means any State, Territory, or possession of the United States."

The CHAIRMAN. The question is on the amendment offered by the gentleman from Virginia [Mr. ALMOND].

The amendment was rejected.

The CHAIRMAN. Are there any further amendments? If not, the Committee will rise.

Accordingly the Committee rose; and the Speaker having resumed the chair, Mr. JENKINS of Ohio, Chairman of the Committee of the Whole House on the State of the Union, reported that that Committee, having had under consideration the bill (H. R. 3203) relative to maximum rents on housing accommodations; to repeal certain provisions of Public Law 388, Seventy-ninth Congress, and for other purposes, pursuant to House Resolution 200, he reported the same back to the House with sundry amendments adopted in Committee of the Whole.

The SPEAKER. Under the rule, the previous question is ordered.

Is a separate vote demanded on any amendment? If not, the Chair will put them en grosse.

The amendments were agreed to.

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

The SPEAKER. The question is on the passage of the bill.

Mr. PATMAN. Mr. Speaker, I offer a motion to recommit.

The SPEAKER. Is the gentleman opposed to the bill?

Mr. PATMAN. I am.

The SPEAKER. The gentleman qualifies. The Clerk will report the motion.

The Clerk read as follows:

Mr. PATMAN moves to recommit the bill H. R. 3203 to the Committee on Banking and Currency.

Mr. WOLCOTT. Mr. Speaker, I move the previous question on the motion to recommit.

The previous question was ordered.

The SPEAKER. The question is on the motion to recommit.

The question was taken; and on a division (demanded by Mr. PATMAN) there were—ayes 157, noes 147.

Mr. WOLCOTT. Mr. Speaker, I demand the yeas and nays.

The yeas and nays were ordered.

The question was taken; and there were—yeas 189, nays 197, not voting 45, as follows:

[Roll No. 47]

YEAS—189

Abernethy	Gary	Mills
Albert	Gordon	Monroney
Allen, La	Gore	Morgan
Almond	Gorski	Morris
Anderson, Calif	Gossett	Morrison
Andrews Ala.	Granger	Murdock
Angell	Grant, Ala.	Murray, Tenn.
Arnold	Gregory	O'Brien
Barden	Gwynne, Iowa	O'Toole
Barrett	Hardy	Passman
Bates, Ky.	Harless, Ariz.	Patman
Battle	Harris	Peden
Beckworth	Harrison	Peterson
Blatnik	Hart	Pfeifer
Boggs, La.	Havenner	Philbin
Bonner	Hays	Phillips, Calif.
Brooks	Hébert	Phillips, Tenn.
Buchanan	Hedrick	Pickett
Buck	Heffernan	Poage
Buckley	Hendricks	Powell
Buffett	Hoeven	Preston
Burleson	Hoffman	Price, Fla.
Busbey	Holifield	Price, Ill.
Byrne, N. Y.	Huber	Priest
Cannon	Hull	Rabin
Carroll	Jackson, Wash.	Rains
Chapman	Jarman	Rankin
Chelf	Jenison	Rayburn
Clark	Jensen	Rayfiel
Coffin	Johnson, Okla.	Redden
Cole, Mo.	Johnson, Tex.	Rizley
Colmer	Jones, Ala.	Rockwell
Combs	Jones, N. C.	Rogers, Fla.
Cooper	Karsten, Mo.	Rooney
Courtney	Kee	Russell
Cox	Kelley	Sabath
Cravens	Kennedy	Sasscer
Crosser	Keogh	Schwabe, Mo.
Cunningham	Kilday	Short
Curtis	King	Sikes
Davis, Ga.	Kirwan	Smathers
Davis, Tenn.	Klein	Smith, Va.
Dawson, Ill.	Lane	Somers
Deane	Lanham	Spence
Delaney	Larcade	Stanley
Dingell	Lea	Stefan
Dolliver	LeCompte	Stigler
Domengeaux	Lemke	Teague
Donohue	Lesinski	Thomas, Tex.
Dorn	Lucas	Thomason
Doughton	Lusk	Trimble
Douglas	Lyle	Vail
Durham	Lynch	Walter
Eberharter	McCormack	Wheeler
Elliott	McMillan, S. C.	Whitten
Engle, Calif.	Madden	Whittington
Evins	Mahon	Williams
Fallon	Mansfield, Mont.	Wilson, Tex.
Feighan	Marcantonio	Winstead
Fernandez	Martin, Iowa	Wood
Fisher	Meade, Md.	Worley
Flannagan	Merrow	Zimmerman
Fogarty	Miller, Calif.	
Forand		

NAYS—197

Allen, Calif.	Boggs, Del.	Case, N. J.
Andersen, H. Carl	Bolton	Case, S. Dak.
Andresen, August H.	Boykin	Chadwick
Arends	Bradley, Calif.	Chenoweth
Auchincloss	Bradley, Mich.	Chiperfield
Banta	Bramblett	Church
Bates, Mass.	Brehm	Clason
Beall	Brophy	Clevenger
Bell	Brown, Ga.	Cole, Kans.
Bender	Brown, Ohio	Cole, N. Y.
Bennett, Mich.	Bryson	Cooley
Bennett, Mo.	Burke	Corbett
Bishop	Butler	Cotton
Blackney	Byrnes, Wis.	Coudert
	Camp	Crawford
	Canfield	Crow
Dague	Jones, Ohio	Riehlman
Dawson, Utah	Jones, Wash.	Riley
Devit	Jonkman	Rivers
D'Ewart	Kean	Robertson
Dondero	Kearney	Robsion
Drewry	Kearns	Rogers, Mass.
Elsaesser	Keating	Rohrbough
Elston	Keefe	Ross
Engel, Mich.	Kerr	Sadlak
Fellows	Kersten, Wis.	Sadowski
Fenton	Kunkel	St. George
Fletcher	Landis	Sanborn
Folger	Latham	Schwabe, Okla.
Foote	LeFevre	Scoblick
Fulton	Lewis	Scott, Hardie
Gamble	Lodge	Scott, Hugh D., Jr.
Gathings	Love	Scrivner
Gavin	McConnell	Seely-Brown
Gearhart	McCowen	Shafer
Gillette	McDonough	Simpson, Ill.
Gillie	McDowell	Simpson, Pa.
Goff	McGarvey	Smith, Kans.
Goodwin	McGregor	Smith, Maine
Graham	McMahon	Smith, Ohio
Grant, Ind.	McMillen, Ill.	Smith, Wis.
Griffiths	MacKinnon	Snyder
Gwinn, N. Y.	Mathews	Springer
Hagen	Meyer	Stevenson
Hale	Michener	Stockman
Hall, Edwin Arthur	Miller, Conn.	Stratton
Hall, Leonard W.	Miller, Md.	Taber
Halleck	Miller, Nebr.	Talle
Hand	Mundt	Taylor
Harness, Ind.	Murray, Wis.	Thomas, N. J.
Heselton	Nodar	Tibbott
Hess	Norblad	Tollefson
Hill	O'Hara	Towe
Hinshaw	O'Konski	Twyman
Hobbs	Owens	Van Zandt
Holmes	Pace	Vorys
Hope	Patterson	Vursell
Horan	Ploeser	Wadsworth
Jackson, Calif.	Potts	Welchel
Javits	Poulson	Wigglesworth
Jenkins, Ohio	Ramey	Wilson, Ind.
Jenkins, Pa.	Reed, Ill.	Wolcott
Jennings	Reed, N. Y.	Wolverton
Johnson, Calif.	Rees	Woodruff
Johnson, Ill.	Reeves	Youngblood
Johnson, Ind.	Rich	
	Richards	

NOT VOTING—45

Allen, Ill.	Fuller	Mansfield, Tex.
Andrews, N. Y.	Gallagher	Mason
Bakewell	Gerlach	Meade, Ky.
Bland	Gifford	Mitchell
Bloom	Gross	Morton
Bulwinkle	Hartley	Nixon
Carson	Herter	Norrell
Celler	Howell	Norton
Clements	Judd	Plumley
Clippinger	Kefauver	Sarbacher
D'Alesandro	Kilburn	Sheppard
Dirksen	Knutson	Sundstrom
Eaton	Macy	Vinson
Ellis	Maloney	Welch
Ellsworth	Manasco	West

So the motion to recommit was rejected.

The Clerk announced the following pairs:

On this vote:

Mr. D'Alesandro for, with Mr. Sarbacher against.

Mrs. Norton for, with Mr. Vinson against.

Mr. Bloom for, with Mr. Maloney against.

Mr. Celler for, with Mr. Herter against.

Mr. Kefauver for, with Mr. Howell against.

Mr. Sheppard for, with Mr. Judd against.

Mr. Mansfield, of Texas, for, with Mr. Bakewell against.

Mr. Clippinger for, with Mr. Sundstrom against.

General pairs until further notice:

Mr. Macy with Mr. Clements.

Mr. Hartley with Mr. Bulwinkle.

Mr. Allen, of Illinois, with Mr. Bland.

Mr. Kilburn with Mr. West.

Mr. Meade, of Kentucky, with Mr. Norrell.

Mr. Mitchell with Mr. Manasco.

Messrs. BATES of Massachusetts, BROPHY, BROWN of Ohio, AUGUST H. ANDRESEN, BELL, BURKE, JOHNSON of Illinois, OWENS, BISHOP, CHURCH, and MILLER of Nebraska changed their votes from "yea" to "nay."

Mr. O'BRIEN changed his vote from "nay" to "yea."

The result of the vote was announced as above recorded.

The SPEAKER. The question is on the passage of the bill.

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

The yeas and nays were ordered.

The question was taken; and there were—yeas 205, nays 182, not voting 44, as follows:

[Roll No. 48]

YEAS—205

Allen, Calif.	Gavin	Muhlenberg
Anderson, Calif	Gearhart	Mundt
Arends	Gillette	Murray, Wis.
Arnold	Gillie	Nodar
Auchincloss	Graham	Norblad
Bates, Mass.	Grant, Ala.	O'Brien
Battle	Grant, Ind.	Pace
Beall	Gregory	Patterson
Beckworth	Gross	Pfeifer
Bell	Hale	Phillips, Tenn.
Bender	Hall, Edwin Arthur	Ploeser
Bennett, Mich.	Hall, Leonard W.	Potts
Blackney	Halleck	Poulson
Boggs, Del.	Hand	Priest
Boggs, La.	Hays	Rains
Bolton	Hébert	Redden
Boykin	Heffernan	Reed, Ill.
Bradley, Calif.	Hendricks	Reed, N. Y.
Bramblett	Heselton	Rees
Brehm	Hess	Reeves
Brooks	Hinshaw	Rich
Brophy	Hobbs	Richards
Brown, Ga.	Holmes	Riehlman
Bryson	Hope	Riley
Burke	Horan	Rivers
Butler	Hull	Robertson
Camp	Jackson, Calif.	Robsion
Canfield	Jarman	Rogers, Mass.
Cannon	Javits	Rohrbough
Case, N. J.	Jenkins, Ohio	Rooney
Case, S. Dak.	Jenkins, Pa.	Ross
Chadwick	Jennings	Russell
Chapman	Johnson, Calif.	Sadlak
Chelf	Johnson, Ind.	Sadowski
Chiperfield	Jones, Ala.	Scoblick
Clason	Jones, N. C.	Scott, Hardie
Coffin	Jones, Wash.	Scott, Hugh D., Jr.
Cole, Kans.	Jonkman	Seely-Brown
Cole, N. Y.	Kean	Sheppard
Cooley	Kearney	Simpson, Pa.
Cooper	Kearns	Smathers
Corbett	Keating	Smith, Maine
Coudert	Keefe	Smith, Wis.
Courtney	Kerr	Snyder
Crow	Keogh	Somers
Dague	Kersten, Wis.	Springer
Davis, Ga.	Kilday	Stevenson
Davis, Tenn.	Kunkel	Stockman
Dawson, Utah	Landis	Stratton
Deane	Latham	Taber
Delaney	Lea	Talle
Devitt	LeFevre	Taylor
D'Ewart	Lodge	Thomas, N. J.
Domengeaux	Love	Thomas, Tex.
Doughton	Lusk	Thomason
Durham	McConnell	Tibbott
Elsaesser	McDonough	Tollefson
Elston	McDowell	Towe
Engel, Mich.	McMahon	Twyman
Engle, Calif.	McMillen, Ill.	Van Zandt
Fallon	MacKinnon	Vorys
Fenton	Mathews	Wadsworth
Fernandez	Meade, Md.	Wigglesworth
Fletcher	Michener	Wolcott
Folger	Miller, Conn.	Wolverton
Foote	Miller, Md.	Woodruff
Fulton	Monroney	Zimmerman
Gamble	Morrison	
Gary		
Gathings		

NAYS—182

Abernethy	Barrett	Burleson
Albert	Bates, Ky.	Busbey
Allen, La.	Bennett, Mo.	Byrne, N. Y.
Almond	Bishop	Byrnes, Wis.
Andersen, H. Carl	Blatnik	Carroll
Andresen, August H.	Bonner	Chenoweth
Andrews, Ala.	Bradley, Mich.	Church
Angell	Brown, Ohio	Clark
Banta	Buchanan	Clevenger
Barden	Buck	Cole, Mo.
	Buckley	Colmer
	Buffett	Combs

Cotton	Johnson, Ill.	Phillips, Calif.
Cox	Johnson, Okla.	Pickett
Cravens	Johnson, Tex.	Poage
Crawford	Jones, Ohio	Powell
Crosser	Karsten, Mo.	Preston
Cunningham	Kee	Price, Fla.
Curtis	Kelley	Price, Ill.
Dawson, Ill.	Kennedy	Rabin
Dingell	King	Ramey
Dolliver	Kirwan	Rankin
Dondero	Klein	Rayburn
Donohue	Lane	Rayfiel
Dorn	Lanham	Rizley
Douglas	Larcade	Rockwell
Drewry	LeCompte	Rogers, Fla.
Eberharter	Lemke	Sabath
Elliott	Lesinski	St. George
Evins	Lewis	Sanborn
Feighan	Lucas	Sasscer
Fellows	Lyle	Schwabe, Mo.
Flannagan	Lynch	Schwabe, Okla.
Fogarty	McCormack	Scrivner
Forand	McCowen	Shafer
Goff	McGregor	Short
Goodwin	McMillan, S. C.	Sikes
Gordon	Madden	Simpson, Ill.
Gore	Mahon	Smith, Kans.
Gorski	Maloney	Smith, Ohio
Gossett	Mansfield, Mont.	Smith, Va.
Granger	Marcantonio	Spence
Griffiths	Martin, Iowa	Stanley
Gwinn, N. Y.	Merrow	Stefan
Gwynne, Iowa	Meyer	Stigler
Hagen	Miller, Calif.	Teague
Hardy	Miller, Nebr.	Trimble
Harless, Ariz.	Mills	Vail
Harness, Ind.	Morgan	Vursell
Harris	Morris	Walter
Harrison	Murdock	Weichel
Hart	Murray, Tenn.	Wheeler
Havenner	O'Hara	Whitten
Hedrick	O'Konski	Whittington
Hill	O'Toole	Williams
Hoeven	Owens	Wilson, Ind.
Hoffman	Passman	Wilson, Tex.
Holifield	Patman	Winstead
Huber	Peden	Wood
Jackson, Wash.	Peterson	Worley
Jenison	Philbin	Youngblood
Jensen		

NOT VOTING—44

Allen, Ill.	Fisher	Mansfield, Tex.
Andrews, N. Y.	Fuller	Mason
Bakewell	Gallagher	Meade, Ky.
Bland	Gerlach	Mitchell
Bloom	Gifford	Morton
Bulwinkle	Hartley	Nixon
Carson	Herter	Norrell
Celler	Howell	Norton
Clements	Judd	Plumley
Clippinger	Kefauver	Sarbacher
D'Alesandro	Kilburn	Sundstrom
Dirksen	Knutson	Vinson
Eaton	McGarvey	Welch
Ellis	Macy	West
Ellsworth	Manasco	

So the bill was passed.

The Clerk announced the following pairs:

On this vote:

Mr. D'Alesandro for, with Mrs. Norton against.

Mr. Sundstrom for, with Mr. Bloom against.

Mr. Herter for, with Mr. Mansfield of Texas against.

Mr. Sarbacher for, with Mr. Clippinger against.

Additional general pairs:

Mr. Allen of Illinois with Mr. Manasco.
Mr. Bakewell with Mr. Vinson.
Mr. Plumley with Mr. Norrell.
Mr. McGarvey with Mr. Clements.
Mr. Macy with Mr. Bland.
Mr. Meade of Kentucky with Mr. Celler.
Mr. Ellsworth with Mr. Fisher.
Mr. Judd with Mr. Kefauver.
Mr. Howell with Mr. Bulwinkle.
Mr. Kilburn with Mr. West.

Messrs. LEWIS, CRAVENS, and BRADLEY of Michigan changed their vote from "yea" to "nay."

Messrs. ROONEY and GARY changed their vote from "nay" to "yea."

Mr. DELANEY. Mr. Speaker, through an error someone else answered to my name. I intended to vote "yea."

The result of the vote was announced as above recorded.

A motion to reconsider was laid on the table.

EXTENSION OF REMARKS

Mr. SMITH of Ohio asked and was given permission to extend his remarks in the RECORD and include the minority report on H. R. 3203.

Mr. SCHWABE of Oklahoma asked and was given permission to revise and extend the remarks he made in the Committee of the Whole today and include a letter from William J. Overmire.

Mr. ANGELL asked and was given permission to revise and extend the remarks he made in the Committee of the Whole today and include certain excerpts and correspondence.

Mr. JARMAN asked and was given permission to extend his remarks in the RECORD and include excerpts from newspapers.

Mr. BRADLEY of California asked and was given permission to extend his remarks in the RECORD and include an editorial appearing in the Long Beach Labor News.

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

Mr. SHORT asked and was given permission to extend his remarks in the RECORD and include an article by George Sokolsky which appeared in the Washington Times-Herald today.

PERMISSION TO EXTEND REMARKS AT THIS POINT

Mr. HOLIFIELD. Mr. Speaker, I ask unanimous consent to extend my remarks at this point in the RECORD on a resolution which I introduced today.

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

There was no objection.

Mr. HOLIFIELD. Mr. Speaker, I have introduced today a resolution in support of legislation to immediately increase Federal wages.

The following Members of Congress have joined with me in introducing identical bills: Mrs. DOUGLAS, of California; Mr. CELLER, of New York; Mr. HUBER, of Ohio; Mr. PRICE, of Illinois; Mr. AUGUSTINE B. KELLEY, of Pennsylvania; Mr. FRANK KARSTEN, of Missouri.

An immediate wage increase for Federal employees is necessary and justified on two major counts:

First. The wage increase of 14 percent granted Federal employees in 1946, which was an inadequate increase at the time it was granted, has since then been more than wiped out by price rises and increased living costs. Federal workers' real wages are lower today than they were a year ago, and lower than before the war. The relative position of Federal wage rates, as compared with those in private industry, is worse today than in January 1946, and considerably worse than before the war. Wage increases are needed, both to offset price rises, and to provide equitable treatment for Federal workers as compared with workers in private industry.

Second. The country is faced with economic recession and unemployment unless effective purchasing power in the hands of consumers is immediately and substantially increased. In practical terms, the required increase in purchasing power can now be accomplished only by downward price adjustments plus a rise in wages. The Federal Government, even after current staff reductions, will employ approximately 2.5 percent of the total working force of the Nation—more people than the steel industry—and thus wage adjustments for Federal workers will have an important and salutary effect on the whole economy.

The type of wage increase granted should be designed primarily to meet quickly the present emergency situation. It should effectively ease the situation of workers whose living standards have been most sharply impaired by price rises and it should be distributed so as to create the maximum increase in consumer demand for goods. In line with these requirements an across-the-board increase of a flat sum to be added to the annual pay of all employees is recommended, rather than a percentage adjustment, which would probably prove inadequate in the lower brackets and would, on the other hand, tend in the higher brackets to increase savings rather than consumer purchases. Such legislation would not obviate the need for a long-range study and readjustment of Federal wage and salary rates.

INCREASES REQUIRED TO OFFSET LIVING COSTS AND PROVIDE EQUITY WITH PRIVATE INDUSTRY—A CHRONOLOGY OF FEDERAL WAGE ADJUSTMENTS SINCE 1923

The basic law establishing wage and salary scale for Federal workers in the departmental and the field services is the Classification Act of 1923. The only major groupings of Federal employees not covered by this act are the employees in the field service of the Post Office Department, whose pay rates are fixed by Congress under separate laws, and the per diem workers in navy yards, arsenals, and other industrial establishments, whose pay rates are adjusted from time to time by wage boards or other administrative authority. The Classification Act covers virtually all clerical, professional, and administrative employees; it covers hospital workers, prison guards, custodial workers, technical and scientific employees, laboratory assistants, inspectors of all kinds, and many mechanical workers and skilled tradesmen employed in maintenance functions.

For the past 10 years the median salary rate for all employees covered by the Classification Act of 1923 has been approximately the salary rate for a grade 3 clerk—CAF-3. From 1923 until 1945 this rate remained unchanged at $1,620 per annum. Half of all employees earned more and half less than this rate. In the following summary of adjustments which have been made in the Classification Act scale, this median employee who receives the CAF-3 salary rate, or its equivalent in the custodial or subprofessional services, is used as an example.

1923 TO 1945

Basic salary rates for nearly all Federal employees remained unchanged except that during the depression, in 1933, all rates were cut 15 percent. These cuts

were fully restored in 1936. Minor upward adjustments in a few classes of positions were made in 1930 and in 1942, raising the lowest classifications in the custodial service to a $1,200 minimum, but these laws affected only a comparatively few workers; they resulted in only a 1-percent increase in the average Federal salary outlay per worker. No overall adjustments in salaries were made during the period, except for the temporary depression cut.

1943

In December 1942, after Federal workers' hours had already been increased from 39 to 44 per week, the Congress passed a law permitting further increases in the workweek and granting Federal workers overtime pay at approximately straight-time rates. This, of course, became effective in 1943. The workweek was then lengthened to 48 hours per week—or 22 percent—and pay was increased 21.6 percent. This situation continued until July 1945. During the entire war up to and after VE-day, Federal workers received no base-pay adjustments whatever.

1945

The Federal Employees Pay Act of 1945 increased basic wage rates an average of 15½ percent. The increase was accomplished by a sliding scale percentage adjustment, giving a 20-percent increase on the first $1,200 of salary, a 10-percent adjustment on the next $3,400 and 5 percent on any part of salary over $4,500 per annum. The pattern was similar to the methods used during the war in industry of dividing up an over-all 15 percent—Little Steel formula—increase so that lower-paid workers received more than 15 percent, and higher-paid employees less. This 1945 act also provided for payment at true time and one-half rates for overtime work in excess of 40 hours per week, but virtually all overtime work was eliminated administratively within the first 2 months after the bill's passage. On the effective date of the bill, July 1, 1945, the BLS index was up 29 percent—without allowances for quality deterioration, and so forth. Passage of this bill raised the median Federal salary, CAF-3, from $1,620 per annum to $1,902 per annum, or 17 percent.

1946

From November 1945 until May 1946 Congress had under consideration a bill to increase Federal salaries. This was the period of the big strikes in industry which finally resulted in a national pattern of wage increases of 18½ cents per hour. In May 1946, Congress passed a pay bill granting Federal workers increases of 14 percent or $250, whichever would be greater, effective July 1, 1946.

For the median Federal worker, CAF-3, this meant an increase from $1,902 per annum to $2,168 per annum, or 13½ cents per hour—5 cents short of the raises in basic industry. It brought the salary approximately in line with living-cost increases between 1939 and January 1946, though workers did not begin to receive it until July.

Thus it will be seen that between any given prewar date and the present—April 1947—the median Federal salary—CAF 3 or equivalent—has been increased $548 from $1,620 per annum to $2,168 per annum, or 33.8 percent. The fact that salary increases have invariably lagged far behind rises in the cost of living has prevented most Federal workers from accumulating savings and has forced them to wage a losing struggle to maintain prewar living standards. Their consumption of goods has been forcibly and substantially reduced.

With respect to postal workers, the pattern has been very similar—no raises for a long period of years prior to the war, then wartime increases which lagged behind cost of living rises. All of the increases for postal workers, however, were flat sum increases—plus some readjustments in salary schedules. The 1946 increase, $400, equalled the 18½ cents per hour granted industrial workers at that time. The total wartime increases for postal workers was $800—prewar to date—and this represents a 42 percent increase over the approximate prewar median salary of $1,900 per annum.

COMPARISONS WITH PRIVATE INDUSTRY

It has already been noted that the increase granted Federal employees—except postal workers—in 1946 equaled only 13½ cents per hour at the median salary level while industrial employees received 18½ cents per hour. It is worth noting, moreover, that prior to that date the average wage in all manufacturing industry had already increased 57 percent, from $1,385 in January 1941 to $2,140 in January 1946.

Thus we find today that between January 1941 and February 1947 industrial wages have increased from 61 to 76 percent and have overtaken and passed Federal wage scales which have increased only 33.8 percent in the same period.

The following table shows this clearly:

	January 1941	February 1947	Percent increase
Federal employees median salary	$1,620	$2,168	33.8
Postal employees approximate median	1,500	2,700	42.0
All manufacturing industry, average	1,385	2,433	76.0
Durable goods, industry, average	1,555	2,557	61.0

It is not suggested that the increases in wages in manufacturing industry are excessive. The prewar average wage in industry was far too low, reflecting sweatshop conditions still existing in many plants. Many industrial workers are not yet receiving adequate wages. It does seem proper, however, that the average wage in manufacturing industry ought not to exceed the median wage in the Federal service. Yet ever since January 1946 average wages in manufacturing industry have been higher than the Federal median. Note the actual money relationship as of February 1947 shown in the table above.

During the past 2 weeks a new pattern of wage increases for industry has emerged as a result of the settlements in steel and electrical manufacturing and the virtual agreement in auto between the General Motors Corp. and the UAW-CIO. This pattern calls for increases of 15 cents per hour or $312 on an annual basis. This would bring the average annual wages in all manufacturing industry to $2,745 per annum, and in durable goods to $2,896. These industry averages would then exceed the present Federal median salary by $577 and $701 respectively.

It is recognized that most industrial workers are not on annual salaries and that the above comparison is therefore not fully legitimate. As a projection for basis of comparison it is useful, however, and if steady employment conditions in industry are assumed, the comparison is entirely fair.

Both the average wage in industry and the lower Federal median wage would still fall short, even after the new 15-cent-per-hour increases, of the $3,545 required to maintain a wage earners family of four in health and decency according to the latest Heller commitee budget.

COST OF LIVING

On March 15, 1947, the Bureau of Labor Statistics' consumer price index stood at 156—56 percent above the 1936-39 average. The index does not pretend to measure all the factors affecting a worker's cost of living. Government economists estimate that factors such as the disappearance of many low-cost lines of merchandise and quality deterioration require the addition of another 5 points to the index to make it reflect the true increase in living costs. Thus the cost of living on March 15 was actually 61 percent higher than before the war.

Between January 1946 and March 15, 1947, the price index increased 20 percent, from 129.9 to 156—5 points added to each figure gives true cost of living, but would not materially affect the percentage of increase.

Thus we arrive at the following comparison of Federal wages with living costs:

	1939	January 1946	March 1947	Percent increase, January 1946 to March 1947
Price index	100	129.9	156.0	20
Cost of living (5 points added to price index after 1943)	100	134.9	161.0	20
Median Federal salary (prewar salary equals 100)	100	[1] 133.8	133.8	0

[1] Salary index for July 1946, when last 14-percent raise became effective. That raise was based on January 1946 living costs but workers did not benefit from it till 6 months later.

Thus we see that a 20-percent increase—$433 per annum—would be required to bring the median Federal salary in line with present living costs.

As this memorandum is being written a national campaign has been launched for a voluntary reduction of prices. It is too soon to evaluate what, if any, permanent effects this campaign will have on workers' living costs. During the first 3 weeks of this campaign, its results on average price levels, according to BLS, were negligible—approximately 0.1 percent decline in wholesale prices being recorded. Apparently the campaign will not materially affect such

cost-of-living items as rent and durable goods and has so far had little effect on food prices. Rents, in fact, may be expected to rise under present administrative decontrol policies. Pending rent-control bills in the Congress threaten further rent increases.

From the standpoint of a healthy economy, however, both price decreases and wage increases are necessary.

WAGE INCREASES REQUIRED TO AVOID DEPRESSION

It is not intended to burden this memorandum with an extensive review of the dangers to the health of our national economy which the present wage-price-profit trends represent. The facts are set forth in detail in the President's economic report to the Congress. The main central conclusion which must be drawn from the report is that effective consumer demand and purchasing power must be increased if full employment is to be maintained. A few selected figures give the broad outlines of the situation:

Corporate profits in millions of dollars after taxes

1936–39 average	$3,900
1945	11,800
1946 estimate	12,000
1947 estimate	[1]17,000

[1] This is the latest estimate by Wall Street Journal and Chicago Journal of Commerce. All other figures are Department of Commerce figures. The Commerce Department's estimate for 1947 was made 2 months ago and at that time 1947 profits of $15,000,000,000 were predicted.

Corporate profits before taxes increased 230 percent between 1939 and 1946, while total wages and salaries increased only 169 percent.

The share of the national income going to wages and salaries between 1942 and 1945 averaged 68 percent, with 32 percent going to all other sources. In 1946 the share going to wages and salaries dropped to 62 percent, with 38 percent going to other sources.

The Bureau of Labor Statistics has recently published a survey entitled "Full Employment Patterns in 1950." This survey reveals clearly that if we are to have full employment in 1950, two difficulties must be overcome:

First. Our national plant capacity must be increased. Our plant is not now large enough to afford jobs for all who will need them in 1950.

Second. If present trends continue, there will not be sufficient consumer demand or purchasing power to absorb products of our industry—assuming the probable increase in foreign trade, Government expenditures, and so forth.

Obviously, a key to solution of both problems is an immediate increase in consumer demand—which would encourage investment of capital to enlarge plant capacity, and which would, in turn, increase demand for products of the new plants. Other steps, such as the curbing of monopoly, are, of course, desirable for accomplishment of the necessary industrial expansion, but in our economy, consumer demand will always be a key factor determining business policy.

AMOUNT AND DISTRIBUTION OF FEDERAL WAGE ADJUSTMENTS

The foregoing facts establish the need for immediate Federal wage adjustments. The questions remain, how large should these be and how should they be distributed?

Considering the second half of the question first, it is recommended that the adjustments be in the form of a lump annual increase for each worker. Such an increase would have the effect of distributing the total increase so as to produce the largest increase in effective purchasing power and consumer demand, and give most aid to the lower-paid employee who needs aid the most. This would also be cheaper for the Government.

For example, if it were decided that a 20 percent increase were justified, and it were applied on a percentage basis for all employees, the cost to the Government would be around $700,000,000. The other method would be to decide on a flat increase equal to 20 percent of the median salary, or $433, and give this increase to all employees. Cost to the Government would then drop to less than $500,000,000.

Obviously the basis for determining the amount of increase which should be provided, ought to be: First, cost of living; and, Second, comparability with private industry. The following figures are submitted without recommendation:

COST OF LIVING

Living costs have increased 20 percent since January 1946, the base period for the last Federal salary increase.

Twenty percent of Federal workers median salary---$2,168 per annum—equals $433.

Twenty percent of postal workers approximate median salary—$2,700—equals $540.

COMPARISON WITH PRIVATE INDUSTRY

The median Federal worker received a pay increase in 1946 of 13½ cents per hour, while industrial workers received 18½ cents per hour.

Due Federal workers to establish equality as of January 1946, 5 cents per hour; annually, $104.

A 1947 pattern for wage increases in industry is now being established at 15 cents per hour.

Due Federal workers 15 cents per hour; annually, $312; total, $416.

If the above total $416 were added to the median Federal salary the result would still fall $161 per annum short of equaling the present average wage for all manufacturing industry provided the latter were increased 15 cents per hour above the February level, and assuming continuous employment. The result would fall $285 short of equaling the present average wage in durable goods manufacturing plus the 15-cents-per-hour adjustments now being made.

A rough estimate of the amount necessary to bring the Federal median wage in line with the average wage in manufacturing industry is $600.

FEDERAL WORKER DEMANDS

In conclusion, it is worth noting that the demand raised by the wage policy committee of the United Public Workers of America, CIO, and by the executive council of the Federation of Post Office Clerks, AFL, the only organizations which have publicly adopted a wage policy, is for increases of $600 per annum. This figure was based on the fact that the rise in Government wages did not keep pace with the wage increases in industry during the war, and on the rise in living costs. Both demands were raised in the late winter of 1946.

In view of the present economy drive on the part of the Republican leadership I have arbitrarily inserted a lower figure—$500 in the resolution which I introduced today—than the $600 figure which I believe is justified. I make this reduction in the hope that the leadership will give consideration to the plight of the Federal employees.

LEAVE OF ABSENCE

By unanimous consent, leave of absence was granted as follows:

To Mr. KEARNEY, for 5 days, on account of official business.

To Mr. JUDD (at the request of Mr. ARENDS), for 3 days, on account of illness.

ENROLLED BILL SIGNED

Mr. LECOMPTE, from the Committee on House Administration, 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. 2157. An act to relieve employers from certain liabilities and punishments under the Fair Labor Standards Act of 1938, as amended, the Walsh-Healey Act, and the Bacon-Davis Act, and for other purposes.

ADJOURNMENT

Mr. MACKINNON. Mr. Speaker, I move that the House do now adjourn.

The motion was agreed to; accordingly (at 8 o'clock and 1 minute p. m.) the House adjourned until tomorrow, Friday, May 2, 1947, 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:

631. A communication from the President of the United States, transmitting a supplemental estimate of appropriation for the fiscal year 1948 in the amount of $644,000 for the Office of Defense Transportation (H. Doc. No. 232); to the Committee on Appropriations and ordered to be printed.

632. A letter from the Administrator, War Assets Administration, transmitting a draft of a proposed bill to amend the Surplus Property Act of 1944 with reference to payment of taxes; to the Committee on Expenditures in the Executive Departments.

633. A letter from the Secretary of War, transmitting a draft of a proposed bill to stimulate volunteer enlistments in the Regular Military Establishment of the United States; to the Committee on Armed Services.

634. A letter from the Secretary of War, transmitting a letter from the Chief of Engineers, United States Army, dated July 18, 1946, submitting a report, together with accompanying papers, on a review of reports on the Mississippi River between Coon Rapids Dam and mouth of the Ohio River, submitted in House Document No. 669, Seventy-sixth Congress, third session, with a view to determining if any modification of the existing project in the vicinity of Hastings, Minn., is advisable. This investigation was requested by a resolution of the Committee on Rivers and Harbors, House of Representatives, adopted on June 20, 1945; to the Committee on Public Works.

635. A letter from the Secretary of War, transmitting a letter from the Chief of Engineers, United States Army, dated December

13, 1946, submitting a report, together with accompanying papers, on a preliminary examination of Little Black River and tributaries, Michigan, authorized by the Flood Control Act approved on August 18, 1941; to the Committee on Public Works.

636. A letter from the Secretary of War, transmitting a letter from the Chief of Engineers, United States Army dated November 30, 1944, submitting a report, together with accompanying papers, on a review of reports on and a preliminary examination and survey of Androscoggin River, Maine and N. H., requested by resolutions of the Committee on Flood Control, House of Representatives, adopted on March 27, 1936, and the Committee on Commerce, United States Senate, adopted on March 28, 1936; and also authorized by the Flood Control Act approved on June 22, 1936, and by an act of Congress approved on June 25, 1936; to the Committee on Public Works.

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. BISHOP: Joint Committee on the Disposition of Executive Papers. House Report No. 329. Report on the disposition of certain papers of sundry executive departments. Ordered to be printed.

Mr. BROWN of Ohio: Committee on Rules. House Resolution 201. Resolution providing for the consideration of the bill H. R. 3245, making appropriations to supply deficiencies in certain appropriations for the fiscal year ending June 30, 1947, and for other purposes; without amendment (Rept. No. 330). Referred to the House Calendar.

Mr. BISHOP: Joint Committee on the Disposition of Executive Papers. House Report No. 331. Report on the disposition of certain papers of sundry executive departments. Ordered to be printed.

Mr. BISHOP: Joint Committee on the Disposition of Executive Papers. House Report No. 332. Report on the disposition of certain papers of sundry executive departments. Ordered to be printed.

Mr. LATHAM: Committee on Merchant Marine and Fisheries. H. R. 673. A bill to repeal certain provisions authorizing the establishing of priorities in transportation by merchant vessels; without amendment (Rept. No. 333). Referred to the Committee of the Whole House on the State of the Union.

PUBLIC BILLS AND RESOLUTIONS

Under clause 3 of rule XXII, public bills and resolutions were introduced and severally referred as follows:

By Mr. ANDREWS of New York:

H. R. 3278. A bill to amend the Mustering-Out Payment Act of 1944; to the Committee on Armed Services.

H. R. 3279. A bill to repeal the laws relating to the length of tours of duty of officers and enlisted men of the Army at certain foreign stations; to the Committee on Armed Services.

H. R. 3280. A bill to provide for the effective operation and expansion of the Reserve Officers' Training Corps, and for other purposes; to the Committee on Armed Services.

By Mr. CELLER:

H. R. 3281. A bill to provide additional compensation for employees of the Federal Government and the District of Columbia; to the Committee on Post Office and Civil Service.

By Mr. CRAWFORD:

H. R. 3282. A bill to permit distilled spirits of Puerto Rican manufacture to be entered in customs bonded warehouses; to the Committee on Ways and Means.

H. R. 3283. A bill to amend sections 2800 (f) and 3360 of the Internal Revenue Code; to the Committee on Ways and Means.

By Mr. D'EWART:

H. R. 3284. A bill to amend an act entitled "An act to promote the development of the mining resources of the United States," approved May 10, 1872 (17 Stat. 92), as amended; to the Committee on Public Lands.

By Mrs. DOUGLAS:

H. R. 3285. A bill to provide additional compensation for employees of the Federal Government and the District of Columbia; to the Committee on Post Office and Civil Service.

By Mr. HOLIFIELD:

H. R. 3286. A bill to provide additional compensation for employees of the Federal Government and the District of Columbia; to the Committee on Post Office and Civil Service.

By Mr. McMILLEN of Illinois (by request):

H. R. 3287. A bill to provide for regulation of certain insurance rates in the District of Columbia, and for other purposes; to the Committee on the District of Columbia.

By Mr. STOCKMAN:

H. R. 3288. A bill to provide that periods during which members of the armed forces were assigned to certain training programs may be counted in determining eligibility for the educational privileges of the Servicemen's Readjustment Act of 1944; to the Committee on Veterans' Affairs.

By Mr. HUBER:

H. R. 3289. A bill to provide additional compensation for employees of the Federal Government and the District of Columbia; to the Committee on Post Office and Civil Service.

By Mr. SMITH of Virginia:

H. R. 3290. A bill to amend the District of Columbia Unemployment Compensation Act to provide for unemployment compensation in the District of Columbia, and for other purposes; to the Committee on the District of Columbia.

By Mr. WOLVERTON:

H. R. 3291. A bill to permit United States common communications carriers to accord free communication privileges to official participants in the world telecommunications conferences to be held in this country in 1947; to the Committee on Interstate and Foreign Commerce.

By Mr. KELLEY:

H. R. 3292. A bill to provide additional compensation for employees of the Federal Government and the District of Columbia; to the Committee on Post Office and Civil Service.

By Mr. PRICE of Illinois:

H. R. 3293. A bill to provide additional compensation for employees of the Federal Government and the District of Columbia; to the Committee on Post Office and Civil Service.

By Mr. BUCKLEY:

H. Con. Res. 44. Concurrent resolution relative to conditions in Palestine and that the United States take all steps necessary to reaffirm and urge Great Britain, the mandatory government, to live up to its mandate and immediately admit 100,000 displaced persons to Palestine; to the Committee on Foreign Affairs.

By Mr. HARTLEY:

H. Con. Res. 45. Concurrent resolution authorizing the printing of additional copies of volumes 1 through 5 of the hearings held before the Committee on Education and Labor of the House of Representatives, current session, relative to the National Labor Relations Act; to the Committee on House Administration.

PRIVATE BILLS AND RESOLUTIONS

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

By Mr. WOODRUFF:

H. R. 3294. A bill for the relief of the Doehler-Jarvis Corp.; to the Committee on Ways and Means.

By Mr. BENDER:

H. R. 3295. A bill for the relief of Joseph John Gmurczyk, Jr.; to the Committee on Veterans' Affairs.

By Mr. FULLER:

H. R. 3296. A bill for the relief of F. M. Arends; to the Committee on the Judiciary.

By Mr. HENDRICKS:

H. R. 3297. A bill for the relief of Richard Kuhloff; to the Committee on the Judiciary.

By Mr. HULL:

H. R. 3298. A bill for the relief of Mr. and Mrs. Ray S. Berrum; to the Committee on the Judiciary.

By Mr. MORRISON:

H. R. 3299. A bill for the relief of the estate of James Lander Thomas; to the Committee on the Judiciary.

By Mr. SCOBLICK:

H. R. 3300. A bill for the relief of Martin A. King; to the Committee on the Judiciary.

PETITIONS, ETC.

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

416. By Mr. COTTON: Memorial of the Senate and House of Representatives in the State of New Hampshire to the Honorable Clinton P. Anderson, United States Secretary of Agriculture; to the Committee on Agriculture.

417. By Mr. HOLMES: Petition of a number of residents of Mabton, Grandview, Anatone, Asotin, and Clarkston, Wash., urging enactment of legislation to prohibit transportation of alcoholic-beverage advertising in interstate commerce, or broadcasting over the radio; to the Committee on the Judiciary.

418. By Mr. HOPE: Petition of 65 members of the Woman's Christian Temperance Union, of Hazelton, Kans., urging the enactment of S. 265, a bill to prohibit the transportation of alcoholic-beverage advertising in interstate commerce and broadcasting of alcoholic-beverage advertising over the radio; to the Committee on Interstate and Foreign Commerce.

419. By Mr. JONES of Washington: Memorial of the Legislature of the State of Washington, memorializing the President and the Congress of the United States to provide sufficient hunters to kill off and exterminate all predatory animals such as cougars, wildcats, wolves, and coyotes in the national parks within the State of Washington, or to set aside a small area within the national parks in the State of Wasnington as a complete game sanctuary and allow hunting in the remaining portions and provide adequate boundaries to attract sufficient hunters to exterminate such predatory animals; to the Committee on Public Lands.

420. By Mr. LYNCH: Petition of the Council of the City of New York, urging that there be made available immediately to the Government and people of Eire the necessary assistance in the form of food, fuel, and medical supplies to protect the welfare and safety of the Irish people during this crucial period; to the Committee on Foreign Affairs.

421. Also, petition of the Council of the City of New York, expressing its opposition to the adoption of any legislation pending in the Congress which would tend to nullify gains made by labor in recent years, and calling upon Congressmen from the city of New York to use their efforts to prevent the enactment of any legislation that would be unfair to labor or against the interest of the public welfare; to the Committee on Education and Labor.

422. By Mr. McGREGOR: Petition urging passage of S. 265, a bill to prohibit the trans-

portation of alcoholic-beverage advertising in interstate commerce and to prevent the broadcasting of alcoholic-beverage advertising over the radio; to the Committee on Interstate and Foreign Commerce.

423. By Mrs. NORTON: Petition of New Jersey Vocational and Arts Association, urging appropriations of the full amount of money authorized under the George-Barden Act for the further development of vocational education; to the Committee on Education and Labor.

424. By the SPEAKER: Petition of the National Society, Daughters of the American Revolution, petitioning consideration of their resolution with reference to favoring the creation of a national park at Alamance battlefield, North Carolina, to the Committee on Public Lands.

SENATE

FRIDAY, MAY 2, 1947

(Legislative day of Monday, April 21, 1947)

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

The Chaplain, Rev. Peter Marshall, D. D., offered the following prayer:

O Lord, Thou dost know the secrets that will remake Thy world, for Thou art the way. Help us to see that the forces that threaten the freedoms for which we fought cannot be argued down, nor can they be shot down. They must be lived down. Give to the leaders of our Nation the inspired ideas that shall lead this country into making the American dream come true.

Through Jesus Christ our Lord. Amen.

DESIGNATION OF ACTING PRESIDENT PRO TEMPORE

The Chief Clerk read the following letter:

UNITED STATES SENATE,
PRESIDENT PRO TEMPORE,
Washington, D. C., May 2, 1947.

To the Senate:

Being temporarily absent from the Senate, I appoint Hon. HARRY P. CAIN, a Senator from the State of Washington, to perform the duties of the Chair during my absence.

A. H. VANDENBERG,
President pro tempore.

Mr. CAIN thereupon took the chair as Acting President pro tempore.

THE JOURNAL

On request of Mr. WHERRY, and by unanimous consent, the reading of the Journal of the proceedings of Thursday, May 1, 1947, was dispensed with, and the Journal was approved.

MESSAGES FROM THE PRESIDENT

Messages in writing from the President of the United States submitting nominations were communicated to the Senate by Mr. Miller, one of his secretaries.

MESSAGE FROM THE HOUSE

A message from the House of Representatives, by Mr. Swanson, one of its reading clerks, announced that the House had passed a bill (H. R. 3203) relative to maximum rents on housing accommodations; to repeal certain provisions of Public Law 388, Seventy-ninth Congress; and for other purposes, in which it requested the concurrence of the Senate.

ENROLLED BILL SIGNED

The message also announced that the Speaker had affixed his signature to the enrolled bill (H. R. 2157) to relieve employers from certain liabilities and punishments under the Fair Labor Standards Act of 1938, as amended, the Walsh-Healey Act, and the Bacon-Davis Act, and for other purposes, and it was signed by the Acting President pro tempore.

LABOR RELATIONS

The Senate resumed the consideration of the bill (S. 1126) to amend the National Labor Relations Act, to provide additional facilities for the mediation of labor disputes affecting commerce, to equalize legal responsibilities of labor organizations and employers, and for other purposes.

The ACTING PRESIDENT pro tempore. The question is on agreeing to the amendment, as modified, proposed by the Senator from Minnesota [Mr. BALL], for himself, the Senator from Virginia [Mr. BYRD], the Senator from Georgia [Mr. GEORGE], and the Senator from New Jersey [Mr. SMITH], inserting on page 14, line 6, after the word "coerce", certain language.

Under the unanimous-consent agreement reached by the Senate yesterday afternoon, the time between now and 2 o'clock, when the pending motion is to be voted on, will be divided equally between the proponents and opponents of the amendment, and will be controlled, respectively, by the Senator from Minnesota [Mr. BALL] and the Senator from Florida [Mr. PEPPER].

Mr. BALL. I yield 5 minutes to the Senator from New York [Mr. WAGNER].

PRESENTATION OF AWARD TO SENATOR WAGNER BY SHEIL SCHOOL OF SOCIAL STUDIES

Mr. WAGNER. Mr. President, on April 17 in the city of Chicago I was very highly honored by having conferred upon me by the Right Reverend Bernard J. Sheil, auxiliary bishop of that great metropolis, the Pope Leo XIII award. This high award is conferred annually for outstanding contribution to Christian social education.

I think it is significant at this time, when the act which bears my name is the subject of so much criticism and abuse, that Bishop Sheil, in asking me to accept the award, referred to the Wagner Labor Relations Act as an example of what he characterized as an "inestimable service to this Nation and the world."

Mr. President, I ask unanimous consent to have included in the Appendix of the RECORD the citation accompanying the presentation of the award and my speech accepting it.

The ACTING PRESIDENT pro tempore. Is there objection? The Chair hears none, and it is so ordered.

TRANSACTION OF ROUTINE BUSINESS

By unanimous consent, the following routine business was transacted:

MEETING OF SUBCOMMITTEE ON FLOOD CONTROL OF PUBLIC WORKS COMMITTEE

Mr. WHERRY. Mr. President, I ask unanimous consent that the Subcommittee on Flood Control of the Committee on Public Works be permitted to sit during the session of the Senate today

The ACTING PRESIDENT pro tempore. Without objection, permission is granted.

EXECUTIVE COMMUNICATIONS, ETC.

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

ESTIMATE OF APPROPRIATIONS — INTERSTATE COMMERCE COMMISSION (S. DOC. NO. 47)

A communication from the President of the United States, transmitting draft of a proposed provision pertaining to an estimate of appropriation for the Interstate Commerce Commission, fiscal year 1947 (with an accompanying paper); to the Committee on Appropriations and ordered to be printed.

AUDIT REPORT OF WAR SHIPPING ADMINISTRATION

A letter from the Comptroller General of the United States, transmitting, pursuant to law, the audit report of the War Shipping Administration for the fiscal year ended June 30, 1945 (with an accompanying report); to the Committee on Expenditures in the Executive Departments.

AUDIT REPORT OF INLAND WATERWAYS CORPORATION AND SUBSIDIARY CORPORATION

A letter from the Comptroller General of the United States, transmitting, pursuant to law, the audit report of the Inland Waterways Corporation and its subsidiary, Warrior River Terminal Co., for the fiscal year ended June 30, 1945 (with an accompanying report); to the Committee on Expenditures in the Executive Departments.

PETITIONS AND MEMORIALS

Petitions, etc., were laid before the Senate, or presented, and referred as indicated:

By the ACTING PRESIDENT pro tempore:

A joint resolution of the Eighth Guam Congress; to the Committee on Public Lands:

"Joint Resolution 1

"Whereas the United States of America acquired the Island of Guam as a result of the Spanish-American War under the terms of the treaty signed at Paris on December 10, 1898; and

"Whereas article IX, paragraph 2, of the said treaty provides that the Congress of the United States of America shall determine the civil rights and political statutes of the native inhabitants of the territories thereby ceded by Spain to the United States of America; and

"Whereas the United States of America has created a tradition for its respect and adherence to the sanctity of treaties, said tradition having been consistently maintained upon numerous occasions, including that of determination by the Congress of the United States of the civil rights and political status of the native inhabitants of Puerto Rico and the Philippine Islands, the other territories ceded with the island of Guam by Spain to the United States of America under the terms of the said treaty signed at Paris, on December 10, 1898; and

"Whereas the people of Guam have consistently proven their love for and loyalty to the United States of America during times of peace and throughout the horrors of a