Moreover, if the recent slackening of the establishment of a uniformed United Nations seconded or otherwise made available, on field service of the field service would carry arms, except the duties by the competent men deemed necessary. Under the revised plan the governments would be strengthened. The problem of disputes would be strengthened. The political advantages of the original proposal would be retained. The Secretariat, which has been steadily improving its efficiency, thus would be given the means that it needs to meet its increasing responsibilities, and the power and prestige of the United Nations in the peaceful settlement of disputes would be strengthened.

ITALIAN COLONIES

The General Assembly at its third regular session did not reach an agreement on the disposition of the Italian colonies. The question will come before the fourth regular session of the General Assembly this autumn.

The debate on this question at the second part of the third session was significant in several respects. It reflected the growing influence of the nations of Asia and Africa. Those nations played a decisive part in preventing the adoption of a compromise proposal which was unsuccessful in arriving at a majority of the inhabitants of the territories concerned. The debate also brought forth considerations for the future of a direct United Nations trusteeship, a proposal originally suggested by the United States at the first London meeting of the Council of Foreign Ministers.

I recognize the political and practical difficulties involved in a direct United Nations trusteeship for the territories during the relatively brief period that may precede their independence. Nevertheless, I believe that the time is ripe for the formulation of a pattern which would lead to the acquisition of the Russian and Arab peoples of the mandates to the world’s troubled areas. In the light of suggestions made by member governments I have modified that proposal and I now recommend to the General Assembly and the United Nations field service of 300 men, who would be seconded or otherwise made available, on a basis already proposed, to the United Nations the services of member governments for a period of from 1 to 3 years for protective and technical assistance. It reflected the need of the field and in the field. I have also suggested the creation of a panel of 2,000 men who could be called upon to deal with the practical difficulties by the competent United Nations organs as the need arises. None of the men in the field service would carry arms, except incidentally when the action of the United Nations organs as the need arises.

With a view to strengthening the work of the organizations of the Near East, the question was brought before the General Assembly. Nine hundred thousand men who could be called upon to deal with the practical difficulties by the competent United Nations organs as the need arises. None of the men in the field service would carry arms, except incidentally when the action of the United Nations organs as the need arises.

The Near East presents a challenging problem to the United Nations. This area has a substantial population and a substantial development potential. The United Nations would certainly benefit if all the applicants were to be admitted to the organization at the next session of the General Assembly.

I commend to the member governments, and to the peoples of the world, the study of the full report of the United Nations during the 12 months ending June 30, 1949, as set forth in the chapters that follow. It is a record of achievement in the prevention of war and in the steady construction of the foundations of a more peaceful and prosperous world.

July 1949.

RECESS

Mr. LUCAS. I move that the Senate stand in recess until 12 o’clock noon tomorrow.

The motion was agreed to; and (at 5 o’clock and 45 minutes p.m.) the Senate took a recess until tomorrow, Wednesday, August 10, 1949, at 12 o’clock meridian.

NOMINATION

Executive nomination received by the Senate August 9 (legislative day of June 2), 1949:

IN THE NAVY

Capt. Calvin M. Bolster, United States Navy, for temporary appointment to the grade of rear admiral in the line of the Navy.

HOUSE OF REPRESENTATIVES

TUESDAY, AUGUST 9, 1949

The House met at 12 o’clock noon. Rev. Pacifico A. Ortiz, S. J., offered the following prayer:

In the name of the Father and of the Son and of the Holy Ghost. Amen. O God, who in Thy sweet providence didst bring our two nations together, and through the ordeals of war didst keep us true to one another, teach us, we beseech Thee, to follow the way of friendship and preserve, in peace, the brotherhood which we have learned in war: faith in each other, brotherhood which knew no race, friendship which did not count the cost. That from our trust in bombs but on good will, not on dollars but on fair play, relying not so much on the devices of our human wisdom as on the workings of Thy divine grace, we may yet become, when guided by the better angels of our nature, the harbingers of Thy hope to those peoples of the east, and unto the west, the instruments of Thy peace. Through Christ our Lord. Amen.

The Journal of the proceedings of yesterday was read and approved.

MESSAGE FROM THE SENATE

A message from the Senate, by Mr. McDaniel, its enrolling clerk, announced that the following nominations and appointments in which the concurrence of the House is requested, a bill of the House of the following title:

H.R. 4930. An act making appropriations for foreign aid for the fiscal year ending June 30, 1950, and for other purposes.

The message also announced that the Senate insists upon its amendments to the foregoing bill, requests a conference

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The good offices of the Secretary General are always available to facilitate such consultations.

UNITED NATIONS FIELD SERVICE

With a view to strengthening the work of mediation and conciliation, I suggested to the last session of the General Assembly the establishment of a United Nations guard. This guard would have no military duties but would guard the United Nations headquarters and receive their peaceful errands to the world’s troubled areas. In the light of suggestions made by member governments I have modified that proposal and I now recommend to the General Assembly and the United Nations field service of 300 men, who would be seconded or otherwise made available, on a basis already proposed, to the United Nations the services of member governments for a period of from 1 to 3 years for protective and technical assistance. It reflected the need of the field and in the field. I have also suggested the creation of a panel of 2,000 men who could be called upon to deal with the practical difficulties by the competent United Nations organs as the need arises. None of the men in the field service would carry arms, except incidentally when the action of the United Nations organs as the need arises.

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The message also announced that the Senate insists upon its amendments to the foregoing bill, requests a conference
with the House on the disagreeing votes of the two Houses thereon, and appoints Mr. McKellar, Mr. Hayden, Mr. Thomas of Oklahoma, Mr. O'Conor, Mr. McCar- ran, Mr. Bridges, Mr. Gurney, Mr. Reed, and Mr. Ferguson to be the conferences on the part of the Senate.

The message also announced that the Senate agrees with an amendment to the amendments of the House to a bill of the Senate of the following title:

S. 1647. An act to eliminate premium pay­ments in the purchase of Government royalty contracts entered into pursuant to the act of July 13, 1946 (60 Stat. 533).

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. 3751) entitled "An act to transfer a tower located on the Lower Souris National Wildlife Refuge to the International Peace Garden, Inc., North Dakota.

The House will stand in recess subject to the call of the Chair.

THE SPEAKER. The Chair will appoint as a committee to escort the President of the Philippines to the Chamber the gentleman from Massachu­setts (Mr. McCormack), the gentleman from Massachusetts (Mr. Martin), the gentleman from West Virginia (Mr. Keen), and the gentleman from Illinois (Mr. Butterfield).

The House will stand in recess subject to the call of the Chair.

PRESIDENT ELPIDIO QUIRINO, OF THE PHILIPPINES

During the recess the following pro­ceedings occurred:

At 12 o'clock and 2 minutes p. m., the House stood in recess subject to the call of the Chair.

President Quirino, escorted by the committee of Representatives, entered the Hall of the House of Representatives and stood at the right of the Speaker. [Applause, the Members rising.]

The SPEAKER. Members of the House of Representatives, it is today my pleasurable duty to present a distinguished neighbor and friend. The friendship between the Republic of the United States of America and the Republic of the Philippines dates a long way back, long before the Philippines became a republic.

Mr. President, today we are proud that the United States of America kept its contract with the people of the Philip­pine Islands. [Applause.] We proved to the world that we covet not a foot of ground the world around over which any other flag flies today or has a right to fly. We look upon your country as a great neighbor and friend.

We wish for your people in the years to come that they may enjoy to the fullest measure the rich blessings of health, of prosperity, and one day an enduring peace, and that goes for all the world.

I present to you, Members of the House of Representatives, our distinguished guest, the President of the Republic of the Philippines. [Applause, the Members rising.]

President Quirino, distinguished Members of the House of Representatives, it is a rare honor and privilege for any man to appear before this august body of the distinguished representatives of the American people. Thirty years ago I occupied a seat in the House of Representatives of my country. This fact makes me feel at home in your midst. As the head of a new state that owes its existence to American wisdom and idealism, I am filled with a mingled sense of gratitude and humility because of the special circumstances that have brought me to this mighty rostrum.

The Independence Act you passed in 1944 has charted a course which has directed our course as a nation. During the transition period between 1934 and the actual grant of independence on July 4, 1946, events of the most far-reaching significance to the world are transpired. That period provided the greatest test ever served on our people and it revealed to us the quality of the freedom that we had been fighting for, and, to America and the world at large, the character of the nation that has become its recipient and beneficiary. [Applause.]

The whole world was plunged into the most destructive war in history. The Filipinos bled with the rest of the peoples of the world in that titanic struggle. Thank God, we have survived. Instead of succumb­ing to desperation, following the untold devastation of our country and the decimation of our population, we have come out stronger, fortified in the blessings of democracy and freedom. [Applause.] We have risen from our prostration disposed to carry on and to fight to the last man on the side of freedom, our freedom and your freedom, should ever again be menaced and the democratic way of life imperiled. [Applause.]

Immediately after the liberation of our country in 1945, we thought that the Philippines could not be rebuilt in less than 10 years, that it would take much longer for us to be able to stand on our own feet. But I can say with pardon­able pride that the strides we have made during the last 3 years has more than eloquently vindicated our capacity to bear our burdens and obligations as a free and independent people. [Applause.]

While many countries in the world are still at a loss to reconstruct or rehabilitate themselves, bewildered in the face of uncertainties produced by their troubled surroundings, the Philippines today stands in the midst of a most dis­tressed region as one stable unit, a veritable haven of many people in the Far East whose liberties have been threatened.

We have been concentrating our at­tention on our internal development. We have placed great emphasis and opportunity to enhance the stabilization of our economy. We have adopted a new ideology based on total economic mobilization of our country as a means of pro­viding its people a fuller life of sub­stance and contentment, in our deter­mined endeavor to improve our living standards and in that manner contain and counteract the erosion of a total­itarian system battering down the doors of our neighbors.

We thank America for the opportuni­ties given us to develop ourselves and our country and for the moral and material assistance you have given us in our efforts to improve our living standards. In this respect we congratulate you; you know that the United States is dis­posed to lend to us in our future under­takings. The new Republic of the Philip­pines was born in self-reliance and we are determined to build it on solid rock. [Applause.]

We cannot do otherwise if we are to preserve the distinction of being America's original handiwork in the sphere of freedom in Asia.

I have come to your country in furtherance of mutual understanding between your country and mine; for the preservation not only of freedom and prosperity but also of the great heritage of world in the part of our globe. I am positive of your concern in this regard. I am em­boldened by the fact that President Truman has graciously invited me to have an opportunity of presenting our side of the understanding.

I hope that this mightiest of legisla­tures in the world will give timely and effective assistance to our people in their efforts to achieve the rich promise of that understand­ing, and enable us to contribute in our modest way to the fulfillment of the high mission of the United States in the advancement and preservation of world peace and security to all liberty-loving peoples. This has become an important phase of our Philippine foreign policy. It was inspired no less by a deep sense of obligation that we owe to this great country that has given us the freedom which I know America will do her best to help protect and develop.

My country is confident and is determined to succeed. My people are confident that you will continue to extend them every possible support to succeed. Your people and mine, my a fluke of destiny, have become partners in a most glorious adventure which it will be to your interest, as well as to that of the entire world, to prose­cute to the last man on the side of freedom.

[Applause, the Members rising.]

At 12 o'clock and 33 minutes p. m., President Quirino retired from the Hall of the House of Representatives.

AFTER RECESS

The recess having expired, at 12 o'clock and 55 minutes p. m., the House was called to order by the Speaker.

Mr. McCormack. Mr. Speaker, I ask unanimous consent that the proceedings had during the recess of the House be printed in the Record.

The SPEAKER. Without objection, it is so ordered.

There was no objection.

EXTENSION OF REMARKS

Mr. McCormack asked and was given permission to extend his remarks in the Record and include two editorials.
MESSAGE FROM THE PRESIDENT

A message in writing from the President of the United States was communicated to the House by Mr. Miller, one of his secretaries, and informed the House that on the following dates the President approved and signed bills and joint resolutions of the House of the following titles:

On August 1, 1949:
H. J. Res. 329. Joint resolution amending an act making temporary appropriations for the fiscal year 1950, and for other purposes.
H. R. 1380. An act to extend the time for commencing and completing the construction of a tree bridge across the Rio Grande at or near Del Rio, Tex.;
H. R. 3512. An act to amend the Civil Service Retirement Act of May 29, 1930;
H. R. 4022. An act to extend the time for commencing the construction of a toll bridge across the Rio Grande at or near Rio Grande City, Tex., to July 31, 1950; and
H. R. 4705. An act to transfer the office of the permanent functions of the United States District Court for the District of Columbia, the Office of the Register of Wills for the District of Columbia, and the Commission on Mental Retardation of the United States government to the Administrative Office of the United States Courts, for budgetary and administrative purposes.

On August 3, 1949:
H. R. 588. An act for the relief of Jacob A. Johnson;
H. R. 1635. An act for the relief of Christine Kono;
H. R. 2709. An act to amend the act entitled "An act regulating the retent on contracts with the District of Columbia," approved March 31, 1950;
H. R. 3983. An act authorizing the Secretary of the Interior to issue duplicates of William Gerard's script certificates No. 2, subdivisions 11 and 12, to Blanche W. Weldon and Amonie L. Harris, as trustees;
H. R. 4361. An act authorizing the Secretary of the Interior to issue to L. J. Hand a patent in fee to certain land in the State of Mississippi;
H. R. 4869. An act to provide for the appointment of additional circuit and district judges, and for other purposes; and
H. J. Res. 170. Joint resolution designating June 14 of each year as Flag Day.

On August 4, 1949:
H. R. 459. An act to authorize the payment of employment benefits of personnel of Armed Forces for duty on overseas duty on contracts with the District of Columbia;
H. R. 4743. An act to provide increased pensions for widows and children of deceased members and retired members of the Police Department and the Fire Department of the District of Columbia.
H. R. 2474. An act for the relief of Frank Eugene Laub;
H. R. 4586. An act to revise, codify, and enact into law all of the United States Code, entitled "Coast Guard"; and
H. R. 4604. An act to record the lawful admission to the United States for permanent residence of Karl Frederick Kuecker.

On August 5, 1949:
H. R. 517. An act to authorize the Secretary of the Air Force to operate and maintain a certain tract of land at Vataparnia, Fla., near Eglin Air Force Base, as a recreational facility; and
H. R. 5205. An act to authorize the adjustment of the lineal positions of certain officers of the naval service, and for other purposes.

On August 8, 1949:
H. R. 1468. An act for the relief of Daniel Kim;
H. R. 2804. An act for the relief of Telko Horikawa and Yoshiko Horikawa;

H. J. Res. 327. Joint resolution making an additional appropriation for control of emergency outbreaks of insects and plant diseases.

AMENDING FAIR LABOR STANDARDS ACT

Mr. LESINSKI. 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. 5856) to provide for the amendment of the Fair Labor Standards Act of 1938, 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. 5856, with Mr. Coolidge in the chair.

The Clerk read the title of the bill.
Mr. McCONNELL. Mr. Chairman, I yield such time as he may require to the gentleman from New Jersey [Mr. WOLVERTON].

Mr. WOLVERTON. Mr. Chairman, I am in favor of minimum-wage legislation. In 1938, by speech and vote, I supported the legislation establishing rates of pay, maximum hours of employment, and overtime and restrictions on child labor. I opposed as a minimum wage.

Further delay would be unconscionable. The 65-cent minimum for a 40-hour week should have been granted long ago. The 75-cent minimum for a 40-hour workweek will gross the lowest paid employee $26 per week. Now, in my district that is a starvation wage. I think it is true of most areas in the United States that is a starvation wage. I think it is true of most areas in the United States.

The legislation now before us seeks to establish the same purposes as the original act with such amendments as present conditions and the experience gained in the years since 1938 would justify.

Considering the legislation now before the Congress much has been said, and, yes, will be said concerning the minimum wage provisions of the bill. This is perfectly proper and entirely in order. But, permit me to make the fact that the bill also defines the number of work hours per week and basis of pay for overtime, and, the prohibition of child labor with some limitations. All of this is as it should be if we are to effectually carry out the policy of protecting the health, efficiency and general well-being of workers.

I am wholeheartedly in accord with the objectives of the proposed legislation. I shall assist in every way possible to make the legislation to be passed by the Congress workable and effective. I pledge my vote and fullest support to the legislation.

Mr. McCONNELL. Mr. Chairman, I yield 5 minutes to the gentleman from Illinois [Mr. VELDE].

Mr. VELDE. Mr. Chairman, I want to take a few minutes to explain an amendment which I shall introduce as an amendment to the amendment. My amendment is simple. It calls for a change in the starting wage from 65 to 75 cents.

The fact that the starting figure of 65 cents in the Lucas amendment is necessarily arbitrary, although I am advised that some study was made of the cost of living now as compared to the cost of living in 1945 at which time the 40-cent minimum was in effect. On that basis I believe it was figured by some members of the committee that the starting point should be at 68 cents. Possible legislation now is not sufficient. As I say, this starting price necessarily has to be arbitrary.

The 65-cent minimum for a 40-hour workweek would gross the lowest paid employee $26 per week. Now, in my district that is a starvation wage. I think that is true of most areas in the United States. The Southern States are the exception to this rule, of course, but I cannot understand why we should let the tail wag the dog in this particular case.

There are some 22,000,000 employees covered by the present minimum-wage-and-hour bill, according to testimony of Mr. McComb before the committee.
These employees are practically all unorganized. They do not have the advantage of collective bargaining to improve their wages. Many of these 22,000 workers refuse to join unions and suffer all the trials and tribulations of union members. They prefer to stand on their own individual initiative and their abilities as workmen to make a living wage and advance economically. As a result of their inability or unwillingness to organize into labor unions, there is a sharp difference between the minimum wages for labor-union members and the minimum wage for these nonunion members—too sharp a difference, in my opinion. These 22,000 workers in the United States deserve the help and protection of their Government, which we can give them by passing a realistic minimum-wage-and-hour bill.

Mr. BREHM. Mr. Chairman, will the gentleman yield?

Mr. VELDE. I yield.

Mr. BREHM. I compliment the gentleman on his proposed amendment. I believe we should enact a minimum-wage bill. In the light of what is right, I cannot accept or support that portion of the Lucas bill which has been specifically mentioned as providing 65 cents minimum wage and a sliding scale based on the cost of living. I believe that the minimum wage should be higher wage during the higher cost of living. It is more realistic and proper legislation, instead of in the COTTON standard.

I agree with the gentleman from New York (Mr. McNICHOLDS) that it is a more realistic and proper time, in the light of what is right.

Mr. VELDE. The gentleman from Ohio (Mr. BREHMS) has expressed my position exactly on this point. I cannot accept or support that portion of the Lucas bill which provides for a 65-cent minimum wage and a sliding scale based on the cost of living. I believe that a minimum wage higher wage and sliding scale provision based on the cost of living index.

Mr. FORD. Mr. Chairman, I express the same sentiments as the gentleman from Ohio (Mr. BREHMS). This amendment to the Lucas bill by the gentleman from Ohio, Representative BREHMS. It is my understanding that an amendment will be proposed by him striking from the Lucas bill the 65-cent base as well as the sliding-scale provision based on the cost of living index. In my estimation a flat 75-cent minimum is preferable to the present or original provision in the Lucas bill.

Mr. COTTON. Mr. Chairman, the gentleman from Ohio (Mr. BREHMS) has expressed my position exactly on this point. I cannot accept or support that portion of the Lucas bill which provides for a 65-cent minimum wage and a sliding scale based on the cost of living. I believe that the minimum wage should be higher wage during the higher cost of living.

Mr. FORD. Mr. Chairman, I express the same sentiments as the gentleman from Ohio (Mr. BREHMS). I am for a straight 75-cent minimum wage. TheLucas bill contains several vicious provisions, one of which will add confusion to the question of overtime; and another, section 7, authorizes the Secretary to bring suits on behalf of the employees, which will cause untold confusion and a multiplicity of lawsuits.

Mr. VELDE. I want to compliment the gentleman and assure him I will support his amendment.

Mr. VELDE. There is a great deal of sentiment that has been expressed in that regard, and I appreciate the kind remarks of the gentleman from Ohio. I do, however, like the theories and principles of the flexible minimum wage. It is more in keeping with the principles of free enterprise. The controlling factor is based on statistical data which is real and certain, and not subject to political maneuvering. A flexible minimum wage starting at 75 cents and tied to the consumer price index would be better. The marginal employer a fighting chance to stay in business during a declining period of our economy. It gives the marginal employee a fighting chance to keep his job in a period of business depression. It gives him an opportunity to obtain a higher wage during the higher cost of living periods in our business cycle. The rigid minimum wage of 75 cents, or any other rigid wage has this vital defect—the marginal employee could never obtain more than 75 cents an hour, as he could under the flexible minimum-wage scale.

I feel that my amendment should have the support of both Republicans and Democrats. It is a more realistic start, point than the 65-cent wage, possibly it should even be more than 75 cents. I hope you will consider this amendment, which I shall introduce at the proper time, in the light of what is right, and what is possible, instead of in the light of political voting.

The CHAIRMAN. The time of the gentleman from Illinois [Mr. VELDE] has expired.

Mr. McCONNELI. Mr. Chairman, I yield such time as he may desire to the gentleman from New Hampshire (Mr. COTTON).

The CHAIRMAN. Is there objection to the request of the gentleman from Michigan?

There was no objection.

Mr. FORD. Mr. Chairman, I express the same sentiments as the gentleman from Michigan. I would also support such a minimum wage, higher wage, and sliding scale provision based on the cost of living index. This amendment to the Lucas bill by the gentleman from Ohio, Representative BREHMS. It is my understanding that an amendment will be proposed by him striking from the Lucas bill the 65-cent base as well as the sliding-scale provision based on the cost of living index. In my estimation a flat 75-cent minimum is preferable to the present or original provision in the Lucas bill.

Everyone knows that we in Michigan pay far more than the 40-cent minimum under the existing law. Furthermore, practically everyone agrees that a new minimum of 75 cents would not be detrimental to management and industry in western Michigan. As a matter of fact, a 75-cent minimum would probably be more helpful to both employees and employers in the State of Michigan. Certainly the competitive position of our furniture industry would be aided if the furniture manufacturers in the South were forced to pay a decent wage to their employees.

The sliding-scale provision if adopted would lead to serious administrative problems. An increase or reduction in the minimum wage based on a change in the cost of living index conceivably might compound the difficulties experienced by management in trying to live within the law and the wage-hour administration trying to enforce the Fair Labor Standards Act.

If we can adopt the amendment to be proposed by the gentleman from Ohio, Representative BREHMS, the Lucas bill would be good legislation. In contrast to the proposed amendment by Representative Lucas, H. R. 5854, it is uniform in many particulars. I refer specifically to the provision which gives the administrator the right to sue, on behalf of an employee, for wages allegedly due. That wages allegedly due provision in the Lesinski bill must be removed, and I intend to submit such an amendment for consideration by the House.

In closing, I repeat the need and necessity for a flat 75-cent rate under H. R. 5894, and therefore urge favorable consideration for the proposed amendment by the gentleman from Ohio.

Mr. KERR. Mr. Chairman, I ask unanimous consent to extend my remarks in the Record and include a speech by Maj. Gen. Clavis E. Byers, of the Army General Staff, at Windsor, N. C., on Veterans Day.

The CHAIRMAN. Without objection, it is so ordered.

There was no objection.

Mr. PERKINS. Mr. Chairman, I yield 5 minutes to the gentleman from Kentucky (Mr. PERKINS).

Mr. PERKINS. Mr. Chairman, it seems to me that if we are going to pay our national debt we can maintain a high national income. There is no better way to maintain a high national income than to stabilize our economy by
putting a floor under wages. Many of us contend that a meager $30 a week should be guaranteed to workers throughout this country engaged in interstate commerce.

The Lucas bill, H. R. 5894, proposes that the minimum wage be modified with reference to changes in the cost of living. This is a procedure which I am utterly opposed. It means frequent changes in the minimum wage by small amounts, perhaps a cent or two per hour, which would cause such stress as to what the minimum wage actually will be annually.

The 75-cent minimum is the least of which the economy can afford under present conditions. It is a true floor for the wage structure. It is so far below actual minima being paid in many industries and localities that there is no need to tinker with it as the general index of the cost of living goes down by a few points. Of course, if there were a precipitous decline in the cost of living or in general prices, there would be the possibility of reconsidering the problem again.

What does this Lucas bill provide? It provides 65 cents an hour until December 31, 1940. The amendment to be offered by the gentleman from Illinois was adopted, amending the Lucas bill from 65 cents to 75 cents, it would only provide 75 cents an hour until December 31, 1940. It would be possible the amendment next year for the rate to be 50 cents an hour, and I am sure that there is not a member of this body who does not want to look beyond the present year and the possibility of the minimum wage next year being 50 cents an hour. That is the reason I say that if we vote for the Lucas amendment we are short-sighted insofar as trying to plug up holes that now exist in our economy in order that we may stabilize our economy.

Those of us who have faith in the minimum-wage principle believe that a stable statutory minimum wage does prevent wages from breaking too sharply, with the expectation of still further breaks to come. We must remember that the amendment of the minimum-wage legislation is to fix a floor for wages and to prevent hesitation, delay, and uncertainty that arise when producers have no measuring rod whatever to define what their competitors' costs and prices might be.

We must recognize also that the administrative problems created by frequent changes in the statutory minimum wage would be considerable. It takes time and frequent visits from investigators to get across the requirements of a minimum-wage law to all employers. We know that many violations are unintentional and that once the matter is explained there is less of an enforcement problem thereafter. If minimum rates were the index of the cost of living, this might involve small annual changes up and down frequently enough to make the problem of compliance and investigation more difficult to enforce while the question of good faith and the application of the penalties of the law would always be involved.

This Congress recently showed its disapproval for flexible price supports and I am of the opinion, after careful consideration is given to the Lucas bill, H. R. 5894, which provides a flexible minimum wage tied with the cost of living, that this Chamber will overwhelmingly vote down such legislation which could have a disastrous effect upon our economy.

To get the floor at 75 cents today, we should plug up these holes which are materially affecting our economy. I cannot think of any greater asset to our economy than passing an inflexible statutory minimum-wage law with the floor at 75 cents.

As a member of the Committee on Education and Labor, I voted for H. R. 3190 because I felt that an increase in the statutory minimum wage is necessary to promote the general welfare. In the light of our 10-year history with the national minimum wage law, I am convinced that an increase in the statutory minimum wage to at least 75 cents an hour is necessary, first, in order to bring the statutory 40-cent rate into conformity with costs of living, and second, in order to require industries in interstate commerce to pay a living wage to their workers.

It is a curious thing that those who oppose an increase in the statutory minimum wage are the very ones who seem to be so fond of the principle of adjusting wages to changes in the cost of living. Yet it is a fact that the 40-cent minimum rate of 1938 minimum wage law was adopted by some industries as early as 1940 and was generally attained in practically all industries by 1942. At that time the average index of consumer prices for moderate-income families was 116--

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At the present time, this index of consumer prices stands at about 170, two or three points below the high reached during the postwar period. In other words, the cost of living is about 60 percent higher than it was in 1942. Anybody who does not believe this was the case in 1942 and is not receiving 65 cents an hour for the same work in 1949 is being paid less than the minimum wage which was established in 1938, when we had now that amount 850,000,000,000, in contrast with the national income running over $200,000,000,000 in 1948 and 1949.

Considering the sharp increase in income from all sources, it is altogether unreasonable to maintain the same minimum wage standards which we adopted in 1938 when the national income was only $65,000,000,000 and we had about 8,000,000 unemployed. The 40-cent minimum rate of 1942 is the equivalent of 65 cents in today's purchasing power.

The 10-cent additional increase which carries the statutory minimum to 75 cents is another 6 percent increase in terms of the purchasing power of 1942—altogether an increase averaging about 1 percent a year since 1942. The increase in real wages through the years has averaged about three times this amount. As early as 1945 the Senate Labor Committee and the Senate Finance Committee voted for this minimum wage with an automatic rise to 75 cents.

In 1946 the House also voted out a 65-cent minimum. Since January 1946, average hourly earnings in manufacturing industries have gone from $1 per hour to $1.37 per hour, or an increase of 37 percent. An increase of 10 cents per hour over the proposed 65-cent minimum in 1946 is only the 37 percent increase for all workers. And this does not take into account the 30 percent increase in the cost of living since January 1946. This shows how much these lowest paid workers need the assistance of a higher minimum-wage law.

We know from the testimony available to the committee and from material furnished at the hearings that 75 cents an hour or more is the actual minimum being paid in most of American industry today. In most establishments no change will be necessary. I was impressed with the fact that the average employer did not have to be confronted with a change in the law in order to increase the minimum wage he is actually paying. However, some employers could and other employers would not increase the minimum wage which they are paying unless such an increase were made applicable to all their competitors.

Since fewer than 1,500,000 workers all over the country are receiving less than the minimum wage, these are already being paid more than 70 cents per hour, the adjustment at this time should not be difficult.

The adjustment which will be required by the 75-cent minimum in 1946 is less than that required when the Fair Labor Standards Act of 1938 was first put into operation. We learned then that a 75-cent minimum wage raises the wages of the lowest paid workers 70 cents per hour and preserves and encourages competition on a higher plane. Employers who pay unjustifiably low wages are not then given a competitive advantage over those employers who pay a decent minimum wage.

I said that in addition to the need to bring the statutory 40-cent rate into conformity with present prices and the cost of living, a 75-cent minimum is necessary in order that industries engaged in interstate commerce actually pay a living wage to their workers.

In light of the fact that the government wage law was originally intended to provide a living wage for a single person in the cities of Chicago, New York, Philadelphia, and Los Angeles the going minimum rate is higher than 75 cents an hour, and should be.

The 75-cent rate will just barely provide a living wage for a single person in many of our larger cities and small-town areas. It is necessary for the health and self-respect of the workers and can in no way injure the industries which may have to increase the wages of a small number of their employees by a few cents per hour.

I want to say that I was personally in favor of the provision in the original bill which would have enabled industry committees, industry by industry, to raise minimum wages up to 75 cents per hour.
There are a number of industries where most of the employers already pay minimum, or near minimum, and if such a rate were made applicable to all competitors, many industries would be agreeable to establish a minimum rate above that. But, how do we do that provision out of H. R. 3190, and it is also omitted from H. R. 5856. The minimum wage provided in H. R. 5856 calls for only 75 cents an hour in all industries.

There was one other provision of H. R. 3190 of which I heartily approved. This has to do with the application of the minimum wage to all retailing. Under the act as originally passed in 1938, the phrasing was so general that the Administrator had little guidance in determining the intent of Congress as to who was and who was not covered in the retail field and he requested a clarification of the provision. We had drawn the line at the point where an establishment did an annual business of over $500,000.

The retailing provision appears under the section of the bill dealing with exemptions from the minimum-wage provisions, both the wage-and-hour provisions any employee of a retail or service establishment whose employer did a total annual business of less than $500,000 during the preceding annual year.

In other words, it exempts from the minimum-wage requirement practically all the neighborhood stores. To do an annual retail business of $500,000 a retail establishment would have to employ from 20 to 30 workers. This would be $17,000 to $25,000 annual sales per employee, which is way above the known average.

In service establishments, where sales per person are much less because the cost of the goods is not counted, it would mean an establishment employing 40 or more persons. In other words, only the large retail and service establishment, mostly the chains and department stores, would have been covered by H. R. 3190. Testimony before our committee that showed some of the large department stores of this Nation paying their employees a ridiculously low wage.

And why should not they be required to pay the minimum wage? To do an annual business of $500,000 a retail establishment or service organization can practice modern economies, can purchase on a large scale and engage in business on an efficient basis. There are millions of American workers employed in retailing and there is no reason why those large employers in interstate commerce should not be subject to the same minimum-wage standards of business in other lines.

It is better to draw the line at some definite point which can be determined than to allow the decision subject only to administrative rulings and the possible unequal application of the law. When we permit a man to vote at the age of 21 we do not say that he must be a man; this does not mean that there are not some young men under 21 who would not be fit to exercise the franchise or that even occasionally a man over 21 ought not to be given a little time to find out what it is all about. Still it is better to have a definite guide of calendar years than to go into the circumstances of each case.

By "Democrat" he means Members who represent districts in States located in the South and his reference was descriptive for purposes of brevity.

The late Franklin Roosevelt and still later under President Truman that new life was injected into the veins of the system of our whole economic life and the record shows it has particular application to the South.

Under what administrations have greater considerations been expended through rivers' and harbors' improvement, flood control than under that of the late Franklin Roosevelt and now under President Truman? The wage-hour law has been very beneficial. It has brought greater income and the benefits that flow therefrom to millions of men and their families have for the future and with stronger moral outlook through the strengthening of the family life.

What about rural electrification? What about the elimination of the farmer-tenant system?

These are all monuments to the memory of the immortal Franklin Delano Roosevelt, which our courageous President, Harry S. Truman, is completing and extending.

The late Franklin D. Roosevelt and President Truman have shown many states that the passage of the Lesinski bill, the main feature of which is the 75-cent minimum wage, is for the best interests of the country.

It seems to me it is particularly so for the people of the southern part of the country, beneficial to all, but certainly not to the exclusion of any part. I therefore cannot believe that many of my colleagues from districts in the South will support the Lucas substitute. It would certainly not be in the best interests of the people as a whole to do so.

In relation to the other observation of many Republicans lining up tentatively behind the Lucas substitute, it will be interesting to note the vote. If the Lucas substitute should succeed in the Committee of the Whole, and I doubt it, and hope it will not be adopted, there will be a roll-call vote on it in the House. If that should happen what vote will determine the position of Members for or against the 75-cent minimum wage? No matter how much a Member may think he is hiding the issue, that will be the issue.

The Republican Party had a meeting recently of members of its national committee to choose a new national chairman. This is the first question of import to the people since the election of a...
new chairman by the Republican Party. I wonder what his, the new chairman’s, position is on this bill?

At that meeting, a colleague from Pennsylvania [Mr. HUGH D. SCOTT, Jr.,] former national chairman, is quoted in the press as saying:

"Unless we search our souls and stand very clearly in the public mind for things which people instinctively feel are good for them, no amount of well financed public relations will make up for the lack of such a public policy.

Let us all, Democrats and Republicans, “search our souls” and ask ourselves and answer the question: “Is 75 cents an hour too much to pay to persons covered by the wage-and-hour law?”

This bill affords to workers covered the minimum of decent legal consideration. That is the least we can and will do if we only “search our souls.”

If the Lucas substitute should be adopted, which I doubt, on roll call, it will be interesting to see, as our friend from Pennsylvania [Mr. HUGH D. SCOTT, Jr.,] recently said outside of these Halls how many Republicans have searched their souls.

One thing is certain, the American people are watching this legislative battle. They know the Lucas substitute can only be adopted by the great majority of the Republican Members, plus some Democrats voting for it. The American people have not been deceived or fooled in this battle. About such tactics. Note I said “some Democrats”—not all, naturally. We have great men from all sections of the country.

The American people have not been deceived or fooled in the past by such tactics. The 1948 election is the best evidence of this assertion.

The American people want progressive leadership in Government. They quickly detect and on election day repudiate a party of blind opposition, or a political party that fears making its own record by following the leadership of a member of the other party.

As our friend from Pennsylvania [Mr. HUGH D. SCOTT, Jr.,] said, and he is former Republican National Chairman, and he is right, this statement is significant today, every one of us if we “search our souls” will vote against the Lucas substitute and for the Lesinski bill.

Let us see what the facts are. There are about 22,600,000 persons now subject to the minimum-wage provisions of existing law. Out of this large group about 1,450,000 persons earn less than 75 cents an hour, and about 5,000,000 are dealing with, those covered by the Lesinski bill, is 1,500,000; not a wage increase to 23,600,000, but 1,500,000, and that is an answer to those who say it would have a serious impact upon our national economy. Moreover, it is strengthening the family life of America, and the family life of those workers means just as much to them as your family life means to you and mine. All family life means to me, the stronger we make the family life of America the stronger we make our Government.

When we pass this bill we are not simply bringing to these people confidence in the leadership of our Government and in our Government but we are strengthening their family life, and by strengthening their family life we are strengthening American society. We are strengthening our Government, for after all the very basis of our Government and the very basis of our society is the family life. Strengthen family life, weak government.

Without regard to party, my colleagues, I say in conclusion, I say again, a friend from Pennsylvania, “Let us search our souls.” If you search your souls and vote your soul you will vote against the Lucas bill. No matter what amendments you may vote for in relation to the Lesinski bill, you will vote for a 75-cent minimum wage for the persons covered by the wage-and-hour law.

Mr. McCONNELL. Mr. Chairman, I yield myself 20 minutes.

Mr. BREHM. Mr. Chairman, will the gentleman yield?

Mr. McCONNELL. I yield.

Mr. BREHM. Mr. Chairman, if I correctly understand the parliamentary situation, the vote on the Lucas substitute will not come until after the Committee has had the opportunity of amending it. Now, the Lucas substitute raises the minimum wage from 65 to 75 cents an hour and also if the formula of basing the rate on a cost-of-living index is removed, then the statement just made by the majority leader from Massachusetts [Mr. Mccormack] is inaccurate. For instance, the gentleman from Massachusetts just made the assertion that anyone who voted for the
Lucas bill on a roll-call vote would definitely be putting himself on record as being opposed to a 75-cent minimum wage.

Now, Mr. Chairman, my position on the bill is well known, I have been on public record for quite some time as favoring a 75-cent minimum wage in those industries which are engaged in interstate commerce. Therefore, assuming that the Lucas bill should be amended as I have indicated and the vote then come on substituting the Lucas bill for the Lesinski bill, the statement made to me from Massachusetts [Mr. McCormack] would, as I have previously stated, not be accurate. I want the record to definitely show this distinction.

There are several provisions contained in the Lucas bill which I prefer over the Lesinski bill. However, I favor that provision of the Lesinski bill which fixes the rate at 75 cents in preference to the Lucas bill which fixes it at 65 cents with future rates being tied to a cost-of-living index. Therefore, my position is quite clear. If the Lucas bill cannot be amended to contain two specific instances, then I will support the Lesinski bill and attempt to amend it in certain instances. Even if the amendments fail, which I have in mind, I will still be in favor of the bill in this, as in my opinion the minimum wage should be increased beyond 40 cents in those industries or businesses engaged in interstate and foreign commerce.

It is my intention at the proper time to offer an amendment to the Lucas substitute in an effort to accomplish the above objectives.

Mr. McConnell. Mr. Chairman, I am sorry this issue has to be put in the realm of partisan politics. I do not know of anyone who has searched his heart and soul more than I have over the years for a correct solution of this problem. First of all there is quite an argument among various people as to the correctness of a minimum wage, or whether it is workable in a free economy. Some people believe it should cover every employee in America. There are others who believe it is sound but think there should be many exemptions so that very few will be covered by such a law. Others think we should have a flexible rate while still others say we should have a rigid rate. Frankly, there is a great deal of sincere earnest searching for a correct solution of a difficult problem.

We have heard it said rather jokingly, and I think this expresses the situation as I see it over the past several years—it was said to me in a joking way—"Sam, why do you not make the rate from two to five dollars an hour and then exempt everybody?" That is the attitude I have found frequently. They do not mind higher rates, but then they say, "Exempt certain industries in my locality." For goodness sake, we must play it down the line and be level with the situation as we know it. I just cannot make something that will suit the entire Membership of the House. That is one of the reasons a flexible rate was considered as probably answering the objections of many types of people in their thinking and in their approach to this problem. I will give you a very glaring example. We just heard a speech a few minutes ago on the floor about the desire to help the poor workingman, and yet the present Lesinski bill does what has not been done before, in the Fair Labor Standards Act, and what we are not advocating in the Lucas bill. It exempts large mail-order houses from coverage by the Fair Labor Standards Act. We are not advocating that, but the side which is sure to be searched, as far as we are concerned, has deliberately exempted the employees of the large mail-order houses from coverage by this bill.

Let us consider another matter. It is almost shocking when you hear it. An exception has been put in here particularly for the Louisiana sugar cane processors that would permit them to work their Jamacian workers 80 hours a week, and pay them 40 cents an hour or less. Is that so humane? Let us call these shots where they fall. I tried to be reasonable, but I do not like to be put in the classification of being inhuman. We are trying to be human. We are trying to protect men not only so that they will receive some purchasing power of their dollar when they buy the necessities of life.

I think I made this very clear yesterday when I said that if we could find some way of applying the provisions of this act as it was originally intended by Members of Congress, or if we made it applicable to manufacturers, mining, and transportation industries in interstate commerce—I would be able to support a 75-cent rate.

We are not cutting wages. To my mind that is the most absurd statement I have heard so far during this debate. We are not cutting wages. We are calling for an increase in the minimum rate at the present time of more than 60 percent. I am not arguing about the correctness of the starting point, I do not know. I am seeking the right level at which to start the flexible rate. I have not even made an effort to force acceptance of the bill except during the years. If there is a better answer, let us find it, but there is one thing I shall insist upon, and that is that I shall be credited with sincerity in my approach to this problem.

When I said I would support a higher rate if a bill were applied to interstate commerce, to big business, but did not extend it to the many local small businesses of our economy, I was aware of some statements made in prior years, and I would like to bring them to your attention:

When the late President Roosevelt asked Congress to enact the Fair Labor Standards Act, he said it was to protect "those who toil in factories." He further proposed to put the various local pursuits and services not be covered.

At the joint committee hearings on the bill in 1937, Assistant Attorney General Jackson—now Justice Jackson, Secretary of Labor—and Mr. Black of the Senate Labor Committee—now Justice Black—all emphasized that the bill was directed at producers for interstate commerce—and that it did not attempt to cover purely local pursuits or intrastate service trades. I will repeat, if this act applied only to those originally intended or if it applied only to manufacturing, to mining, and to transportation, I would advocate a higher statutory minimum wage than I now support. It should be clearly understood that the issue in this bill are the coverage and overtime provisions, and not the minimum wage rate. The wage rate becomes an important issue only because of the effect it would have on small local businesses which were not intended to be covered in the first place. But congressional intent to leave local business to the protection of the States has not been respected. Gradually and persistently the courts and the Administrator have extended the law's coverage to bring within it many local businesses.

As many of you are aware, the Fair Labor Standards Act is probably the most complicated piece of legislation that this Congress will be asked to consider. Unfortunately, in general, the courts and the Administrator have extended the law's coverage to bring within it many local businesses.

Late last week a mimeographed summary of the Lesinski bill, H. R. 5856, was delivered to my office. It contained the statement that "all" retail and service establishments—"all" is underlined. This statement is true—as far as it goes. However, the mimeographed summary does not point out the difference between what we think of as retail or service establishment and what such terms mean when used in the Lesinski bill.

Now ordinarily, we would not think the employees of a local window cleaning business would be covered by the act. However, the courts have upheld the ruling of the Administrator that employees of such a company who clean windows in buildings where workers produce goods for commerce are covered by the minimum-wage and overtime provisions of the act.

I can cite you other actual court decisions and administrative interpretations of the act which are even more ridiculous and I believe interested in how the coverage provisions of this act have been allowed to run so far afield from congressional intent. If you will study the definition of the term "produced" contained in section 3 (i) of the Lesinski bill, you will find the answer to your question. "Produced" is defined as any process related—or occupation necessary to the production of...
goods for commerce, which is the same language as is found in the Fair Labor Standards Act. The Administrator has ruled that he will interpret the coverage provisions broadly. In his interpretation of the act, the Administrator stated:

It is evident that, apart from certain specific exemptions enumerated in the statute, Congress intended to impose a semblance of its regulatory power over interstate commerce.

Just like every river must eventually flow to the sea—so every worker by some stretch of inference is necessary to the production of goods for commerce. Therefore, the language of the act can be stretched to cover millions of additional workers in this country—whenever the Administrator is ready to do so.

Since there is no question that employees of local retailers and intrastate service establishments would be covered unless specifically exempt—it becomes necessary to determine whether they are exempt under the Lesinski bill. The answer is no, because such businesses fit within the narrow definition in the Lesinski bill—and it is impossible to understand the effect of the retail and service definitions of the bill unless you know the meaning it has been given under interpretations by the Wage and Hour Administrator.

In order to bring employees of local retail and service establishments under the act, the Administrator has invented a class of businesses designated as nonretail.

To you and me, a nonretail establishment would look like a retail establishment. But that is because we are not acquainted with the nonretail tolerance—which has also been invented by the Administrator. Under the nonretail tolerance, a businessman who would otherwise be thought of as a retailer loses his exemption if more than 25 percent of his dollar volume is derived from sales for resale, as resale is defined in the bill. The Lesinski bill exempts laundries which do not derive more than 25 percent of their dollar volume from customers in mining, manufacturing, transportation, or communications business. It also provides that local retail and service establishments shall not lose their exemption simply because they process the things they sell. This provision exempts drug stores where prescriptions are made, bakeries, tailor shops, and other businesses which do some work on the goods they sell. These could be covered—in whole or in part—by the Lucas bill.

As I have said, it is important to consider that small businesses in all sections of the country will be affected by the minimum-wage rate. However, this far-flung coverage of the act is even more important in regard to its overtime requirements than in its minimum-wage provisions. At present almost every business establishment employs workers who do some work on the goods they sell. That hurts these employers especially. In small towns serving a rural area where working hours must be adjusted to the convenience of customers. In such cases the stretched coverage of this act affects the employer even if he is paying his employee $80 a week—because he is required to pay time and a half for overtime work which is necessary. It is important to note that the humanitarian appeal for a minimum wage—will apply only to a few fringe workers—but the overtime requirements will force many employers to pay certain employees as much as $7 to $10 an hour, and even more. That is the real danger of letting the coverage provisions of the act get completely out of control.

I shall not use this time to discuss the arguments for and against a minimum-wage rate. The common purpose of a statutory minimum wage is to assure a worker a certain minimum level of living necessary to protect certain individuals at the lowest fringe of the labor force.

Today we are to consider the problems to be encountered in the fixing of a minimum-wage figure; whether it should be a rigid 75-cent rate or a flexible one based on the cost of living. However, we must not have been changed to reflect the fluctuation upward in the cost of living. Every time there is a marked change in the cost of living pressure is put on Congress both for and against changes in the rate. All of this would have been eliminated if the minimum wage had been automatically adjusted each year to the changes in the cost of living similar to the provisions of the Lucas bill.

Many qualified persons are divided in their opinion concerning future economic changes in this country. During such an uncertain period, there is an understandable caution in the fixing of a rigid minimum rate at any figure. If the inflationary cycle resumes its upward march, Congress may be fixing too low a rate. If a sharp readjustment occurs in the economic structure, then there is an inherent danger of setting too high a figure which may be embarrassing to employers and employees alike. With this in mind of protecting the relative purchasing power of the marginal worker and with the desire to act in an equitable and just manner, it seems sensible and sound to adopt an automatically adjustable rate at this time.

The advantages of such a provision are, I hope, too obvious to need extensive exposition. Clearly, since the basic purpose of a statutory minimum wage is to assure a worker a certain minimum purchasing power, the only means by which Congress can do that is giving him so many cents an hour, but only through tying what he gets in wages with the prices he has to pay for what he buys. The best measure of such purchasing power is the BLS cost-of-living index.

I am not going on with this at the present time because when the amendment is introduced under the 5-minute rule the various provisions will be clearly explained. But I would like to make this last-minute appeal to you, then I shall yield. No matter how you feel about the minimum-rate figure, whether it should be fixed, whether it should be flexible, whether it should be higher than 65 cents, or whatever it should be—fundamentally, if you really want clarification for the small-business establishments of this country so that they will not be forced either to go out of business or lay off some of their workers if you want that, then Congress should by all means over the Lesinski bill.

Mr. PERKINS. Mr. Chairman, will the gentleman yield?

Mr. McCONNELL. I yield to the gentleman from Kentucky.

Mr. PERKINS. Going back to the retail provision that the gentleman just
discussed, I believe that on page 28 of the Lucas bill under exemptions it is provided that any employee employed by any retail or service establishment doing more than 50 percent of which establishment's annual dollar volume of sales of goods or services is made within the State in which the establishment is located shall be exempted. Now, that is the exemption provided in the Lucas bill, so far as retail and service establishments are concerned.

Mr. McCONNELL. We did not exempt the large mail-order houses.

Mr. PERKINS. Let us take a man engaged in the retail business near a State line. Under the Lucas bill, if it is established that he does more than 50 percent of his business across the border—in other words, interstate—then under the Lucas bill he is covered.

Mr. McCONNELL. That is quite correct. No serious objection has come from the retail and service establishments on that. If more than 50 percent of what is interstate, they expect to come under the act.

Mr. PERKINS. Under the Lesinski bill, the illustration I just gave would not be covered. In the event he was doing more than 50 percent of his business interstate, he would not be covered.

Mr. McCONNELL. Under the Lesinski bill he is completely exempted, regardless of the interstate or intrastate character of his business, am I correct? That is, referring to retail and service establishments.

Mr. McCONNELL. In other words, according to the Lesinski bill all types of business, retail or service, large or small, are exempt from coverage so far as an interstate and intrastate test is concerned. That is true.

Mr. PERKINS. Does the gentleman mean that the gentleman is trying to make out is that this is objectionable to the retail and service establishments. They are not seeking to eliminate the intrastate qualification section of the present Fair Labor Standards Act as it refers to retail or service establishment exemption, and they are not making their fight on that proposition. The real fight is on the arbitrary ruling of the Administrator, whereby a certain type of selling or servicing is designated as nonretail. We have had a stream of small retail, small retail service, large or small, are exempt from coverage so far as an interstate and intrastate test is concerned. That is true.

Mr. LESINSKI. Does the Lucas bill take care of that?

Mr. McCONNELL. Yes; to the satisfaction of the retail-lumber dealer.

Mr. LESINSKI. Mr. Chairman, will the gentleman yield?

Mr. McCONNELL. I yield to the gentleman from Michigan.

Mr. LESINSKI. I understand it is a question of who has the right to promulgate the rules, and everybody knows that the Administrator has not got those rights. Is it not proper that we should have some department that would have the right to promulgate rules?

Mr. McCONNELL. I would like to state that the rule-making power in the Lesinski bill which would have applied to it criminal penalties, and so forth. I would object to that, but I am not even addressing myself to that problem. According to the twisted phraseology and the twisted meaning that the Administrator has put on the Fair Labor Standards Act. Even if you give him rule-making power, you have to be sure how he is going to interpret the rules, and I know and you know how he has interpreted them in the past, and we also know that the courts follow the interpretation of the Administrator to a marked degree.

The CHAIRMAN. The time of the gentleman from Pennsylvania has expired.

Mr. KARSTEN. Mr. Chairman, I ask unanimous consent to extend my remarks at this point in the Record.

The CHAIRMAN. Is there objection to the request of the gentleman from Missouri?

There was no objection.

Mr. KARSTEN. Mr. Chairman, legislation to provide for a $1.50 minimum wage and to increase the minimum wage rate is long overdue. The original law providing for a minimum wage of 40 cents per hour was passed over a decade ago. There have been practically no changes in the law since that time, except of a minor nature, and the law is badly out of date. The committee bill, H. R. 5856, provides for a 75-cent-minimum-wage rate, thus bringing up to date the long outstanding 40-cent minimum wage rate established, also provides for broader child-labor coverage, and takes some forward steps in connection with the act's exemption provisions. Certainly this bill represents the minimum improvement of the act that can be supported by proponents of minimum fair labor standards.

The history of legislation of this type shows that the law has been improved as we continue to progress. I was here when the original law was passed and I recall that many, at that time, opposed it. I am not so sure that business could not stand such a law and that it would drive many industries out of business. Despite the dire predictions since the passage of the act, American industry and business in the United States has been much better financial condition today than it was at the time of the passage of the original law. Profits are at record levels and business in general is enjoying the greatest prosperity in the history of our country.

This bill will help business and industry which must depend upon the workers to purchase the products they manufacture. It is a sort of insurance against the future. Approval of a 75-cent-minimum wage will stabilize our economy at a much higher level than the original legislation.

It is a shocking thing to know that there are today thousands of persons employed in the United States at wages of less than 40 cents an hour. On the basis of 40 hours' employment, their income is $16 a week. These deplorable conditions exist all over the country including my own State and I am anxious to see them corrected.

The 75-cent minimum wage provision of this bill has no strings attached in the form of so-called cost-of-living tides. This is the rate which has long been widely recognized as a fair and practical minimum wage rate. Approval of this rate was a major plank of the 1948 Democratic platform, and a campaign commitment of many members of the Republican Party. Adoption of any lower rate would represent gross injustice to the less fortunate workers, condemning them to support their families on incomes of less than $1,000 a year.

The bill will not make the Fair Labor Standards Act a perfect instrument for maintaining decent minimum living standards. The measure does broaden the coverage of the law, but I would like to see legislation passed that would further extend this coverage. The bill represents fair progress and while I would like to see the legislation go further than that I am going to support the measure.

Mr. RODINO. Mr. Chairman, I ask unanimous consent to extend my remarks at this point in the Record.

The CHAIRMAN. Is there objection to the request of the gentleman from New Jersey?

There was no objection.

Mr. RODINO. Mr. Chairman, I shall vote for the 75-cent-minimum-wage bill because I believe elementary social justice requires this. Indeed it is incomprehensible to me that we as a Nation have delayed for so long in overhauling the Fair Labor Standards Act and in bringing it up to present-day standards. It is my conviction that no employer whose operations are within the scope of Federal legislation should be permitted to pay workers less than a subsistence wage. This is both sound ethics and sound economics. The employer who practices in paying substandard wages is forcing the community to bear a cost of what should properly be his basic cost of production. No human being can support himself or herself and maintain sound health and live under decent conditions at a wage of 50 cents an hour. Therefore, the worker who receives less than this amount must obtain
some subsidy from charity, from relative, from other source. Sweatshop wages are at the root of many of the social ills which local communautés and Federal governments must spend millions annually to correct or alleviate.

Although my advocacy of the 75-cent statutory wage and extended coverage of the Fair Labor Standards Act is based primarily on humanitarian grounds, the practical arguments for this long overdue legislation are equally compelling. The statistics regarding average wages paid to workers in industry make it abundantly clear that only a very small group of employers are paying less than 75 cents today. It is clear, therefore, that the fair employer, the concern that pays decent wages and wishes to continue to do so, is jeopardized by those who pay substandard wages. In a period when unemployment is increasing in certain areas of our country, the competitive situation again becomes acute. If the rate is raised to at least 75 cents, the competitive struggle will not be waged at the expense of the basic living standards of the working people in these concerns. The fair employer will have some measure of protection against the unfair competitor.

Let me cite for a moment two situations from my own district which will illustrate my general contention. For many years the oldest and largest thread company in this country operated in Newark, employing over 1,100 people. The concern, although nonunion, paid the going wages in the northern section of the cotton-textile industry. Certainly its wages were well above those that would be required if the present legislation becomes law. About a year ago this concern closed down its Newark mill and moved to Georgia. It made no secret of the fact that it did so that it could pay the lower wages prevailing in that section of the South. I am informed that this mill now pays rates from 20 to 30 percent less than it was obligated to pay in the North.

Enactment of the pending legislation would not require a manufacturer to pay the 75-cent wage in the South. But it would permit him to move wherever he desired to go in his competitive struggle. Finally, I am informed that in my district there are thousands of veterans of both world wars. I am in close contact with these men and their families. A large proportion of them have had no real trade before they went into the Army and some of them were either unable to get training after they were discharged or did not see the necessity for such preparation. The result is that a great many of these veterans are today working at very low wage jobs. Many of them have been forced to take employment in what can only be called sweat shops. While my district is no worse than any other and is better than most in this respect, there are in every industrial center in the country such concerns right next to places that pay standard rates. Do not run away with the idea that low wages are only found in rural areas or in the southern part of this country. Unemployment among workers in all of us have some small pockets of disgracefully bad wages in our own back yards. I have been made especially conscious of this fact through work among veterans. I have found hundreds of these fine young chaps now obliged to work at jobs which pay very much less than a living wage. I have been told of workers who risked their lives for their country are now trying to exist at jobs paying less than 75-cents an hour. As of June 30, 1949, the New Jersey State Employment Service reports approximately 10,694 unemployed veterans in my district. This is in part due to the shifting industry from the North to the South. I say this is a shame and a disgrace and that we ought put an end to such conditions as quickly as we can. Let us pass this bill and as quickly as it can finally be enacted into law.

Mr. DOLLINGER. Mr. Chairman, I am not disposed to make any additions to the remarks at this point in the record.

The CHAIRMAN. Is there objection to the request of the gentleman from New York?

There was no objection.

Mr. DOLLINGER. Mr. Chairman, this Congress now has the responsibility of deciding whether or not American workers will receive wages which will adequately pay for their labors and enable them to meet at least the minimum costs of food, housing, clothing, and transportation. It is manifest that anyone would wish to deny workers just returns for their efforts—and it is our duty, as a society, to provide for the decent standard of living.

Many bills to amend the Fair Labor Standards Act of 1938 were introduced and considered by the Committee on Education and Labor. Taking living costs into consideration, I introduced H.R. 3552 on January 13, 1949, providing for a $1 minimum hourly wage. This wage, in my opinion, is still not adequate.

H.R. 3552, now before us, although a compromise, is not acceptable to me. I shall support it, inasmuch as it is the best bill that we could get action on at this time. The bill provides for a minimum wage of 75 cents an hour. The Members of this House need not be reminded of the high cost of living at present, and it must be conceded that it is not possible to support a family on less than that sum. This bill provides, however, only the necessities of life—not luxuries. Those who receive less must do without proper food and necessary medical care and may not otherwise provide the necessities of life.

Various budgets prepared by our governmental departments show the need for a minimum of at least 75 cents per hour—and in fact, the cost of a minimum health and household budget is far in excess of this sum.

We know, of course, that if the purchasing power of the worker is maintained, business will suffer. If wages are kept up, purchasing power will be kept up—there will be money to buy what is produced, and production can continue. I know that a minimum wage of at least 75 cents is necessary for our workers at this time. They cannot exist decently on less, and to provide for less would be a betrayal of the working people of America.

While we are on the subject of assisting workers, we must not forget our faithful postal workers and Federal employees. We cannot harden our hearts to the private industry meet its obligations without recognizing our own. It is my hope that we will soon have the opportunity to consider legislation which is to the benefit of these workers.
hundreds of thousands of workers not now protected by our fair labor standards laws would bring hundreds of thousands more under the protection of the overtime provisions. Our children are further protected under the child labor provisions of the bill. If we are to lay a firm foundation for the future of this Nation, we must see to it that our children are not exploited, but are given the opportunities of education and normal child life—the birthright of every American.

This House should pass H. R. 5856 without delay and without compromise. However, I serve notice now that the passage of this bill will not solve our problem, and I shall continue to fight for the passage of my bill, which provides for a minimum wage of $1 per hour. We must raise the living standards of workers in this country and this cannot be done unless workers are paid a fair return for their labors.

Mr. BARRETT of Pennsylvania. Mr. Chairman, I ask unanimous consent to extend my remarks at this point in the Record.

The CHAIRMAN. Is there objection to the request of the gentleman from Pennsylvania?

There was no objection.

Mr. BARRETT of Pennsylvania. Mr. Chairman, although several Members have already outlined in detail the background of H. R. 5856, there are still many persons who are opposing this measure on the theory of minimum wage legislation. The arguments being given against a 75-cent minimum wage today are practically identical with those given by the opponents of a 40-cent minimum wage in 1938. The intervening years have proved that the establishment of a minimum wage did not cause unemployment and did not wreck American industry, as predicted by the opponents. After considering the number of workers who are already above the 75-cent level, as provided by H. R. 5856, and the number of persons who are exempt from its coverage, there are only approximately one and a half million workers who will be affected by this legislation.

To me it seems superfluous to debate the need for a 75-cent minimum wage and to point out the inadequacies of the present 40-cent minimum. I think it would be more in accordance with existing economic conditions in the country to consider a dollar per hour minimum wage. The increase in the cost of living since 1938, which is currently given as 119 percent, is sufficient evidence of the need for an increased minimum wage. But there are other facts which, when taken into consideration, make one realize the need for a higher minimum wage than proposed here today and which make it difficult to understand the opposition to a figure of 75 cents.

The 40-cent minimum amounts to a weekly income of $30 per 40-hour week before social security and other pay-roll deductions are made. The take-home pay of an individual with a $30 weekly wage often represents the sole income for a family of four or five or more. There is also the fact to be considered that a large number of persons falling within this low-income category are employed a full 40-hour week. Aside from being deprived of many of the things which we have come to regard as the necessities of life, these people are unable to afford proper medical care and the education of their children is neglected, both of which are so essential to the future of the community and the Nation. A rise in their income will result not only in their present welfare and a more contented outlook on life, which will diminish whatever possibilities there might be of their weakening to the propaganda against our form of government.

In the absence of an opportunity to vote in favor of a dollar an hour minimum wage, and in the interest of those persons whose living conditions are pitifully substandard, I consider it my obligation to urge enactment of H. R. 5856. Such progressive legislation is in keeping with the progress and development of our great Nation and to point out the inadequacies of the provisions of the

The opposition to increasing the minimum wage is based on the theory of minimum wage legislation. The arguments being given against a 75-cent minimum wage today are practically identical with those given by the opponents of a 40-cent minimum wage in 1938. The intervening years have proved that the establishment of a minimum wage did not cause unemployment and did not wreck American industry, as predicted by the opponents. After considering the number of workers who are already above the 75-cent level, as provided by H. R. 5856, and the number of persons who are exempt from its coverage, there are only approximately one and a half million workers who will be affected by this legislation.

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The opposing the minimum-wage provisions of the Fair Labor Standards Act and to extending its coverage comes from the same sources which fought the housing bill, which fought the unemployment insurance, and which has opposed every program for the progress and welfare of the average citizen. It might be well to recall the origins of this legislation. In his message to Congress on May 24, 1937, President Franklin D. Roosevelt called for action to establish minimum wages and maximum hours. He said:

The time has arrived for us to take further action to extend the frontiers of social progress. Our Nation, so richly endowed with natural resources and with a capable and industrious population, should be able to devise ways and means of insuring to all our able-bodied citizens a fair day's pay for a fair day's work. A self-supporting and self-respecting democracy can never permit the existence of child labor, no economic reason for chiseling workers' wages or stretching workers' hours.

The result was the Fair Labor Standards Act of 1938, establishing a minimum straight-time hourly rate of 40 cents for all workers, regardless of age or sex, for a full 40-hour week, outlawing all "oppressive" child labor, and industrial homework in most of the industries in which sweatshop methods had been

Passage of this act was bitterly opposed by the Republicans in both Houses of Congress, but it was put through and 20,000,000 workers were brought under its provisions.

But the 40-cent minimum is today, and has been for some time, a vestige of the past. Efforts to increase it have been underway for years.

President Harry S. Truman in his comprehensive postwar policy message of September 6, 1945, called upon the Congress to amend the act, saying:

I believe that the goal of a 40-cent minimum wage is inadequate when established. It has now become obsolete. Increase in the cost of living since 1938 and changes in our national wage structure require an immediate and substantial upward revision of this minimum.

President Truman called also for the extension of the act to give wider coverage to the workers.

The issue came to a vote in the Senate in March, 1946, but was confused by an amendment to include the cost of farm labor in the parity formula for the calculation of farm support prices. In the House no action was taken.

President Truman has continued ever since to press for an increase in the minimum wage—in his state of the Union message in 1947, in his message approving the Portal-to-Portal Act in May of that year, and again in his state of the Union message last year, and still again this year following his election to a full term of office.

The major vote which put President Truman in office and restored Democratic majorities to both branches of the Congress, the people of the United States had clearly expressed their approval of the program which calls for this reform. Let us perform our duty and pass this bill.

Mr. LUCAS. Mr. Chairman, I ask unanimous consent to extend my remarks at this point in the Record.

The CHAIRMAN. Is there objection to the request of the gentleman from Texas?

There was no objection.

Mr. LUCAS. Mr. Chairman, my amendment has been attacked on two grounds. First, it is said that the amendment expands the present retail and service establishment exemption, thus depriving many employees of the act's protection. The number so deprived is estimated by the Administrator to be about 500,000 and the Administration's estimate thus depriving many employees of the act's protection. The number so deprived is estimated by the Administrator to be about 500,000 and the Administration's estimate thus depriving many employees of the act's protection. The number so deprived is estimated by the Administrator to be about 500,000 and the Administration's estimate thus depriving many employees of the act's protection. The number so deprived is estimated by the Administrator to be about 500,000 and the Administration's estimate thus depriving many employees of the act's protection.
destroyed the exemption for all retail and service establishments located in the rural communities and selling and serving farmers. It further concudes that such decisions cast considerable doubt and service establishments located in the ing farmers. He further concedes that upon the application of the exemption destroyed the exemption for all retail to any retail or service establishment, wherever located, making some sales to farmers. He further concedes that upon the application of the exemption destroyed the exemption for all retail to any retail or service establishment, wherever located, making some sales to all retail and service establish­ ments is doubtful under the present status of all retail and service establish­ ments is doubtful under the present exemption. My amendment clears up that exemption.

Moreover each industry knows also what tries. This charge is completely if not impossible, to if not impossible, to see whether the 75 cents is too much; it is a question of examining your conscience to see whether the 75 cents an hour is enough. I am satisfied that if you proceed on that basis you cannot help but come to the conclusion that the 75 cents-an-hour minimum is still too low. I regret very much that the substitute Lesinski bill, H. R. 5856, does not carry as much coverage as the original bill, H. R. 3180. What is needed is further coverage, just as much as an increase in the minimum rate. However, as the gentleman from Pennsylvania preceding me said, the bill in effect in all the various districts and areas of the United States that the committee was plagued with requests for exemptions from the various districts and areas of the United States that the committee was plagued with requests for exemptions. It occurred to me as a traditional concept of what is retailing or service in an industry and to adopt an arbitrary concept of what is retailing or servicing. They wanted to be exempted. If we exempt everyone who applied for an exemption, I am afraid we would not have much of a bill left.

I want to urge immediate enactment of the Lesinski bill, H. R. 5856, but I want to urge opposition to any reduction of the raising of the minimum wage to 75 cents which, to me, is the most important part of the whole bill. Eleven years ago we passed the Fair Labor Standards Act of 1938. Under that law employers of any employees who are engaged in commerce or in the production of goods for commerce are required to pay those em­ ployees not less than 40 cents an hour. That was the law we passed in 1938. We have had a war since then. We have a war inflation and a postwar inflation. The cost of food has more than doubled. A man trying to support himself and his family on wages of less than 75 cents an hour spends a much bigger share of his take-home pay on food than does the high-paid worker. Everyone knows how present-day prices hit the low-paid worker. Back in 1938 you could still get some large meat for less than 20 cents a pound. You cannot touch them for less than 50 cents a pound now. With all of this, the mini­ mum in the law is still 40 cents an hour. Nobody who is a labor organizer of establish­ ing a decent minimum fair labor stan­ dards in a Federal law when it was being debated in 1938 thought that 40 cents an hour was a decent minimum, or even a decent minimum standard of living for an American worker. We thought we should at least give him that much rock-bottom protection. The law is now obsolete. We must give him no protection whatever now, and it will not give him any protection unless it is changed to say that his employer must pay him not less than 75 cents an hour.

My amendment clears up that confusion that he had before. He needs this protection des­ perately and we must not allow any complicated arguments to stand in the way of that basic human fact.

I agree with the general economic ar­ gument that we need a 75-cent bill to protect the wage structure against a downward spiral of wage cutting such as we saw in this country back in 1932. We need the 75-cent minimum to help keep the income of people with the means enough level to meet the expenses we have in these troubled times to make sure that this country can be defended in the troubles of the future. I will leave it to others to discuss these im­ portant economic questions. What I am talking about now and what I keep thinking about is the million and a half workers who are supposedly protected by a Federal law setting up a decent minimum fair labor standards, and who are today getting less than 75 cents an hour.

I want no one to overlook the real human need that this represents. I want no one to think that it is a problem for someone else but not for him. I want no one to think that the people the workers are supposedly low wages are paid only to office boys. These million and a half workers work and try to live in big cities as well as in the country. They are workers who are covered by law and are now getting less than 75 cents an hour are trying to make ends meet in Birmingham and in Chicago; yes, even in Philadelphia and Pittsburgh. As I told the gentleman from Maryland, there are hundreds of thousands of workers getting these shockingly low wages are married men trying to support families on what they earn.

We should have raised the minimum wage in the Fair Labor Standards Act long ago. We did not. We had better do it now. When three or four million people looking for jobs start bidding for those job wages go down. I wouldn't want anything to add more workers and more American families to the millions who are not getting paid. Instead we should right now see to it that all of these million and a half workers get their wages raised to 75 cents an hour, and we must do it by putting it in the law, so that their wage cannot be cut.

The minimum has long since been ob­ solete. Simple economic justice requires that it be raised and that it be raised very promptly. I have great hopes that the House of Representatives, let us get this week a bill which will raise this mini­ mum and otherwise improve the act.

There are two major bills before the House in its debate. One of these, introduced by the chairman of the Committee on Education and Labor Committee, will raise the minimum to 75 cents an hour. That minimum will do little more than adjust for the increases in the cost of living since the law was finally passed, considering that costs have risen more for the low-paid workers. Even so, a million and a half workers at the bottom of the wage ladder of workers covered by this act will be put back to a decent minimum, this long overdue minimum of 75 cents which will again put meaning
into the purpose of the act: "the maintenance of the minimum standard of living necessary for health, efficieney and general well-being of workers." In the weeks of testimony before the committee, no single witness asserted that a lower minimum would be adequate for these purposes, and there was a great deal of data showing that even 75 cents was all too low.

There is an opposition bill introduced by Representative WINGSATE H. Lucas, of Texas, which would merely raise the minimum of 65 cents an hour, less than the rise in the cost of living to moderate-income families in large cities would require, and even more woefully inadequate for the changes in living costs of the low-paid workers. This proposal, I might add, is no higher than the Senate voted in 1946. It is the same as the House Labor Committee voted to report out in the spring of 1946. Since that time, the cost of living has increased by almost this amount, so the Lucas bill would considered no legislation to this important fact.

As a result, the Lucas bill would benefit than half a million workers, and these very list may be the workers who 65 cents an hour will earn just below that figure. This is the contrast I want you to understand. The House this week will either support the Lesinski bill with a 75-cent minimum, directly benefiting a million and a half workers, and indirectly benefiting other workers by placing a realistic floor under wages. Or it will support the Lucas substitute, which will hardly help anybody, which has a 65-cent minimum set at a figure too low to prevent a disastrous beginning to a cycle of wage and price cutting should depression set in. Even that low minimum, I might add, is not a solid, firm floor, but a rubber floor, which would sag with every drop in the cost of living.

Even this is not the whole story. By chipping here, and by gouging there, the Lucas bill would deprive the benefits of the act to more than a million workers now covered by the workers. But the Lucas sub­stitute, the Lesinski Act would extend the protection of the act's minimum-wage provisions to more than a hundred thou­sand workers not now covered, and would give overtime protection to about 700,000 more workers.

Unfortunately, I do not have time to go into detail concerning the many other ways in which the Lesinski bill is a better bill than the Lucas bill, but I do want to mention a few. The Lucas bill gives many new protections to the chiseling employer, while the Lesinski bill, by strengthening the administration of the act, be making it possible for both employers and employees to know exactly where they stand and by assuring that wages come within the provisions of the act.

The contrast, the Lesinski Act would extend the protection of the act's minimum-wage provisions to more than a hundred thousand workers not now covered, and would give overtime protection to about 700,000 more workers.

Mr. MCONEILL. Mr. Chairman, I yield 10 minutes to the gentleman from Wisconsin.

Mr. MURRAY of Wisconsin. Mr. Chairman, it may seem peculiar that one who comes from an agricultural State would be the temerity to ask for time to speak on this bill. May I call your attention to the fact that out in Wisconsin there is a New Deal stuff which does not mean very much to us because it is just window dressing. If you look up the record, you will see that we had unemployment insurance and other labor legislation passed long before anyone ever heard about it here.

The reason I ask for this time is to say that I hope we pass a bill this time so that when a Member of Congress writes to the Department to find out who is covered and who is not covered he will be able to find out. That is something I have been unable to find out in the 10 years that I have been a Member of Congress. That situation obtains in most cases.

Last week I was very much distressed to see my colleagues who are particularly interested in the wage legislation vote against the Gore bill. The Gore bill provides a 50-60 cents-per-hour labor return to the producers of foods - fibers in our country. This is a 19-year study and you can find it in the Appendix of the June 8 Report. This study indicates a 50-60 cents-an-hour labor return. The exact hourly return depends in large part on a number of other factors. But over these 19 years it provides the farmer an average of between 50 and 60 cents an hour for labor. I am not sure what many people were opposed to the farmers getting that much for producing the food and fiber for this Nation.

Let us stop and look at the year 1989. That is the seventh year of the more abundant life. The figures show for different types of farms - 16 cents an hour, 14 cents an hour, 32 cents an hour, 18 cents, 17, 17, 30, 21, 22, 7, 35, 23, 24, 21, and 26. That is what happened in the past year and 21. Now, that is what happened in the past year.

Out of the 25-to-45-cent-per-hour area, it provides the producer an average of 45 cents an hour minimum wage. The question is, is the Secretary of Agriculture going to have in the United States when they got down in the sugar fields they did not like it, so they just disappeared. I do not know whether they have found them yet or not.

The Secretary of Agriculture, a member of the President's Cabinet, has the authority to say what the minimum wage should be, why did they not make it 75 cents an hour? It is a little better than 75 cents an hour. In the Hawaiian Islands it is 90 and 65 cents an hour. Sugar from California and Colorado it is 60 and 65 cents an hour. Sugar from California and Colorado must be just as sweet as sugar from Puerto Rico is.

I am just talking about the field work. I am not talking about the people in the factories. The question is, is the Secretary of Agriculture going to have in the United States when they got down in the sugar fields they did not like it, so they just disappeared. I do not know whether they have found them yet or not.

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Our State is pretty well divided industrially and agriculturally, as far as business is concerned. In that connection we do not find anybody who is anti-labor in any political office that stays there very long. You will say probably that one reason is because the State's economy is based on the dairy industry. Anyone knows that if you are going to buy dairy products you have to have good wages or you will not be able to buy them. That may or may not be true, but mentally you will find Wisconsin right in front of you. Probably that is one reason why we did not like it in 1940. We put people in jail because they sold too much milk for the money. It did not take them very long to get rid of that law and they did not think much of the OPA in the forties either.

If the minimum-wage legislation is a good piece of legislation, I would like to know why there is not more people blanketed under it. Our colleague, the gentleman from Texas [Mr. Beckworth] made mention of the cotton grower. He did not get a very good reception on the floor, but if something is not done in connection with a minimum wage for labor as it relates to agriculture, you will find that in a few years' time we are doing to have a few hundred wheat growers in the United States and a few hundred cotton growers in the United States, and on down the line. One cotton grower produces 500,000 to 600,000 bales a year and he had already had a subsidy of over $250,000. The gentleman from Texas [Mr. Beckworth] wanted to put in an amendment to let the little fellow raise four bales of cotton. He did not get much support on that. But stop and think about it. If we do not provide some kind of a program to give the little fellow a chance to stay in business, he will be put out of business. If you have a set-up whereby you are not going to give any protection to the man who works, this far as a minimum wage is concerned, when we can protect the man who owns the land, as we did in the forties, the man who owns the land, as we did in the forties and I repeat that no one man should have the power that is granted in the Lesinski bill; I simply want to remind the membership of the House again that neither of these bills are committee bills; instead of amending them, the Lesinski bill the statute of limitations was raised to 1938 when we wrote clearly a 2-year statute of limitations in the original law. Was it by accident that that provision was left out? Of course it was not by accident. What else do you find in the Lesinski bill?

You will find other provisions where the power of the Administrator is so extensive, and I do not think anybody that we put in the overtime-on-otetime bill? But as the Lesinski bill now is that will be brushed off, and that is out of the picture.

Was it by accident that in this Lesinski bill the statute of limitations was wiped out? As the Lesinski bill stands now the administrator, the Secretary of Labor, can bring lawsuits clear back to 1938 when we wrote clearly a 2-year statute of limitations in the original law. Was it by accident that that provision was left out? Of course it was not by accident. What else do you find in the Lesinski bill?

The Lesinski bill has removed the exemption granted the menhaden fishermen as it was written in the original law. Just why, I do not know, for it should be carried forward regardless of which bill is adopted.

Another "bug" in the Lesinski bill, and I think one of the worst ones is the section that authorizes the Administrator to bring suits for the recovery of wages, and so forth. This would mean probably a thousand lawyers to worry every businessman in the country. This provision, together with others, is why I think the Lesinski bill prefers.

The CHAIRMAN. The time of the gentleman from North Carolina has expired.

Mr. O'SULLIVAN. Mr. Chairman, I ask unanimous consent to extend my remarks at this point in the Record.

The CHAIRMAN. Is there objection to the request of the gentleman from Nebraska?

There is no objection.

Mr. O'SULLIVAN. Mr. Chairman, I support heartily, with a few prospective slight amendments, the Lesinski bill, H. R. 8586, but I do think that it should have included workers from all sections of the country, and all occupations, except agriculture.

As you all know, this type of legislation is not new in the United States at all. In fact already it is an indispensable fixture in our national labor life, but merely with this retrogressive overhauling, but not an overhauling of the retrogressive type, as is contemplated by certain reactionary Republicans and
Democrats, who are wont to cast sheep's eyes in the general direction of the "business class" and cat eyes of scorn at the unheralded humble folks.

Lest we forget, I say that national minimum-wage laws are so very necessary in order to protect that class of workers that are between the wage scale of those who are engaged in work tasks involving interstate commerce, or who are producing or working upon goods, wares, and mercantile articles, in order that they may find their way into interstate commerce. These classes of wage earners usually are not organized and consequently they have no unions to speak for them, to bargain for them, or to protect them against nearsighted, gold locked, bad-employer vision.

Under the present minimum-wage law, 1,000,000 persons were covered at a minimum wage of 40 cents per hour. Under the Lesinski bill, 900,000 more persons would be added and the minimum wage would be 75 cents per hour.

A 75-cent an-hour right arm must be flexed and poised always, and if need there be, placed with real purpose and authority upon employer men and employer institutions who put greed for ever increasing minimum wages into the labor force, just as the consumer has the power to put in motion a revolution to lower the minimum hour wage, as the index of the cost of living. It should be planetary and not like to keep a budget under a sliding going up and down. Would not you believe it would be more clarifying and more acceptable a very high average to assume under current conditions, these minimum budgets for employed single women living alone prepared over the last 18 months by State labor depart­ments for wages that have gone up. Wages have gone up, as we all know, that figure. It is a bare minimum of subsistence wage. Remember it is a minimum wage for adult women. Yet most budgets for employed single women living alone prepared over the last 18 months by State labor depart­ments for wages that have gone up. Wages have gone up.

In conclusion let me say that no one can dispute the fact that a minimum wage of 75 cents per hour is not excessive. Any minimum wage should not be on a sliding scale and harnessed to the cost of living. It should be planetary and not meteoric, or on a sliding scale.

Just reflect for a few minutes upon what chaos and confusion could be caused by recalcitrant management if they had the power to put in motion a revolution to lower the minimum hourly wage. Inter­estingly, when the cost of living went up and down. Would not you like to keep a budget under a sliding scale, minimum-wage law? If a mistake was made in the cost of living index and too much wages were paid could the employer get back the excess so paid, and if the worker had been underpaid could he sue the employer and recover the additional wages to which he really was entitled?

The plight of the employer and also of these unorganized workers under the sliding scale, minimum-wage scheme would certainly be, I think, "confusion's legisla­tive masterpiece."

Mrs. WOODHOUSE. Mr. Chairman, I ask unanimous consent to extend my remarks for the record of the Recozan.

The CHAIRMAN. Is there objection to the request of the gentlewoman from Connecticut?

There was no objection.

Mrs. WOODHOUSE. Mr. Chairman, the principle of a national minimum wage covering workers engaged in interstate commerce or in the production of goods for interstate commerce would make it impossible for individual States to determine minimum wages for individual occupations or processes necessary to such production unless specifically exempt, has been accepted since 1938. That principle is not under discussion here. The inadequacy of the 40-cents-an-hour minimum is also generally accepted. The question is what figure should it be raised—75 cents or 65 cents—and should it be a fixed statutory minimum or a flexible minimum adjusted annually—but never allow 50 cents an hour. In accordance with the Bureau of Labor Statistics Consumer Price Index. A 75-cents-an-hour statutory mini­mum wage is a bare cost of living adjust­ment of the 40-cent minimum of 1938. It is a mere subsistence wage. Remember it is a minimum wage for adult women. Yet most budgets for employed single women living alone prepared over the last 18 months by State labor depart­ments for wages that have gone up. Wages have gone up.

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The plight of the employer and also of these unorganized workers under the sliding scale, minimum-wage scheme would certainly be, I think, "confusion's legisla­tive masterpiece."
Keeping wages up means keeping up purchasing power and maintaining a high level of employment, a high level of sales and of business prosperity. The only way we can maintain our industrial prosperity is for more people to buy more goods. We have unemployment and a falling off of business when there is not a sufficient demand to carry off the manufactured and other goods we produce. The traditional business method of meeting a lack of demand by cutting down production and cutting wages makes little sense if we want to make profits.

Excluding inventory, profits are still running 50 percent higher than the wartime peak. It would be good business tactics for business to divert some of these profits into wages which will be spent in buying the products of business. This will help keep a high level of employment and make it possible for business to continue to make profits. It is unfortunate that too many of us look at the profits of this month and forget the question of profits of next year.

We need a remarkable engineering job of producing goods. The time has come when we must do as effective a job in distributing them in such a way as to maintain their high level of consumption. To this end we must maintain purchasing power. Production capacity of our manufacturing industries has increased by more than 50 percent since 1939. These goods must be sold if these plants are to operate at full capacity. The minimum wage of 1938 must be brought into line with 1949, and 75 cents is the lowest statutory minimum wage we should enact.

Mr. LESINSKI. Mr. Chairman, I yield 5 minutes to the gentleman from New Jersey (Mr. HOWELL).

Mr. HOWELL. Mr. Chairman, the Committee on Education and Labor, after lengthy hearings, during which all points of view were freely expressed, and after consideration of an executive session, produced H. R. 3190, which attempted to meet valid objections to the WPA emergency budget, which is far below the standard of living prescribed in this act, would cost $1.08 per hour in January 1949, on the assumption of 2,000 hours of work per year.

The cost of the minimum health and decency budget for employed women living alone which has been priced by seven State departments of labor since the beginning of 1947 is now well over 90 cents an hour and ranges in some States over $1 per hour. Persons employed at the minimum wage are persons of all ages, men and women, with varying family responsibilities.

The rise in the cost of consumer goods purchased by wage earners from January 1941 to January 1949 as measured by the WPA emergency budget has been 89 percent, which in itself justifies a minimum of 77.2 cents per hour.

National income was $67,400,000,000 in 1938, $69,684,000,000 in 1939, $73,000,000,000 or 223 percent. Productivity has risen considerably as indicated by the fact that the gross national product in current prices per person has risen from $1,016 in 1938 to $2,254 in 1948, or 121 percent.

Organized workers have shared in varying degrees in these rises. Their bargaining power has been sufficient to wrest from reluctant employers some measure of the benefits, but many workers in unorganized industries, particularly those in which earnings are below 75 cents, are still not enjoying the benefits of this rise.

The 75-cent rate is being offered as a floor and an absolute full-back rate for the national economy, to prevent a downward spiral, which those who support the lower and flexible minimum seem to seek to encourage, and believe is inevitable.

I appeal for your support of the 75-cent rate, if passage of this bill is to be a real accomplishment.

Mr. MRKOWICZ. Mr. Chairman, I yield 5 minutes to the gentleman from Arkansas (Mr. HAYS).

Mr. HAYS of Arkansas. Mr. Chairman, can you help me today or take another day a conversation he had overheard. Some one said, "How can Mr. Hays aban-
would be. That is a very low minimum. I do not think this Congress could justify raising the rate only 3 cents, but that is what we have in the bill. But we got a 40-cent minimum in July 1944 through action of the industry committees. We finally reached that goal and it was a good goal. But I am not going to abandon the defense of the 40-cent minimum. Forty-four percent of all the employees in the Nation's lumber industry were getting less than 40 cents an hour. I told my friends in the industry that we were going to treat the industry as a unit. I think it is a tribute to the lumber industry that they cooperated in raising it, although it meant real sacrifice. We were in an expanding economy.

If you take that relationship in July 1944 and apply it to your present condition, you come up with an interesting figure, 54 cents and a decimal point, $54.40. I like to say "fifty-four-forty or fight," because that is your scientific minimum if you apply the relationships that existed in 1944. I think the scientific minimum was defended, thought if you go to 65 cents I think there is some justification for that. Increased productivity as well as increased costs since 1939 might be invoked to support that.

Mr. Chairman, will the gentleman yield?

Mr. JACOBS. I yield to the gentleman for a question.

Mr. JACOBS. Then why did the gentleman put other parts of the bill H. R. 858 in his bill?

Mr. JACOBS. Oh, that is an easy question, and I am glad the gentleman asked it. The answer is because the first section of H. R. 858 was an amendment to the Fair Labor Standards Act, and we are not going to make any change in that law. Therefore, we incorporated the provisions of section 1. But section 2 is no part of the fair labor standards law. It was wholly unnecessary to reincorporate section 2 of H. R. 858. If you will read from the bill H. R. 858, you will see that that is true. That is the retroactive section, it is simply no part of the law we are amending.

There may be defects in this bill which we are considering here today. If there are, we want to correct them, but I expect that, being the instrumentality of human beings, there are enough defects in it without conjuring up more of them; claiming that there are defects which do not, in fact, exist.

The question is asked by the gentleman from Wisconsin, Why did we not cover someone? Why, members of the Committee, as far as I am concerned, I would cover everybody under minimum wage legislation. I do not think the best a decent labor standards law. Therefore, we incorporated the provisions of section 1. But section 2 is no part of the fair labor standards law. It was wholly unnecessary to reincorporate section 2 of H. R. 858. If you will read from the bill H. R. 858, you will see that that is true. That is the retroactive section, it is simply no part of the law we are amending.

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The issue has always been the extent to which Congress would attempt to apply the principle of spreading work in the fruit and vegetable processing industry. Even though President Green, of the A. F. of L., the present Administrator, Mr. McCombe, and his predecessor, Mr. Walling, have admitted that penalty overtime hours would not spread work in the fruit and vegetable processing industry, Congress has sought to apply that principle. For political reasons it has refused to make the admission that it cannot accomplish its express purpose when all witnesses before its committee have made the admission.

The question is, After how many hours a day and how many hours a week should penalty overtime be required, and for how many weeks each year should freedom from penalty overtime be allowed? I have only 2 minutes left and in this time I wish to have your attention. The gentleman from North Carolina [Mr. Barrow] has already told you about the penalty clause in the administration under the Lesesne bill. I wish in particular to draw your attention to section 11. In conjunction with this read also section 14. I ask that with that turn over to page 35, which is section 15, subsection 2, which reads:

To violate any of the provisions of section 6 or section 7 or any of the provisions of any regulation issued under section 11 (b) or section 14 is a criminal act.

I am sure that there is no one in this hall who would like to delegate the powers that are stated in these sections to him. I ask unanimous consent to extend my remarks to this point in the Record.

The CHAIRMAN. The time of the gentleman from California has expired.

Mr. BIEMILLER. Mr. Chairman, I ask unanimous consent to extend my remarks at this point in the Record.

The CHAIRMAN. There is no objection.

Mr. BIEMILLER. Mr. Chairman, this country cannot afford to tolerate sweat-shop wages, nor continue the ridiculously outdated shop wages, nor continue the ridiculously outdated statutory rate. The direct and indirect costs of low wages are many times greater than would be the cost of raising minimum wages to 75 cents per hour.

Let us look at the economic facts of our life today. What does food alone cost for a family of four? The recent Bureau of Labor Statistics study shows that in Birmingham, Ala.—a middle city, as far as costs are concerned, in a group of 34 cities—food for such a family in June was $99.75, or a little less than $20 a week. The price rise of 7 percent by February 1946 has brought this sum to $103, or over $21.77 a week. The entire income of thousands of families in this country is less than this amount a week. On such an income, a diet adequate for health is out of the question.

As would be expected, persons in the lowest income groups suffer from more physical disabilities and longer illnesses than do other citizens. The incidence of sickness declines with rising incomes. For example, chronic illnesses were found among 12.6 percent of the relief families in 1936, among 9.6 percent of the families with less than $1,000 income, and among 4.5 percent of the families with incomes over $500.

The draft rejection rates during the war illustrate the relation between low income and physical disability. Rejection rates for North Carolina, South Carolina, and Arkansas, three States that stood near or at the bottom of the list of States according to per capita income.

Moreover, the life expectancy of industrial workers is lower than that of other groups. In 1946 it was 1.05 years shorter than for other members of our society. Increase in incomes of workers during recent years accounts for a reduction in the difference between the life expectancy of workers and other economic groups from 8.5 years to 1.06. Workers on substandard wages cannot afford adequate medical care. What is more, medical facilities are not available to them. In States with the lowest per capita income was the smallest proportion of hospital beds per 1,000 population, and the fewest doctors. The financial incentive for doctors to locate in such communities is completely lacking.

The realization of this basic principle means, just as industry is expected to pay for the cost of education of his children, of protecting his home against fire, his person against assault, and his property against theft.

To the extent to which the cost of his support must come from private or public relief, the full cost of maintaining its machines is being subsidized by taxpayers and private charities. Only after meeting the full cost of maintaining its machines and its workers is an establishment entitled to profit. The consumers pay for these costs in the prices they pay for commodities. It is quite unfair, therefore, that consumers should in our democracy contribute to industry in the form of taxes to provide the necessities of life for its workers. A minimum-wage law would relieve the taxpayers of this burden that is rightfully industry's obligation.

Workers who suffer from malnutrition or inadequate food are poor producers. They are more frequently ill than others, and, therefore, more often absent from work. It is a recognized fact that persons tortured by poor health and financial worries make poor accident risks, become discouraged, and fail to perform adequately to perform the functions of their jobs.

Finally, let me drive home the point that low-wage workers are not the least standard citizens. The 1940 census reveals that 88.7 percent of the American children were in families with average incomes under $750 a year. The infant mortality rates are high among children in this group. The children who do survive lack, for the most part, the training and background necessary for good citizenship.
competent workers. Those receiving less than 75 cents are often highly productive and are paid a salary. The reason for this is that they happen to have drifted into industries which are poorly managed, or the employer is so situated that he can simply pay less and get away with it. Many of the lowest-paid workers are veterans of industry and heads of families. It is one of the most thoroughly exploded ideas to say that people working in sweatshops are single and only work because they want to find money. People who work for low wages do so because there are no other jobs or.Marketing opportunities to them, not because of difficulties of travel or some other similar circumstance.

Hundreds of thousands of workers who earn very low wages are highly skilled and are capable of exercising considerable initiative and responsibility. There are no essential differences between those who are obliged to work for 40 cents or 50 cents and those who are fortunate enough to be able to get odd jobs paying a living wage.

Society owes these victims of our industrial society a certain degree of equality, for it is the basic wage standard. We must not permit industry to become parasitical, as it inevitably does if it pays such low wages that the community must make up the deficit between what it costs to live and what the wage earner is actually paid.

Mr. LeFEBVRE. Mr. Chairman, I ask unanimous consent to extend my remarks to a direct-to-consumer sale. In a general way I should like to mention the Lucas bill, which I believe the chairman of the House Committee on Education and Labor, who, I understand, is a retail lumber dealer himself, has very emphatically said that the sale of materials, including lumber, millwork, builders' hardware, paints, and so forth, made by the manufacturer direct to you from the factory or wholesaler, is really necessary, it is up to us to make it. Since the bulk of the sales of this nature go largely through contractors, it is essential that the term "resale" be clearly defined. This Mr. Lucas has satisfactorily done by his definition of "resale"—namely, "resale shall not include the sale of goods to be used in residential or farm building construction, repair, or maintenance." Another point should be cleared up. There has been entirely too much confusion over the possible interpretation of a retail sale. Referring again to my own business, it has been said that if a local druggist ordered a 1 by 10 pipe board for a shelf in his drug store, that sale could be considered a nonretail sale since it went to the man's place of business. That same 1 by 10 board ordered by the druggist delivered to his home would be a retail sale. How ridiculous it all seems, since this type of business has always been considered a retail sale. I am sure every member of the House wants these discrepancies cleared up.

The establishment of a 65 cents minimum hourly rate, as provided in the Lucas bill, also seems a better solution than the 75 cents rigid provision in the Lesinski bill. Heaven knows all the retailers I have been in touch with in the section of the country pay more than 75 cents per hour today. However, we have to look ahead. I do not care to be pessimistic but just suppose a real depression should set in. Cutting the number of employees would be about the first move the average small-business man would make in an effort to weather the storm. A wage rate connected with the consumer price index, as determined by the Bureau of Labor Statistics, would be the fair method of handling this problem. Any change would be geared to the cost of living. The Lucas bill, on the other hand, is not a limitation on wages. It provides a floor or wages of 65 cents per hour to January 1 and thereafter the minimum wage is to go up or down each year in accordance with the cost-of-living index.

Ladies and gentlemen, remember this legislation affects a large sector of our population. This is not the time to put additional burdens on the retailers of America when we all are trying to deliver our wares and services at the least possible cost.

Mr. LESINSKI. Mr. Chairman, I yield 10 minutes to the gentleman from Texas [Mr. Combs].

Mr. COMBS. Mr. Chairman, we are approaching the close of general debate. It will not be possible in the limited time that we necessarily have in the allotments that are made to us to go into the details of the Lucas or the Lesinski substitute that will be offered.

I want to discuss in a general sort of fashion some of its main provisions, and when we get into consideration of the details of the demand of the Members to remain on the floor and become familiar with both the Lucas substitute and with the Lesinski bill, because certainly there is not very legislation that has been disposed in this Congress or any other that is fraught with so much potential effect upon the American people, the American business, and the American economy.

There are differences of opinion among us as to the philosophy of minimum wages. There are some who sincerely believe that the providing of a minimum-wage level has not only an effect on the economy of the country. My own conviction is that while wages are up, unless we place a floor under them so as to permit their sagging under the impact of temporary slumps in business, we will sink into a depression that will make the last one look like child's play.

Economists may philosophize about that all they please. I do not subscribe to Lord Keynes' theory, which leaves me about as cold as a dog's nose. About all the economics I learned I received from Adam Smith, and I do not think too much from him, possibly because I was more or less a dullard. I did learn, however, that there are two sources of wealth on this earth—what God gives in natural resources and what man adds to them by the labor of his brain and brawn. My philosophy, then, along that line is simple.

I remember some facts, and I have been through some depressions in my day. One simple fact I remember is that in no time of low prices have I seen a happy people.

In 1897, at the age of 7, I picked cotton for 35 cents a hundred pounds and you could buy bacon for 7 cents a pound and 50 pounds of flour for 40 cents. But the people were not happy. In 1908 I worked in the sawmills in my section 10 hours a day for $1.25. You could buy a pair of overalls for 60 cents and other commodities in kind. But were the people happy? No. Back in the thirties the working people were not happy. In 1930, at the age of 31, I was able to purchase a beautiful piece of sliced bacon for 20 cents. But who had the 20 cents? The bread lines and the soup kitchens were feeding millions of our people who could not buy the surplus products that rotted in the bins and the storage places of this Nation.

We have a $254,000,000,000 debt. Do we dare allow the purchasing power of the American people to sweep down? Yet we are faced with a proposal in the Lucas bill of tying the minimum wage to the so-called living cost. What happens? The living cost goes down. You lower the wage. That being a big element in the cost of a manufactured product, the living cost goes down and the wage goes down, so you just start digging down and down and down until you hit the bottom of 80 cents, or whatever else is provided. That is all there is to that. Why a minimum wage at all? Because unless we place a floor under them so as to prevent the walds of America from going into a depression that will make the last one look like child's play.
same labor level and the cost level, they are no better off than when they were up here. They both have to compete for the same market. So, I think the philosophy of the minimum wage is sound, but I will not have time to go into that.

I want to just make a few general observations and then yield for questions, because I have never seen so much misinformation put out both in the cloakrooms and by the propaganda over the wire than I have here. It was the by the gentleman from Texas, this city as I have seen concerning this Lesinski bill.

Now, that points up the first fact that this is an exceedingly complicated field of legislation. Statements innocently made here a while ago by my good friend, the gentleman from North Carolina [Mr. BARDEN], and by the fine gentleman from Pennsylvania over there are completely beside the facts of the bill, because they do not understand it.

Mr. McCONNELL. Mr. Chairman, will the gentleman yield?

Mr. COMBS. I yield to the gentleman from Pennsylvania.

Mr. McCONNELL. Will the gentleman tell me where I was incorrect?

Mr. COMBS. I understood the gentleman to say that there was a provision in the bill that authorized the Secretary of Labor or the Administrator to prosecute and fine a man for violation of the rules.

Mr. McCONNELL. I made no such statement, but it is true, if that is what the gentleman means. If you violate the law you are subject to penalties. The law says that.

Mr. COMBS. The rule-making power granted in here is essentially to do the things you fellows for two days have preached ought to be done and that is to clear up the fog territory that has infested the administration of this law, and hounded those people who wanted to comply, as you say. But, what does this do that did not already have regulations or any clarification of penalties?

Then there is incorporated in the bill, if you will read it, by reference, both the Administrative Procedure Act by the Seventy-Ninth Congress, and the portal-to-portal bills, both of which impose the statute of limitations, and the procedure act provides for a court review of any order made under that procedure system in which the administrator's findings will not be binding upon the court unless they are supported by substantial evidence. Furthermore, no prosecution for an offense under this law can be reached except for what? A willful violation. Second, it is reached in court. Third, the court must find the man guilty and prescribe his penalty, and it can only prescribe a fine for a repeated willful offender. What is wrong with that?

Mr. BARDEN. Mr. Chairman, will the gentleman yield?

Mr. COMBS. I yield to the gentleman from North Carolina.

Mr. BARDEN. The gentleman says I did not mention what I was talking about, but the gentleman from Pennsylvania [Mr. LESINSKI] is 2 on page 35 states, "any of the provisions of any regulation or order of the Secretary issued under section 11 (b)." I said it carried a $10,000 fine and 6 months in jail or both. Is that a correct statement?

The gentleman said I was incorrect.

Mr. COMBS. That is like asking a man if he has quit whipping his wife. The words the gentleman read there are correct, but this is the meaning. In the first place, those are the criminal penalties prescribed that a court may inflict on the showing of willful violation. The first one is not subject to jail penalty at all.

Mr. BARDEN. Is the gentleman advocating leaving power in the Administrator to pass criminal laws and incarcerate and fine people for violating them?

Mr. COMBS. When we get under the 5-minute rule we will get back on this.

Mr. BARDEN. I would be glad to debate the gentleman on it under a 30-minute rule.

Mr. COMBS. I would be glad to debate the gentleman under the hour rule or any other rule.

The CHAIRMAN. The time of the gentleman from Texas has expired.

Mr. LESINSKI. Mr. Chairman, I yield the balance of the time to the gentleman from Texas.

May I call the attention of the gentleman to the language on page 36:

No person employed under this subsection except for an offense committed after the conviction of such person for a prior offense under this subsection.

Mr. COMBS. That is correct.

Mr. ALLEN of Louisiana. Mr. Chairman, will the gentleman yield?

Mr. COMBS. I cannot yield; I have only 5 minutes. When we get to talking about these rules the time slips by so rapidly. Let me make a few observations. I can only make them generally. When we get under the 5-minute rule, let us have these things explained.

A good deal has been said about work being done behind the scenes. It was not a question of the green dragon or the green hornet or some ghost. A number of us fellows scattered about the country. When the Senate the House as a committee on this bill. We have tried by careful language to make this bill fair to the employer and employee alike. Listen, my colleagues, too many laws have been passed that treated the employers as though they were to be singled out as some enemy of society. It is true that factories cannot operate without men to work in them, but there can be no excuses for men to work in unless other men put their money into the factories depending on the faith and conscience and fairness of the American people.

This bill is fair in the careful delineation of the line of coverage. It puts in the Administrator the rule-making power, subject to review of the court, in order to make certain whether a man is covered or not, and thus remove the shadow territory that the courts have created by the construction that these gentlemen have been complaining about. The only way we can figure this out, after weeks of working on the job, is now before you for your consideration.

If you have a plan which you have figured out, why not tender it? I am astonished at my friends on the other side of the aisle that they dare to come here without any bill at all and without any constructive opposition to the Lesinski bill, but with a flank attack upon the bill tendered by the majority of the committee. I should like to ask the gentleman from Pennsylvania this question, if I may:

Is it your plan to offer a substitute bill, or will you and your group and your committee support the Lucas bill?

Mr. McCONNELL. Mr. Chairman, I can only speak for myself. I am supporting the Lucas bill.

Mr. COMBS. You do not know about your fellow-members on the committee?

Mr. McCONNELL. It has not been made a party matter.

The CHAIRMAN. The time of the gentleman from Texas has expired.

Mr. WHITTINGTON. Mr. Chairman, I ask unanimous consent to extend my remarks at this point in the Record.

Mr. Chairman, I do not see objection to the request of the gentleman from Texas.

There was no objection.
Mr. WHITTINGTON. Mr. Chairman, the so-called Lesinski bill, H. R. 5856, provides for the amendment of the Fair Labor Standards Act of 1938, is before us. I favor substituting H. R. 5694, the Lucas bill, for the said Lesinski bill.

The Chairman. There are two bills. It is not a question of extending the coverage or of raising the minimum wage, but I repeat that the choice is only between the two bills. To how many additional employees will be covered and as to how high the minimum wage will be increased. There are a number of reasons why I favor the Lucas bill. By interpretation the Fair Labor Standards Act has been expanded far beyond the intent of the original bill. Clarifying legislation is essential. The Lucas bill supplies the clarification that is needed. On the other hand, the Lesinski bill not only encourages further expansion by interpretation, but confers unusual powers on the administration to make rules and regulations by which is punished by fine and imprisonment.

It strikes me that a minimum wage based upon the cost of living is sound. A flexible provision is in order. When the costs of living decrease, wages may advance. The Lucas bill contains a flexible provision. The minimum wage is fixed at 50 cents, but if the costs of living decrease the rate may be reduced to 30 or 521/2 cents.

There is substantially no extension in the coverage under the Lucas bill, while under the Lesinski bill the coverage, especially with respect to processing, local retailing and servicing establishments, is largely extended. In the Lucas bill retail lumber dealers, local laundries, and also small sawmills are exempt. Under the terms of the Lucas bill the agricultural exemptions of the Fair Labor Standards Act are continued and restrictions on the decorations of cotton gins is placed upon the Secretary of Agriculture rather than the Department of Labor. The agricultural exemptions have not been clarified as much as I would wish. I think that cotton gins, oil mills, and cotton compresses should be exempt from both wages and hours, and that the administration of the agricultural exemptions, particularly with respect to cotton gins in the area of production, should be under the Secretary of Agriculture, and the Lucas bill so provides.

I would like to see an amendment to modify the Walsh-Healey Act, but I must be realistic. I know of no reason why the labor costs under Government contracts or the labor costs under private contracts. There should be no discrimination. However, it will be kept in mind that the Walsh-Healey Act can be modified by separate legislation.

Because of the difference in the cost of living in the several States of the Union, because of differences in climate, because of differences in conditions furnished agricultural workers as compared with those furnished workers in industry, and because of the difference in agricultural, climatic, and other conditions, I have always advocated that the regulation of wages and hours is for the States rather than the Federal Government.

The Chairman. All time has expired.

The Clerk will read Mr. HARRIS. Mr. Chairman, I make the point of order that a quorum is not present.

The Chairman. The Chair will count. [After counting.] One hundred and eighty-four Members are present, a quorum.

REASONS WHY COMMITTEE BILL, H. R. 5856, PROVIDING FOR AN INCREASE TO 75 CENTS AN HOUR IN THE MINIMUM WAGE AND WHICH HAS BEEN AGREED ON BY A MAJORITY OF THE COMMITTEE ON EDUCATION AND LABOR, SHOULD BE ENACTED INTO LAW.

Mr. SABATH. Mr. Chairman, I ask unanimous consent to extend my remarks at this time.

The Chairman. Is there objection to the request of the gentleman from Illinois?

There was no objection.

Mr. SABATH. Mr. Chairman, I have listened for nearly 4 hours to the debate on this minimum-wage bill now before us. Half of that time has been consumed by persons who have at all times opposed any and all legislation that was in the furtherance of the cause of labor.

I was amazed that some of these gentlemen would go to the extent that they have in an effort to prejudice the minds of the membership by making unjustifiable and unwarranted statements which are not borne out by the facts or the provisions of this bill.

COMMITTEE BILL CAREFULLY CONSIDERED.

I appreciate the fact that some gentlemen, who feel that treating the wage earner decently so he can provide adequately for his family, have adequately answered some of the arguments made by those destroyers of emasculating the committee bill. I realize too that the committee bill is one which has been carefully considered by the Committee on Education and Labor, and which committee, in its sincere desire to bring to the floor a bill which would receive majorly approval, consulted with the leaders of many sections of our country and agreed on the bill presently before us, namely, H. R. 5856. I understand that shortly the gentleman from Texas [Mr. Lucas] will endeavor to sidetrack the committee bill which has not been considered by that committee and who sets himself up above the judgment of the Committee on Education and Labor.

REPUBLICANS ALWAYS OPPOSE LABOR LEGISLATION.

I understand also, that many Republicans, as well as Democrats, for the sole purpose of obtaining cheap labor,

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The gentleman from Texas (Mr. Lucas) has embodied in his bill and lays great stress on the sliding-scale provision of his proposed substitute, which as I said on the floor yesterday, would mean nothing but uncertainty and confusion.

In this connection I desire to insert a statement that came to me a few minutes ago on this point:

**PROPOSAL WOULD MAKE CONGRESS WAGE-CUTTING AGENCY**

A minimum wage tied to cost of living puts Congress into the business of wage cutting even if prices drop only a few percent. Employers who might not otherwise reduce wages will be encouraged to do so if the minimum wage goes down only a few cents, following a drop in the cost of living and blame the cut on the Government. Many employers who could legally have raised wages during the war hid behind the Government and unceasingly to do so again would be offered by this proposal.

A minimum wage tied to the cost of living index is an open invitation by Government to employers to reduce wages in the lowest paid industries if prices drop even slightly. It gives Government sanction to wage cuts to workers that would not have been afforded them.

**BUSINESS UNCERTAINTY AND INJUSTICE WILL RESULT IF MINIMUM WAGE TIED TO CHANGES IN COST OF LIVING**

Cost will be uncertain. The minimum wage may rise during the life of a contract for manufacture taken during the latter part of the year. If the price shall fall below the wage contract the employer may be forced to reduce the scale. In that case the firm waits to see what the new minimum will be.

Furthermore contracts may wait if it appears that a reduction in the minimum will take place. Perhaps the principal can find a firm that will make a contract with a reduced wage scale for a very few cents a dollar lower. That may cause unemployment among the workers who the buying organization normally placed its contracts.

Reasonable stability is replaced by constant insecurity.

**NO ANALOGY BETWEEN FARM PARITY PRICES AND MINIMUM WAGE TIED TO COST OF LIVING**

Changes in the parity price affect all producers of the particular farm product. A change in the minimum wage based on changes in the cost of living does not affect all wage and salary earners; it affects only those in the lowest paid industries, if it is not proposed to tie the salaries of corporate executives, for example, to changes in the cost of living, but only the incomes of the lowest paid wage earners.

**TYING MINIMUM WAGE RATES TO CHANGES IN COST OF LIVING RUNS COUNTER TO COLLECTIVE BARGAINING PRACTICE**

Workers and employers across the bargaining table have worked out wage practices which have tended to give the lowest wage earners the benefit of greater percentage increases during periods when wage increases were obtainable, and, in reverse, to apply policies which gave greater protection to the lowest wage categories, during depression periods.

The proposal to adopt a policy which will encourage the lowest wage earners in the lowest paid industries, if it is not proposed to tie the salaries of corporate executives, for example, to changes in the cost of living, but only the incomes of the lowest paid wage earners.

A net profit of $53,932,843, equal to $6.12 a share on 8,702,264 shares of capital stock, was reported yesterday by Chrysler Corp. for the first 6 months of the year. Included in the earnings are dividend payments from foreign subsidiaries of $18,980,924 accumulated from profits of prior years not heretofore available for transfer to this country. In the same period last year the company showed a profit of $20,660,010, or $4.11 a share.

A net profit of $7,318,012, or $1.86 a share, for foreign subsidiaries.

Net sales for half year were $650,927,855, against $601,921,560, covering 757,269 cars and trucks, compared with 459,159 in 1948.

In fact, all reports disclose that business and our general economic conditions are improving; that orders for manufactured products are increasing and even the professional and public short-selling manipulators are being put to rout, since this very week stock and bond prices are rising steadily because of these improved general conditions. We have nothing to fear.

**BANKING UP WRONG TREE**

Therefore, Mr. Chairman, I feel it is fair to state that the gentleman from Texas (Mr. Lucas) is banking up the wrong tree when he tries to play into the Republican hands by discussing what might happen if and when a recession ever comes.

Opposition versus Unorganized Labor

Some of the gentlemen who are opposed to this fair committee bill have been, as a rule, the same people who are opposed to labor organizations. This bill, let me point out, will not adversely affect labor organizations, for all organized labor earns more than the meagre 75 cents minimum or $30 per week as provided for herein; rather it will aid and encourage organized labor.

White-collar workers receive less than 75 cents per hour, and again, unfortunately, there are many hundreds of thousands of them that find it impossible to make ends meet in the most prosperous times and in the most prosperous country in the history of the world.

**BE TRUE TO PARTY AND PLEDGES**

In conclusion, Mr. Chairman, I find it hard to understand a man of supposed intelligence—and they must have some when they can be elected to this House—are devoid of any scintilla of Justice, sympathy and fairness to their fellow men, and, further, that the two parties do not rise to their pledges and party under which label they hold seats in this body. This applies to the gentlemen on both sides.

Mr. Chairman, I fervently hope that the Repo-Dixiecrat combination, which unfortunately has been formed and has existed for nearly 4 years will not succeed in defeating this extremely meritorious and fair bill that I have just pointed out, and I say to the Republican and the Dixiecrat:

The CHAIRMAN. The Clerk will read.

The Clerk read as follows:

Be it enacted, etc., That this act may be cited as the "Fair Labor Standards Amendments of 1949."

Mr. LUCAS. Mr. Chairman, I offer a substitute amendment, which I send to the Committee's desk.

The Clerk read as follows:

Amendment offered by Mr. Lucas as a substitute: Strike out all after the enacting clause and insert in lieu thereof the following:

"That this act may be cited as the "Fair Labor Standards Amendments of 1949."

"Sec. 2. The Fair Labor Standards Act of 1938, as amended (29 U. S. C. 201-219), is hereby amended to read as follows:

"Sec. 1. This bill may be cited as the "Fair Labor Standards Act of 1949."

"Sec. 2. The Congress hereby finds that the existence, in industries engaged in commerce or in the production of goods for commerce, of labor conditions detrimental to the maintenance of the minimum standard of living necessary for health, efficiency, and general well-being of workers (1) causes waste and the channels and instruments of commerce to be used to spread and perpetuate such labor conditions among the workers of the several States; (2) burdens commerce and the free flow of goods in commerce versus unorganized labor."

WORTHLESS SLIDING SCALE
commerce; (3) constitutes an unfair method of competition in commerce; (4) leads to labor disputes burdening and obstructing commerce and the free flow of goods in commerce; and (5) interferes with the orderly and fair marketing of goods in commerce.

"(m) "Oppressive child labor" means a condition of employment under which (1) any employee under the age of 16 years is employed by an employer (other than a parent or a person standing in place of a parent) in the care or control of such child in his custody in the age of 16 years in an occupation other than manufacturing or mining, shall be found by the Administrator to be oppressive; or (2) any employee under the age of 16 years is employed by an employer in any occupation which the Administrator shall find and by order declare to be oppressive; or (3) any employer engages in the employment of children between such ages or detrimental to their health or well-being; or oppressive child labor shall not be deemed to exist by virtue of the employment in any occupation of any person with respect to whom the employer shall have on file an unexpired certificate issued and held pursuant to regulations of the Administrator certifying that such person is above the oppressive child labor age and shall provide by regulation or by order that the employment of employees between the ages of 14 and 18 years in manufacturing and mining shall not be deemed to constitute oppressive child labor if and to the extent that the Administrator determines that such employment is confined to periods which will not interfere with their schooling and to conditions which will not interfere with their health and well-being.

"(n) "Wages" paid to any employee includes the reasonable cost, as determined by the Administrator, to the employer of furnishing such employee with board, lodging, or other accommodations, so long as such accommodations are customarily furnished by such employer to employees.

**ADMINISTRATION**

**SEC. 4.** (a) There is hereby created in the Department of Labor a Wage and Hour Division which shall be under the direction of the Secretary of Labor. The manner in which said Division shall be organized and the provisions for its establishment and maintenance shall be determined by the Secretary of Labor, and the work shall be done under the general direction of the Secretary of Labor. The said Division shall be under the control and general direction of the Department of Labor, and shall have the power to appoint all necessary personnel, as deemed necessary by the Secretary of Labor, to perform such duties as the Secretary of Labor may from time to time assign, and to make such rules and regulations as may be necessary to carry out the provisions of this act.

(b) The said Division shall have the power to appoint persons representing employers in the industries of the United States, and a like number representing employees in the industries of the United States, and the Secretary of Labor is hereby authorized and directed to issue rules and regulations prescribing the procedure to be followed by the members of such committees, to require such committees to report to him on their work, and to require such committees to submit their recommendations to him. The Secretary of Labor is hereby authorized and directed to issue rules and regulations prescribing the manner in which such recommendations shall be considered and acted upon by him.

**SEC. 5.** (a) The Administrator shall as soon as practicable appoint a special industry committee to recommend the minimum rate or rates of wages to be paid under section 6 to employees in Puerto Rico or the Virgin Islands, or in Puerto Rico and the Virgin Islands, engaged in commerce or in the production of goods for commerce, or in the industries in which individuals are gainfully employed, and to inquire into and report upon the existence and nature of any labor disputes burdening and obstructing commerce and the free flow of goods in commerce.

(b) Any employee (other than a parent or a person standing in place of a parent) in the care or control of such child in his custody in Puerto Rico and the Virgin Islands is employed in an occupation other than manufacturing or mining, shall be found by the Administrator to be oppressive; or any employee under the age of 16 years is employed by an employer in any occupation which the Administrator shall find and by order declare to be oppressive; or any employer engages in the employment of children between such ages or detrimental to their health or well-being; or oppressive child labor shall not be deemed to exist by virtue of the employment in any occupation of any person with respect to whom the employer shall have on file an unexpired certificate issued and held pursuant to regulations of the Administrator certifying that such person is above the oppressive child labor age and shall provide by regulation or by order that the employment of employees between the ages of 14 and 18 years in manufacturing and mining shall not be deemed to constitute oppressive child labor if and to the extent that the Administrator determines that such employment is confined to periods which will not interfere with their schooling and to conditions which will not interfere with their health and well-being.

"(n) "Wages" paid to any employee includes the reasonable cost, as determined by the Administrator, to the employer of furnishing such employee with board, lodging, or other accommodations, so long as such accommodations are customarily furnished by such employer to employees.
"(1) Until and including December 31, 1949, neither less than 65 cents an hour.

"(2) During the year after 1949, not less than the rate prescribed for such year in the applicable order of the Administrator employed for the entire year or for any portion of the year.

"For each calendar year thereafter, the Administrator shall (A) ascertain the rate, computed to the nearest tenth of a cent, which bears the same ratio to 65 cents an hour as the average Consumer Price Index for Moderate-Income Families in Large Cities (as determined and published by the Bureau of Labor Statistics) for the 12-month period ending October 15 of such calendar year bears to the average "Consumer Price Index for Moderate-Income Families in Large Cities" (as determined and published by the Bureau of Labor Statistics) for the 12-month period ending October 15, 1948; and (B) issue an order prescribing as the minimum hourly wage rate for the immediately succeeding calendar year the rate so ascertained (adjusted to the nearest cent): Provided, That in no event shall the minimum hourly wage prescribed by the Administrator be less than 50 cents an hour.

"(3) If such employee is a home worker in Puerto Rico or the Virgin Islands, not less than the piece rates computed in the manner prescribed for such employees in section 6(a) of this title, or in any collective bargaining agreement in force or in the course of negotiation by the National Labor Relations Board, which provides that during a specified period of 26 consecutive weeks the employee shall be employed not more than 20 hours in such period at rates not less than one and one-half times the regular rate at which he is employed; or

"(4) If such employee is employed more than 15 weeks in the aggregate in the calendar year in any industry found by the Administrator to be of a seasonal nature, and if such employee receives compensation for employment in excess of 12 hours in any workday, or for employment in excess of 56 hours in any workweek, or for employment in excess of 120 hours in any calendar quarter, the rates paid to such an employee shall be, at a rate not less than one and one-half times the regular rate at which he is employed.

"(c) In the case of an employer engaged in the first processing of milk, butter, wheat, cotton, sugar, or products into the form of beverages, or in the ginning and compressing cotton, or in the processing of cotonseed, or in the processing of the molasses, sugar, or maple sap, into sugar (but not refined sugar) or into syrup, the provisions of subsection (b) shall not apply to his employees in any place of employment where such premium rate is not less than one and one-half times such rate for all hours worked in excess of 40 hours in any workweek.

"(d) As used in this section the "regular rate" at which an employee is employed shall be deemed to include all remuneration for employment paid to, or on behalf of, the employee, but shall not be deemed to include:

"(1) sums paid as gifts; payments in recognition of services performed, or the value thereof, by or on behalf of, employees in any place of employment where such premium rate is not less than one and one-half times such rate for all hours worked in excess of 40 hours in any workweek.

"(2) payments made for occasional days; or

"(3) sums paid in recognition of services performed, or the value thereof, by or on behalf of, employees in any place of employment where such premium rate is not less than one and one-half times such rate for all hours worked in excess of 40 hours in any workweek.

"(e) No employer shall be deemed to have violated subsection (a) by employing any employee for a workweek in excess of 40 hours if such employee is employed pursuant to a bona fide individual contract, or pursuant to an agreement made as a result of collective bargaining by representatives of employees, if the duties of such employees necessitate irregular hours of work, and the contract or agreement (1) specifies a regular rate of pay of not less than the minimum hourly rate provided in section (a) and compensation at not less than one and one-half times such rate for all hours worked in excess of 40 hours; or

"(f) contributions irrevocably made by an employer to a trust or third person pursuant to a bona fide plan or trust, to the extent to which the amounts paid to the employee are determined without regard to hours of work, production, or efficiency; or (c) the payments are talent fees paid to performers, including announcers, on radio and television programs;

"(g) No employer shall be deemed to have violated subsection (a) by employing any employee for a workweek longer than 40 hours, unless such employee receives compensation for

"MAGNITUDE OF HOURS" Section 7. (a) Except as otherwise provided in this section, no employer shall employ any of his employees for more than 40 hours in any workweek, and no employer shall cause such employee to work more than 52 consecutive weeks the employee shall be employed.

"(h) In any workweek, the amount paid to the employee for work in excess of 40 hours in any workweek and (2) for compensation in excess of 40 hours in any workweek.

"(i) In any workweek, the amount paid to the employee for work in excess of 40 hours in any workweek and (2) for compensation in excess of 40 hours in any workweek.

"(j) In any workweek, the amount paid to the employee for work in excess of 40 hours in any workweek and (2) for compensation in excess of 40 hours in any workweek.

"(k) No employer shall be deemed to have violated subsection (a) by employing any employee for a workweek longer than 40 hours, unless such employee receives compensation for his
"(2) In the case of an employee performing two or more kinds of work for which different hourly or piece rates have been established, is computed at rates not less than one-half of the average of all rates applicable to the same work when performed during the overtime hours; and

"(3) The wages paid for work of like or comparable character by employers who voluntarily pay minimum-wage standards in the industry.

No classification shall be made under this section on the basis of age or sex.

"(d) The Administrator shall file with the Administrator a report containing its recommendations with respect to the matters of such industry, to which the Administrator disapproves such recommendations, he shall again refer the matter to such committee, or to another industry committee for such industry, for which the Administrator deems reasonably calculated to give to interested persons general notice of such issuance.

"(f) Due notice of any hearing provided for in this section shall be given by publication in the Federal Register and by such other means as the Administrator deems reasonably calculated to give general notice to interested persons.

"(g) Extra compensation paid as described in paragraphs (5), (6), and (7) of subsection (a) shall be credited toward overtime compensation payable pursuant to this section.

"WAGE ORDERS IN PUERTO RICO AND THE VIRGIN ISLANDS

"Sec. 8. (a) The policy of this act with respect to industries in Puerto Rico and the Virgin Islands engaged in commerce or in the production of goods for commerce shall be fixed as rapidly as is economically feasible without substantially curtailing employment therein or substantially reducing the minimum-wage rates required by applicable law, and (ii) extra overtime compensation is properly computed and paid on other factors may be taken, shall be included in computing the regular rate.

(b) Upon the convening of any such committee, the Administrator shall refer to the committee the minimum-wage rates or otherwise provided for in section 6 of this act or in section 6 of the Virgin Islands engaged in commerce or in the production of goods for commerce in any such industry or classification thereof.

(c) The Administrator shall, without delay, investigate the conditions in the industry and the committee, or any authorized subcommittees thereof, may hear such witnesses and receive such evidence as may be necessary or appropriate to enable the committee to perform its duties and functions under this act. The committee shall recommend to the Administrator the highest minimum-wage rates for the industry which it determines, having due regard to economic and competitive conditions prevailing, to be the most reasonable rates for the industry, and will, for each industry subject to this act, and may enter into the industry committee of such industry, or to another industry committee for such industry (which he may appoint for the purpose of such industry), to prevent the continuation of such conditions, and to safeguard the minimum-wage rates established therein. No such order shall take effect until after due notice is given of the issuance thereof by publication in the Federal Register and by such other means as the Administrator deems reasonably calculated to give to interested persons general notice of such issuance.

"(a) Any person aggrieved by an order of the Administrator, (b) Person aggrieved by any order of the Administrator, when supported by a preponderance of the evidence, shall be entitled to a review of such order by the court. The procedure for the hearing and the rehearing before the court and the rehearing before the court and the rehearing before the court are to be the same as it is applicable to the petitioner. The record of the proceedings of the court shall be sufficiently complete to permit a review thereof to the Administrator as he shall prescribe by regulations made as necessary.

"(c) Every employer subject to any provision of this act or of any order issued under this act shall make, keep, and preserve such records as shall be determined by the Administrator, and shall make such reports as the Administrator may require, for such periods of time, and shall make such reports theretofore to the Administrator as he shall prescribe by regulations made as necessary.
or appropriate for the enforcement of the provisions or the regulations of this act, or the regulations or orders thereunder.

"CHILD-LABOR PROVISIONS"

"Sec. 12. (a) No producer, manufacturer, or dealer shall ship or deliver for shipment in commerce any goods produced in an establishment situated in the United States in or about which within 30 days prior to the receipt thereof an oppressive child labor has been employed: Provided, That any such shipment or delivery for shipment of such goods by a purchaser, or seller of goods produced in such establishment, who acquired them after such oppressive child labor has been employed shall not be deemed prohibited by this subsection if such person shall have been without knowledge of the employment of such oppressive child labor, and acted in good faith in reliance on written assurance from the producer, manufacturer, or dealer that the goods were produced in compliance with the child-labor provisions of this act: And provided further, That a prosecution and conviction of a defendant for the shipment or delivery for shipment of goods under the provisions of this act, as defined in paragraph (2) of this subsection, and with respect to whom the provisions of subsections 6 and 7 shall not apply with respect to (a) any employee employed in a bona fide executive, administrative, professional, or local retailing capacity, or in the capacity of outside salesmen (as such terms are defined and limited by regulations of the Administrator); or (2) any employee employed by any retail or service establishment, more than 50 percent of which establishment's annual dollar volume of sales of goods or services is made within the State in which the establishment is located. A "retail or service establishment," shall mean an establishment 75 percent of whose annual dollar volume of sales of goods or services is made within the State in which the establishment is located. (b) No employer shall employ any oppressive child labor in the production of goods for commerce.

"EXEMPTIONS"

"Sec. 13. (a) The provisions of sections 6 and 7 shall not apply with respect to (1) any employee employed in a bona fide executive, administrative, professional, or local retailing capacity, or in the capacity of outside salesmen (as such terms are defined and limited by regulations of the Administrator); or (2) any employee employed by any retail or service establishment, more than 50 percent of which establishment's annual dollar volume of sales of goods or services is made within the State in which the establishment is located. A "retail or service establishment," shall mean an establishment 75 percent of whose annual dollar volume of sales of goods or services is made within the State in which the establishment is located.

"(b) The provisions of section 7 shall not apply with respect to (1) any employee with respect to whom the Interstate Commerce Commission has power to establish qualifications and maximum hours of service pursuant to the provisions of section 204 of the Motor Carrier Act, 1935; or (2) any employee of an employer subject to the provisions of part of the Interstate Commerce Act; or (3) any employee of a carrier by air subject to the provisions of title II of the Railway Labor Act.

"(c) The provisions of section 12 relating to child labor shall not apply with respect to any employee employed in agriculture who is under school age or to any child employed as an actor or performer in motion pictures or theatrical productions or in radio or television productions.

"LEARNERS, APPRENTICES, AND HANDICAPPED WORKERS"

"Sec. 14. The Administrator, to the extent necessary in order to prevent curtailment of opportunities for employment, shall by regulations or by orders provide for (1) the employment of veterans, apprentices, and others employed in the transportation of goods for transportation in an establishment or business of any kind, engaged in the transportation of goods for transportation; (2) to violate any of the provisions of section 6 or section 7, or any of the provisions of any regulation or order of the Administrator applicable under section 6 and for such period as the Administrator shall prescribe; and (2) any employee of an employer engaged in the business of operating railroads; or (14) any employee or proprietor in a retail or service establishment as defined in paragraph (2) of this subsection, with respect to whom the provisions of sections 6 and 7 shall not apply with respect to (a) any employee employed in a bona fide executive, administrative, professional, or local retailing capacity, or in the capacity of outside salesmen (as such terms are defined and limited by regulations of the Administrator); or (2) any employee employed by any retail or service establishment, more than 50 percent of which establishment's annual dollar volume of sales of goods or services is made within the State in which the establishment is located.

"PENALTIES"

"Sec. 15. (a) Any person who willfully violates any of the provisions of sections 6 or 7 of this Act, or any provision of any regulation or order of the Administrator applicable under section 6 and subject to such limitations as the Administrator shall prescribe; and (2) the employment of individuals whose earning capacity is impaired by age or physical or mental disability, shall be liable to the employee or employees affected in the amount of their unpaid compensation, as the case may be, and in an additional equal amount as liquidated damages. 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 action shall be commenced after the conviction of such person for an offense committed after the conviction of such person for such offense under this subsection except for offenses committed after the conviction of such person for such offense under this subsection.

"(b) Any employer who violates the provisions of section 6 or section 7 of this Act shall be liable to the employee or employees affected in the amount of their unpaid minimum wages, or their unpaid overtime compensation, as the case may be, and in an additional equal amount as liquidated damages. 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 action shall be commenced after the conviction of such person for an offense committed after the date of the act which is the basis for this action.

"(c) The provisions of this Act shall not apply to any employee employed in a bona fide executive, administrative, professional, or local retailing capacity, or in the capacity of outside salesmen (as such terms are defined and limited by regulations of the Administrator); or (2) any employee employed by any retail or service establishment, more than 50 percent of which establishment's annual dollar volume of sales of goods or services is made within the State in which the establishment is located. A "retail or service establishment," shall mean an establishment 75 percent of whose annual dollar volume of sales of goods or services is made within the State in which the establishment is located. A "retail or service establishment," shall mean an establishment 75 percent of whose annual dollar volume of sales of goods or services is made within the State in which the establishment is located.

"(d) The provisions of this Act shall not apply to any employee employed in a bona fide executive, administrative, professional, or local retailing capacity, or in the capacity of outside salesmen (as such terms are defined and limited by regulations of the Administrator); or (2) any employee employed by any retail or service establishment, more than 50 percent of which establishment's annual dollar volume of sales of goods or services is made within the State in which the establishment is located.
full constitute a waiver by such employee of any right he may have under subsection (b) of this section to such unpaid minimum wages or unpaid overtime compensation and an additional equal amount as liquidated damages.

**INJUNCTION PROCEEDINGS**

"Sec. 17. The district courts of the United States and the Territories and possessions shall have jurisdiction, for cause shown, to restrain violations of this act or any order, regulation, interpretation, or agreement of the Administrator or the Secretary of Labor, in the expiration of which the maximum wage or the maximum workweek established under this act or a maximum wage or a minimum-wage requirement or a maximum workweek shall remain in effect as the standard established under this act.

**RELATION TO OTHER LAWS**

"Sec. 18. No provision of this act or of any order thereunder shall excuse noncompliance with any Federal or State law or municipal ordinance establishing a minimum wage higher than the minimum wage established under this act or a maximum workweek established under this act, and no provision of this act relating to the employment of any Federal or State law or municipal ordinance establishing a higher standard than the standard established under this act. No provision of this act shall justify an employer in decreasing a wage paid by him which is in excess of the applicable minimum wage under this act nor shall any employer in increasing hours of employment maintained by him which are shorter than the maximum hours established under this act.

**SEPARABILITY OF PROVISIONS**

"Sec. 19. If any provision of this act or the application of such provision to any person or circumstance is held invalid, the remainder of the act and the application of such provision to other persons or circumstances shall not be affected thereby.

**EFFECTIVE DATE OF CERTAIN CHANGES AND SAVINGS CLAUSE**

"Sec. 3. (a) This act shall take effect upon the expiration of 60 days from the date of its enactment, except that the provisions of sections 5 and 6 of the Fair Labor Standards Act of 1938 (relating to overtime compensation) shall be in full force and effect from and after the date of enactment of this act.

(b) Any order, regulation, or interpretation of the Administrator of the Wage and Hour Division or the Secretary of Labor, applicable effective date of this act, shall in full force and effect from and after the date of enactment of this act.

(c) No amendment made by this act shall affect any penalty or liability with respect to any act occurring prior to the applicable effective date of this act; but, after the expiration of 2 years from the date of enactment of this act, such amendment shall be in full force and effect from and after the date of enactment of this act.

(d) No amendment made by this act shall become effective unless and until it shall have been enacted into law by a joint resolution of both Houses of Congress in accordance with the provisions of the Constitution of the United States and the Act of March 4, 1867, and the Act of February 23, 1868.

(e) No employer shall be subject to any liability or punishment under the Fair Labor Standards Act of 1938, as amended (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 said employer to pay an employee compensation for any period of overtime work performed prior to the date of enactment of this act, if the compensation paid prior to such date for such work was at least equal to the compensation allowable for such work had section 7 (d) (6) and (7) and section 7 (g) of the Fair Labor Standards Act of 1949 been in effect at the time of such payment.

**THE CHAIRMAN.** The gentleman from Texas is recognized for 5 minutes.

Mr. LUCAS. Mr. Chairman, I ask unanimous consent to proceed for five additional minutes.

**THE CHAIRMAN.** Is there objection?

Mr. LUCAS. Mr. Chairman, we have come to a crucial time. We have come to the time when the Members of this House are to decide whether they will accept an entirely new philosophy in minimum-wage legislation, or whether they will attempt to follow the present law, with 3 cents an hour, in the future. I wish to continue under an act which was enacted by the Congress in 1938. That is the test and the only test before us. It is not simply the test of whether we shall enact a bill as a minimum-wage or 65 cents as a minimum wage or 75 cents as a dollar or as a minimum wage or 50 cents as a minimum wage. The test is whether we are going to embark into an entirely new field, whether we are going to convey such powers to the Administrator as have never been conveyed by the Congress before in the history of the basic wage in our time.

That is the question. Some of the proponents of the Lesinski bill are going to say to you, "We have taken the old act and added a few things to it." This is the question. I took the Lesinski bill and I marked every line of it which is different from the present act. I want to show it to you. More than two-thirds of it is entirely new. More than the minimum-wage power, as I have said, then any Administrator has ever possessed in the history of this country in peacetime. I stand on that scale.

You have heard others say here that the rule-making power is necessary. It is unfortunate that the gentleman from Texas [Mr. Combs], who did not have the privilege of attending the hearings on this minimum-wage legislation, did not hear how the Administrator has extended his powers, without the rule-making power. Shall we give the Secretary the rule-making power in all cases in which there is a fringe decision to make, he can simply write a rule carrying that industry under his jurisdiction? That is the question.

The rule-making power will not only give to the Secretary of Labor such power as to define all words in the Act—and those words are written into the bill—but the rule-making power will carry the extension of this act into every field where there has ever been a question of whether or not he should have jurisdiction.

So I say to you that the decision here is not simply 75 cents or 65 cents. The question is whether you are going to abridge your powers as legislators and give that power to an administrator downtown. That is the question you have before you.

In the Lesinski bill such power is granted and I want to point out to you where that power lies. Not only does he have power already possessed by the Secretary, he also may bring suit which will include suits for back wages, and the power to bring suit is very broad. The proponents of the section will say that power already possessed by the Secretary. The State officers who bring suit for back wages. Such powers do exist, but they have always been limited. First, it may be limited as to the amount. In Wisconsin that limit is $100. In California and in other States the claimant must be indigent; but in this bill neither is there a limit on the amount in question or on the financial status of the claimant; and, further, Mr. Chairman—and I stand on this, too, despite some statements of certain proponents of the Lesinski bill—there is no limitation on the amount in the Lesinski bill and that power goes clear back to October 24, 1938. The Secretary of Labor can bring suits for back pay following that power back clear back to that date. The labor unions are going to put unanswerable pressure upon the Secretary of Labor to bring such suits as that because their members, as claimants, are limited by the Portal Act to only 2 years, so they are going to strongly insist upon the Secretary of Labor bringing those suits. But, Mr. Chairman, that is not all. Here recently a court or two has said that the rule-making power in injunction suits may recover back wages under its equitable jurisdiction. So the gentleman from Michigan [Mr. Lesinski] plucked the provisions in the Lesinski bill and inserted for the very purpose of confirming that power so that the Secretary of Labor in bringing injunction suits can recover back wages in injunction suits at no cost to the employee.

This power to bring suits would necessitate a corps of lawyers in the Department of Labor reaching to 10,000 in number; it would take that many to administer that feature of the bill. Let me tell you that the Administrator, in testifying before our committee, said that 51 percent of the businesses which he had investigated last year were in violation; therefore, 51 percent of the businesses would have to be sued if they did not wish voluntarily to comply; I will come back to that again in a minute. Here the question is whether you are going to create a great corps of lawyers to investigate litigation and bring suits. And what can a little-business man do? What can he do if a wage-hour inspector comes into his office and asks if he is
complying, takes a look at his books, and finds some slight error. He will say: "You have not complied; you owe so much." He will say: "I do not owe that; I do not owe that much money."

Suppose an issue is brought against the little-business man by the Wage-Hour Administrator and the Secretary of Labor. Under this bill they can carry the case clear to the Supreme Court, at the taxpayers' expense, yet the little-business man will have to spend his own money to hire a group of constitutional lawyers to carry it clear to the Supreme Court.

Mr. Chairman, this is the most serious piece of legislation which we are going to have before us this year. You can talk about the Taft-Hartley bill and foreign-aid bill, you can talk about any of the other bills you wish, but we are not going to have anything before us as serious as this bill, or one that will more intimately affect the daily lives of every American citizen as much as this bill. It goes into the very heart and soul of business, the manner of hours worked and wages paid; that constitutes the heart and soul of business. In this bill the gentleman from Michigan carries those provisions through every little business. As he says, retail establishments are exempt, but notice the qualifications he throws around retail establishments. This bill states that retail establishments are exempt if they sell to private citizens for personal or household or family use, I believe are the words; in other words, it must go into the household, it must be for personal or family consumption and not business use. Therefore the little typewriter shop that serves the typewriter of the business houses in town will not be covered, and the gentleman from Michigan [Mr. Lesinski] will not deny that.

Mr. LESINSKI. Will the gentleman yield?

Mr. LUCAS. Does the gentleman deny that statement?

Mr. LESINSKI. I will deny it. The gentleman is wrong.

Mr. LUCAS. Let us read the gentleman's bill and see if it is covered.

Mr. LESINSKI. I will absolutely deny it.

Mr. LUCAS. Let me call attention to this language:

As used in this subsection, "retail selling or servicing" means selling or servicing to private individuals for personal or family consumption.

Is fixing a typewriter in that category?

Mr. LESINSKI. That has nothing to do with that section.

Mr. LUCAS. That is the gentleman's definition in this bill; and he cannot deny it.

Mr. LESINSKI. That has nothing to do with that section.

Mr. LUCAS. Chairman, that is not a definition. This definition carries the power of the Administrator and of the Secretary of Labor into every business in the land. I heard the gentleman from Georgia accused the gentleman from Texas of not understanding the bill, and I heard him say that it did not cover hotels. How he makes such an interpretation of the words in the bill is beyond me.

While we have got the gentlemen from Michigan [Mr. Lesinski] willing to answer some questions, let me ask him: Did he intend to exclude from the coverage of this act Sears, Roebuck and Montgomery Ward that do purely an interstate business? Answer that question.

Mr. LESINSKI. Anyone who is engaged in interstate commerce is in the bill.

Mr. LUCAS. That is simply not true. There has been excluded the interstate-competition provision in the old law; therefore, that retail business which ships in interstate commerce is not covered under this bill. The gentleman cannot deny that. He has covered the typewriter shop that services Montgomery Ward and then excluded Montgomery Ward.

The CHAIRMAN. The time of the gentleman from Texas has expired.

Mr. LANHAM. Mr. Chairman, I move to strike out the last word.

Mr. Chairman, during the debate on the bill to repeal the Taft-Hartley Act the gentleman [Mr. Lesinski] asked me if I intended to vote for an increase in the minimum wage. I told him I would cross that bridge when I got to it. He then included in this bill that bridge. I want to say that during all this time I have been trying to strengthen that bridge so that I could pass over it without falling into the political morass that might be beneath it.

With that in view, I was glad when a group of southern Congressmen who believe in the Democratic Party—who are Democrats and who want to go along with their political parties—were higher loyalties than loyalty to the party. First of all there is loyalty to God and the loyalty to our own integrity. There is next the loyalty that we owe to our country, and the loyalty that we owe to our own State and then comes loyalty to our party. Now, it is not always possible for us to go along with our party, because of these higher loyalties; but I think party responsibility in the use of this bill is very necessary at this time. Our very Government is founded on the idea of party responsibility and the two-party system, and I appeal to you today to go along with your party and your committee, not necessarily with all of the terms of this bill. But why adopt the substitute that is written—I do not say written by my friend from Texas, as he does not know as much about it as is offered by him. I have the highest respect for my friend from Texas; he and I are fraternity brothers as a matter of fact, and I love him, but nevertheless he has joined with the Republicans, as is so often done in this Congress, and it is this lack of party responsibility that has prevented this Congress from accomplishing its purposes more speedily than it has.

The thing I want to say is this: I ask that we take this bill that the committee has reported out; that if there are amendments that can be written into it, that we do that, and that we perfect this bill instead of taking the bill that has been drafted by the gentleman from Texas [Mr. Lucas].

The CHAIRMAN. The time of the gentleman from Georgia has expired.

Mr. LANHAM. Mr. Chairman, I ask unanimous consent to proceed for five additional minutes.

The CHAIRMAN. Is there objection to the request of the gentleman from Georgia?

Mr. RANKIN. Mr. Chairman, reserving the right to object, the gentleman from Georgia accused the gentleman from Texas with lining up with the Republicans, just because some Republicans are voting with the gentleman from Texas.

Mr. LANHAM. I am just stating my conclusions, from the fact that the Republicans almost to a man are supporting the Lesinski substitute.

Mr. RANKIN. That is wrong.

Mr. LUCAS. I reserve the right to object further, Mr. Chairman.
Mr. LANHAM. I yield to the gentleman, although he would not yield to me on this point.

Mr. LUCAS. I regret that and noted it in the Record this morning. Would the gentleman criticize me because other Members of the House choose to vote for my bill? And whether they be Democrats or Republicans?

Mr. LANHAM. I do not criticize any one. I am pleading for party harmony, loyalty, and responsibility.

The CHAIRMAN. Is there objection to the request of the gentleman from Georgia?

There was no objection.

Mr. LANHAM. Mr. Chairman, as I say, I have no criticism of any of my colleagues who see fit to vote for the Lucas substitute. But, whichever is adopted is going to be amended. I do not think there is any question but that if the Lucas substitute is adopted there will be an amendment offered, to raise the minimum wage to 75 cents. As a matter of fact, the gentleman from Ohio [Mr. Bingaman] said this morning he was going to offer an amendment to raise the minimum wage to 75 cents. I do not think there is any question if it is not adopted, and it is voted upon, that there will be an amendment offered to that bill to make the wage 65 cents. So after all, whichever bill we adopt will be amended. The House will determine whether the minimum wage is to be 65 cents or 75 cents.

Mr. HARRIS. Mr. Chairman, will the gentleman yield?

Mr. LANHAM. I yield to the gentleman from Arkansas.

Mr. HARRIS. The gentleman indicated it might be advisable to vote down the Lucas bill and then endeavor to perfect the Lesinski bill in accordance with the will of the House. The gentleman indicated there might be an amendment on which we would pass, making the amount 65 cents.

Mr. LANHAM. I do not think there is any question about it.

Mr. HARRIS. Is the gentleman in a position to state that he believes the 65 cents would be more in keeping with our economy?

Mr. LANHAM. I think so. I frankly told the committee with which I was working that I thought the southern Members would vote for a 65-cent minimum. I shall probably vote for a 75-cent minimum, to keep faith with the committee with which I have been working; but I know most of my colleagues from the South believe that the minimum should be 65 cents and they may well be right.

Mr. McCONNELL. Mr. Chairman, will the gentleman yield?

Mr. LANHAM. I yield to the gentleman from Pennsylvania, for a question.

Mr. McCONNELL. May I clear up one thing? There has been a general impression spread abroad that there was a meeting of the committee on H. R. 5856, and that the majority members of the committee approved the bill after it was given up by us. I had never seen the bill until it was put into the hopper, and we have had no discussion at any time about it.

Mr. LANHAM. I do not yield further for a speech by the gentleman because he made that statement yesterday. I said in the beginning of my speech that I did not know what the truth of the matter was about that and was not interested, but I do plead with you to go along with the administration and take the Lesinski bill, which we have worked on very earnestly and carefully, and perfect it instead of the Lucas bill. I may say that some of us are not too familiar with wage-hour legislation. We asked that men from the Department administering the law be called in so that we could have explained to us the reasons for certain rulings of the Administrator. We went into the consideration of this bill with the same idea that the gentleman from Texas [Mr. Lucas] had that we ought to do something about the definition of the words "production of goods for interstate commerce." We found that if we attempted to change that law we would open the doors for endless litigation and would undo what has been done in the past 11 years this bill has been in operation. Moreover, it would require at least another 10 years before the new definitions could be formulated by the courts. We found further that it would mean that about 1,000,000 people who are already covered under the Act would be taken out from under the protection of the Act.

Mr. LESINSKI. Mr. Chairman, will the gentleman yield?

Mr. LANHAM. I yield to the gentleman from Indiana.

Mr. LESINSKI. May I say that before the bill H. R. 5856 was put in the hopper we had a print of it made and the members of the committee on the Democratic side, 13, plus about a dozen men on the outside, had the print and worked on it before they decided that it was the actual print they wanted on the bill H. R. 5856.

Mr. BARDEN. Mr. Chairman, will the gentleman yield?

Mr. LANHAM. I yield to the gentleman from North Carolina.

Mr. BARDEN. There has been so much mystery here about the mysterious 13 that I request the chairman to name the mysterious 13 Democrats that met outside, had the print and worked on it before they decided that it was the actual print they wanted on the bill H. R. 5856.

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Mr. BARDEN. Mr. Chairman, I yield to the gentleman from Georgia.

Mr. LANHAM. I yield to the gentleman from Georgia and I can help you.

Mr. BARDEN. There has been so much mystery here about the mysterious 13 that I request the chairman to name the mysterious 13 Democrats that met outside, had the print and worked on it before they decided that it was the actual print they wanted on the bill H. R. 5856.

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Mr. BARDEN. There has been so much mystery here about the mysterious 13 that I request the chairman to name the mysterious 13 Democrats that met outside, had the print and worked on it before they decided that it was the actual print they wanted on the bill H. R. 5856.
Mr. ANDERSON of California. Mr. Chairman, the headlines in Monday's Washington Evening Star, in reference to the Ecuadorian earthquake, read: "Four thousand six hundred dead, United States flies quake aid." The Monday Evening Star carried the following headlines: "United States plans air lift for quake area." All of us remember how the citizens of the United States supported the air lift to Berlin, and many others called for immediate response to the call for help from the victims of the great Japanese earthquake in 1923. Mr. Chairman, all of these tremendous efforts are demonstrations of the great humanitarian heart of America. They indicate how speedily and efficiently this country can respond to pleas for help from any quarter of the globe. They demonstrate our ability to do the seemingly impossible when it must be done in order to insure assistance to the needy and distressed citizens of almost any country in the world.

But, Mr. Chairman, what is being done to assist over a half million American citizens who are today suffering untold hardships as the direct result of a Communist inspired and Soviet directed blockade of 62 nations? What is being done to terminate a paralyzing blockade of the port of Honolulu, conceived and directed by one Harry Bridges, who is now under indictment by the Government of the United States for perjury in connection with his application for citizenship?

Every American citizen applauds the efforts of our Army and Navy air arms to supply the citizens of the disaster areas in Ecuador with immediate and effective aid. Every citizen takes pride in the fact that the air lift broke the back of the Russian blockade of Berlin. By the same token, I am sure that almost every American citizen hangs his head in shame because our Government cannot or will not see fit to bring an end to the Hawaiian shipping tie-up.

The people of Hawaii are Americans—they are a part of the United States. Hawaii is the 50th State of the forty-ninth State. Their Delegate in Congress has made eloquent pleas for their assistance, their cost of living has risen to fantastic heights, and yet what has been done to help them out of their dilemma? Nothing. The President and the Department of Labor apparently ignore this issue. I say apparently, because nothing is done.

Why not recognize the Hawaiian strike for what it is—the first step in Communist domination of the shipping industry of the United States? Why not move to break the blockade now before it reaches the Pacific coast, the Gulf coast, the Atlantic coast? Why not institute an air lift to Hawaii and demonstrate this is a dynamic free economy in a political democracy, and avoid the deadfalls of authoritarianism, all within the framework of our tradition of democratic processes and a truly free enterprise system?

This is one of the New Deal measures which, however, much maligned by big business, is actually a firm bulwark of defense for free enterprise as we mean the term in this country.

SOMETHING IS BETTER THAN NOTHING

Mr. KLEIN. Mr. Chairman, the bill under debate here today is obviously a compromise between progress and reaction; and it suffers from the defects and the vices of all compromises.

Broadly speaking, I deplore all the concessions in the bill made to the dead hands of Adam Smith, and I applaud all the provisions which represent progress thinking in industrial economics. I support the bill as presented by the industrious members of the majority of the Committee on Labor and Education, and I shall work with all my strength every effort to slice away little by little at the stronger points, or to substitute another measure for it; and I shall support any amendments which seem to me to strengthen the coverage and enforcement of the Fair Labor Standards Act.

ONE DOLLAR AN HOUR BASICK NEED

I had hoped sincerely that the committee would see fit to establish a wage floor of $1 an hour, which is a basic need at this time.

This would have been good economics. Believe it or not, the days when Adam Smith was the prophet of a new order are gone. In his day and for his time he was proper only in his own country but in every other country; and I am not belittling the service he did for the kind of business enterprise which spread the industrial revolution through the world.

What some, perhaps many, of us cannot realize is that nothing stands still, and we have passed through another industrial revolution into a period when small individual enterprises in free competition, unhampered by Government regulations, face extinction unless protected by Government against the drive toward bigness, while the workers must have the protection of Government to maintain the consumption on which business itself depends.

BIG BUSINESS DOES NOT PHILOSOPHIZE

As every man knows who has been caught up in any great corporate enterprise, it is matter of fact that there is a self-devouring compulsion which forces constant expansion, absorption of rivals, extension into new fields, expansion into new territories. Big business does not philosophize. It merely grows bigger, and expansion becomes an end in itself. There is a somewhat terrifying analogy here with the militant nationalism which brought Hitler into brief power.

The obverse is that this tremendous energy of expansion, guided by public interest, can be channeled into public good.

The Fair Labor Standards Act is an excellent example of how public regulation in the public good can maintain a dynamic free economy in a political democracy, and avoid the deadfalls of authoritarianism, all within the framework of our tradition of democratic processes and a truly free enterprise system.

This is one of the New Deal measures which, however, much maligned by big business, is actually a firm bulwark of defense for free enterprise as we mean the term in this country.
would be bold and brave in its extension of coverage, would not retreat, and would establish a dollar an hour as a minimum level.

That it falls short of my hopes will not restrain me from voting for its passage, for I believe that any progress at all is better than no progress. To a starving man there is better than continued hunger, and the committee has given us much more than crumbs.

A 75-cent minimum, in the context of present-day living costs, is the of coverage, would not retreat, and would strengthen democracy will work and vote. The motion that the Committee do now rise.

for a flexible escalator type of wage move that the Committee do now rise.

has under consideration the bill for a strong and prosperous .

The provisions of this bill cannot and will not be regarded as some label to match the businessman's paradise of ECA; they must be regarded as bulwarks of a stable economy, one of the means by which we guard against economic retrogression and depression.

This is the kind of economic planning for a strong and prosperous democracy for which the Truman Fair Deal stands, to which it is committed, and for which every American who believes that the way to defeat communism is to extend and strengthen democracy will work and vote. I believe implicitly that this bill will pass without serious weakening, and I am even hopeful that its weak spots may be strengthened when it is read for amendment.

Above all, I am certain that after having heard the debate on the bill only a small and intransigent minority can continue to support the inept proposals for a flexible escalator type of wage provisions of the floor; that is a trapdoor to depression.

Mr. LESINSKI. Mr. Chairman, I move that the Committee do now rise. The objections of the Committee rose; and the motion was agreed to.

Accordingly the Committee rose; and the Speaker having resumed the chair, Mr. COOLEY, 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. 5856) to provide for the amendment of the Fair Labor Standards Act of 1938, and for other purposes, had come to no resolution thereon.

MESSAGE FROM THE PRESIDENT

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

ARMY AND AIR FORCE VITALIZATION AND RETIREMENT EQUALIZATION ACT OF 1948—VETO MESSAGE FROM THE PRESIDENT OF THE UNITED STATES (H. DOC. NO. 296)

The SPEAKER laid before the House the following veto message from the President of the United States:

To the House of Representatives:
I return herewith, without my approval, H. R. 5508, "An act to amend the Army and Air Force Vitalization and Retirement Equalization Act of 1948."

The effect of this proposed legislation would be the same as sections 302 and 303 of the Army and Air Force Vitalization and Retirement Equalization Act of 1948 (Public Law 810, 80th Cong.) so as to make effective July 1, 1948, rather than June 29, 1948. By the provisions of title III requiring Reserve personnel to earn credits for retirement. The bill also would amend section 306 to include within the definition of Federal service, for the purposes of service in "the National Guard or Organized Militia prior to June 3, 1916."

The first three sections of this bill are without objection. The Congress and the members of all Reserve components may be assured that I would approve a bill limited to the purposes of these sections which seek affirmatively to correct an effect of the 1948 Retirement Act that was not intended.

When the act was passed, it was believed that adequate authority had been granted to the Army to furnish Reserve training, to include the Navy, and the Air Force to defer the effective date for earning retirement credits for a sufficient length of time to permit institution of programs under which active Reserve personnel could qualify for retirement credits. However, a rule issued by the Comptroller General in November of 1948 made the effective date of the act June 29, 1948, some 6 months earlier than adequate programs for Reserve training were generally available. As a result many Reserves were denied the opportunity to complete a year of service under Federal service as defined in the law.

Section 4 of H. R. 5508 was not contained in this legislation when it was under consideration by the House Armed Services Committee. This section was added as an amendment, offered on the floor of the House of Representatives, in the belief that it would affect only six officers of Reserve personnel. Further study, however, indicates that this section would increase the number of personnel immediately eligible for retired pay by a downward trend and would, by crediting additional years of non-Federal service to certain personnel now on the list, increase the pay of 650 others. These costs would total $412,300 per year. I am advised that a many as 500 additional persons might also be made immediately eligible for retirement and that this annual cost might amount to $656,000. That, the extraordinary cost of this section might reach a maximum annual figure of $1,088,300 for persons already of retirement age. Data are not available at this time from which an estimate can be made as to the number of other persons of retirement age who, through the granting of additional years of service credit, would become eligible for retirement or an increased amount of retired pay on reaching the age of 65. The costs of prospective payments to this group cannot be estimated. Cost factors, however, are not the primary reasons why I am withholding my approval from the bill.

Extension of the service creditable toward retirement service to include non-Federal service would establish an undesirable precedent. In defining the term "Federal service," the Congress extended service performed without Federal recognition. It seems to me that this intent is clearly indicated by categorical restriction of the types of creditable service in the National Guard or other State militia to those performed in:

(1) The National Guard of the United States;
(2) The National Guard while in the service of the United States;
(3) The federally recognized National Guard prior to 1933;
(4) A federally recognized status in the National Guard prior to 1933.

Further, section 306(e) of the act specifically excludes from Federal service, in the inactive National Guard or Air National Guard, or in a non-federally recognized status in the National Guard or Air National Guard.

If such service should be considered creditable for Federal retirement, it would be difficult to resist a further broadening of the base of the 1948 Retirement Act. Presumably, there would then be added other costs far in excess of those contemplated at the time of its enactment.

The basic purposes of title III of the Army and Air Force Vitalization and Retirement Equalization Act of 1948 were (1) to provide an incentive to Reserve personnel to maintain a degree of military proficiency which would assure a strong and healthy Reserve force in time of future emergency and (2) to recognize past service which had been performed by members of the Reserve in behalf of the Federal Government without expectation of future benefit. If I were to approve H. R. 5508, I believe my action would defeat both these basic purposes.

HARRY S. TRUMAN.
THE WHITE HOUSE, August 9, 1949.

The SPEAKER. The objections of the President will be spread at large upon the Journal.

Without objection, the message and the bill will be referred to the Committee on Armed Services and ordered to be printed.

There was no objection.

BUREAU OF THE CENSUS—VETO MESSAGE FROM THE PRESIDENT OF THE UNITED STATES (H. DOC. NO. 296)

The SPEAKER laid before the House the following veto message from the President of the United States:

To the House of Representatives:
I am returning herewith, without my approval, H. R. 142, amending section 18 of the act entitled "An act to provide for the thirteenth and subsequent decennial censuses and to provide for apportionment of Representatives in Congress."

This act provides to no charge shall be made by the Bureau of the Census for supplying population data to members of the armed services or persons honorably discharged therefrom, or to persons requesting information as proof of age for the purpose of eligibility for old-age and survivorship insurance benefits.
The present fee of $1 for handling an application for population data has been in effect since July 1942 when it was instituted at the behest of the House Appropriations Committee. At that time the Appropriations Committee was following a policy of placing governmental services of this character on a self-sustaining basis. The original decision was sound, and in consonance with an equally sound policy of bringing about economy in Government operations wherever possible.

In my 1948 budget message I stated, “While it is not sound public policy to charge for all services of the Federal Government on a full cost basis, and many services should be provided free, the Government should receive adequate compensation for certain services primarily of direct benefit to limited groups.” I continue to hold this belief, and in this instance there seems to be no justification for abandoning present practice. Approval might well establish a precedent jeopardizing the established principle of charging fees for special services.

The fee charged in this case is nominal. The Government already bears the cost of maintaining the necessary records and the applicant pays only for the direct cost of searching the records and transmitting the information. It is difficult to estimate the cost to the Government of supplying this information free of charge to the groups designated in the bill. The number of requests might be expected to rise significantly with the elimination of the fee so that the future work load for this operation could be uncertain. However, the Census Bureau estimates that the additional cost would approximate $136,000 annually. Although this is not a large amount, it is an unnecessary expenditure of public funds.

The Speaker. Is there objection to the request of the gentleman from Michigan?

There was no objection. The Speaker, although no rubber legislation will be considered at this session of the Congress, I should like to review the existing situation with respect to this commodity which so vitally affects not only our national economy, but also the everyday life of most of our citizens and to call to your attention several phases of our present program which I feel constitute a cause for serious concern.

The Eightieth Congress, following exhaustive hearings conducted by a subcommittee of the House of Representatives, of which I had the honor to serve as chairman, enacted Public Law No. 24—referred to as the Crawford bill—which removed controls over the import and sale of natural rubber. This action was taken despite the opposition of many members of the rubber manufacturing industry who voiced dire predictions that the price of natural rubber would double, triple; and complete chaos would result therefrom. The wisdom of this legislation has been more than amply proven and at not time since its enactment has the price of natural rubber reached the level at which it was being sold by the Government on the date the law was passed, namely, 29½ cents per pound. As a matter of fact, following our action, the price almost immediately declined and reached a low of 6½ cents per pound in July 1947. The price today and for the past several months has been around 13½ cents per pound which is substantially lower than the prewar price of this commodity. Public Law No. 24 represented the first step taken, after almost 6 years of complete Government control, to restore the system of free enterprise in the rubber business, and has resulted in the savings of thousands of dollars to our taxpayers.

Subsequently, on March 31, 1948, the Eightieth Congress enacted Public Law No. 469, referred to as the Rubber Act of 1948. The following statement contained in the declaration of policy, is significant:

It is further declared to be the policy of the Congress that the security interests of the United States cannot be served by the development within the United States of a free, competitive synthetic-rubber industry. In order to secure the security through a sound industry, it is essential that Government ownership of production facilities, Government control of synthetic rubber, regulations requiring mandatory use of synthetic rubber, and patent pooling be ended and terminated whenever consistent with national security, as provided in this act.

Generally speaking, the Rubber Act of 1948 contains three major provisions: First, the maintenance at all times within the United States of rubber-producing facilities having a rated production capacity of not less than 600,000 long tons per annum of general-purpose synthetic rubber, and not less than 65,000 long tons per annum of special-purpose synthetic rubber; Second, the facilities in operation by the Government or private persons shall produce annually not less than one-third of the rated production capacity of 665,000 long tons; and Third, the President is authorized to issue such regulations as are required to secure the consumption of the tonnage referred to above, with the proviso that any mandatory consumption in excess of 222,000 long tons of synthetic rubber per annum shall not be more than is deemed necessary in the interests of national security and the common defense. The act further stresses the importance of and necessity for a stockpile of natural rubber.

In enacting both Public Law 24 and Public Law 469, it was clearly the intention of the Congress that all Government activities in rubber should be terminated at the earliest possible moment and that this act was consistent with the requirements of national security, and the Rubber Act of 1948 was designed only as interim legislation pending the attainment of this objective.

The authority conferred upon the President by the Rubber Act of 1948 was delegated by him to the Department of...
Commerce, and, pursuant thereto, the rubber-manufacturing industry was required to produce 270,000,000 tons of synthetic rubber during the year 1948, an excess of 54,000 tons over and above the minimum amount prescribed by law. In addition, the rubber-manufacturing industry consumed 167,000 tons of synthetic rubber on a purely voluntary basis, making a total for the year of 443,000 tons, or approximately 100 percent more than the maximum amount of 240,000 tons which it was deemed necessary to produce and consume in the interests of national security.

Statistics prepared by the Department of Commerce in June 1949 estimated that the consumption of all types of rubber in the United States during the year 1949 would be 580,000 tons, of which 570,000 tons would be represented by natural rubber and 110,000 tons by synthetic rubber. For the year 1950 it was estimated that the United States would consume 260,000 tons of natural and 322,000 tons of synthetic rubber, an over-all total of 940,000 tons.

Despite the substantial estimated consumption of synthetic rubber in the United States, which may be expected to continue, unless there is a complete collapse of the rubber-manufacturing industry, the Department of Commerce is presently forcing the consumption of 260,000 tons of synthetic rubber through mandatory use regulations, and in arriving at this figure apparently no consideration has been given to the substantial voluntary use of this material.

Based upon the statistical data outlined above, and actual experience to date, it does not appear that the mandatory use of synthetic rubber, as presently required, can be justified since it seems obvious that the consumption in both 1949 and 1950 will be substantially in excess of the minimum amount required by the Rubber Act of 1948. As a matter of fact, consumption of synthetic rubber during the first 6 months of the current year was in the neighborhood of 200,000 tons. Recently this question was discussed at a conference between Government officials and representatives of the rubber industry and as a result thereof the representative of the industry unanimously recommended that the amount of the presently required mandatory use be substantially reduced. A minority opinion was also expressed to the effect that the mandatory use should be completely suspended. It is my understanding that the minority opinion has the full support of the Department of State. Quite frankly, I am somewhat at a loss to understand the reasoning of the Government agencies responsible for the existing regulations and fear that considerations other than national security have been responsible therefor. Let no one misunderstand my position, the national security of the United States is my first and primary concern, but I do feel very strongly that the present mandatory regulations have been interpreted too literally and that the continuation thereof contributes materially to the unrest in producing countries and extends further into the future the date of the return of the rubber business to free enterprise.

During all of the deliberations in which I have participated relative to the rubber situation, one moot question has remained in the minds of all, viz: will synthetic rubber be consumed annually in the United States on a purely voluntary basis, with no Government controls or restrictions? In considering rubber legislation relative to this question I regretfully must say that the answer to this question will prove of material value. Today we have an opportunity to secure this information at no sacrifice to national security. I have carefully reexamined the Rubber Act of 1948, which I helped to write, and am definitely of the opinion that the wording thereof, insofar as relates to the issuance of regulations to carry out the purposes of the act, is permissive rather than mandatory, which, however, was the definite intent of the Congress. In other words, if certain amendments of the national security are not impaired, regulations which have been issued may be terminated or suspended without violating the law in any way. In my judgment, it will be possible to immediately suspend all mandatory requirements and only retain a stand-by order which can be invoked in the event that synthetic consumption falls below the security level. This procedure should present no administrative problem, nor will it require any legislative action, since the law under which we are presently operating will not expire until June 30, 1950. Through this process the Congress will secure information based upon actual experience and an opportunity will be afforded to study the synthetic-rubber program during a period of free enterprise, all of which will be most helpful in formulating a future rubber policy. In 1941, as a wartime measure, the Government entered into a contract pool­ing agreement with the industry to provide for the exchange of technical information relating to the production and development of synthetic rubber. Recognizing the failure of the synthetic rubber to private industry and also the fact that private research was materially retarded by the existence of this agreement, the Congress specified in the Rubber Act of 1948 that it should be terminated as early as possible, not inconsistent with national security requirements. Although this action was taken more than 15 months ago, I am sorry to learn that the agreement still exists. Seriously but regretfully, there exists in my mind a definite reservation with respect to the administration of the act from the standpoint of returning the rubber business to private industry as speedily as possible and it occurs to me that the position taken by some of the agencies of the Government may have somewhat hastened the bringing in contravention to the wishes of the Congress.

There is complete accord both on the part of Government and private industry with the thought that technological and rapidly expandable synthetic-rubber industry should and will always be maintained in this country and likewise that such industry should be properly owned and controlled. The progress which has been made in the development of synthetic rubber is truly remarkable and I find the following statements by leaders of the rubber manufacturing industry most gratifying:

Low temperature GR-S is approximately 5 percent better than natural rubber for tread wear in passenger car tires. The properties of a developed synthetic rubber now meet the requirement of "cold rubber" and make possible further improvements in tread wear ranging from 20 to 30 percent. (H. C. Horst, Jr., chairman, the Firestone Tire & Rubber Co., sixth meeting, International Rubber Study Group.)

There are certain properties common to all synthetic rubbers which, at the moment, are superior to natural rubber and which help to influence the choice of material to be used. * * * The extreme cleanliness enjoyed by all synthetics is an obvious advantage in the production of many specialty goods. * * * The uniformity in plasticity and in rate of cure is a most important attribute of these synthetic rubbers. The exclusion of other important consideration to the manufacturer is the existence of many different types of polymers and elastomers, which are available in a material tailor-made to suit individual and product specifications. (George M. Tidale, vice president, Union Carbide, sixth meeting, International Rubber Study Group.)

Butyl's superior ability to retain air and to withstand for long periods the deteriorating effects of sunlight, weather aging, acids, alkalis, oxygen, ozone, and fatty acids, compared with other rubbers, make it a very desirable material. * * * Air retention of butyl tubes is many times better than that of natural rubber of like construction. This property is creating a growing preference for butyl tubes among motorcar owners and commercial operators. (William O'Neil, president, General Tire & Rubber Co., sixth meeting, International Rubber Study Group.)

For the first time crude rubber faces a competitor in American-made rubber which has earned a position on the basis of cost, availability, and proven utility. The exclusive position which crude rubber enjoyed until near the end of World War II is now a thing of the past. (A. L. Freedlander, president, Dayton Rubber Manufacturing Co., New York Journal of Commerce, June 24, 1940.)

We now have an American synthetic rubber which is over 50 percent better in the large consumption products, such as tire treads, than natural rubber. * * * For the first time in its 150 years of effort, the rubber grades of plantation rubber or fine para has had its most serious threat. (A. L. Freedlander, president, Dayton Rubber Manufacturing Co., Lockwood's Monthly Rubber Report, November 15, 1948.)

The foregoing are only a few of the expert opinions which have been expressed with respect to the quality and desirability of synthetic rubber. Not being a technical man, I accept these statements at full value. It must be most satisfying to every American citizen to learn of the tremendous advancement which has been made in the development of this product which is available within our own borders. Likewise the Members of the Congress, who must next year consider additional legislation, should be happy to receive the reactions of the leaders of the rubber manufacturing industry from which it appears reasonable to assume that the
disposal of the Government-owned synthetic-rubber plants will no longer present the problem which we have heretofore been confronted. Equally encouraging is the fact that during the year 1948 as well as at the present time, the rubber manufacturing industry is purchasing substantial quantities of synthetic from the Government on a voluntary basis, despite the fact that natural rubber is available at a substantially lower price. All in all, a very encouraging situation.

Mr. Speaker, unhappily we in this country are blessed with short memories. Due to the foresight of an outstanding American, the Honorable Jesse H. Jones, of Texas, then Chairman of Reconstruction Finance Corporation, and the efficient operations of Rubber Reserve Company with the full cooperation of the rubber manufacturing industry, this Government accumulated a stock pile of natural rubber prior to Pearl Harbor of sufficient tonnage to satisfy military and civilian needs for a wartime basis pend ing the development of our synthetic-rubber industry. Without this stock pile, one shudders to speculate upon what might have been the outcome of World War II. While the scars of war were still fresh the Seventy-ninth Congress, on July 23, 1946, enacted Public Law 520, referred to as the Strategic and Critical Materials Stock Piling Act, the purposes of such act being to accumulate in this country a stock pile of strategic and critical materials for the protection of the national security of the United States.

What happened to date?

Since the Congress recognized the necessity for a stock pile of strategic and critical materials, it must obviously follow that in the administration of the purpose of the Congress intended that the stock pile should be procured at the earliest possible moment. The method of procurement undertaken and being followed at the present time is not designed to nor will it achieve this result.

On July 18, 1949, Gen. LeRoy Lutes, who directs the stock-piling program of the Department of the Army, before a House Public Lands Subcommittee, stated that of the 69 materials being stock piled, 40 are not available in the United States, and that of these rubber is probably the most important.

There can be no question in the mind of any unbiased and informed person respecting the value of natural rubber from the standpoint of national security, and such statement reflects in no way upon the Government-owned and operated synthetic rubber industry. This industry is still in its infancy and although tremendous technological progress has been made and continues to be made, it remains to be proven that synthetic rubber can successfully compete with natural rubber in a free-enterprise system with no protective government controls. This situation alone should emphasize the urgency of procuring the stock-pile required of natural rubber as rapidly as possible. Do not overlook the fact that we are discussing a commodity which must be transported over 10,000 miles of water to reach our shores.

It is recognized that certain of the strategic and critical materials designed for stock-piling purposes are rare, short supply and difficult to procure. However, natural rubber is and has been obtainable in substantial quantities at reasonable prices since the inception of stock-piling buying by the Government has not, to the largest extent possible, availed itself of the opportunity to secure this material. As a matter of fact, for periods of several months at a time during the past 2 years rubber was purchased, although available and freely offered.

It is neither intended nor suggested that the Government should enter into an intensive buying program of any strategic or critical material, and by such action unduly affect the market price thereof. On the other hand, it has been amply demonstrated that an orderly day-to-day buying program does not adversely affect the market price of a commodity, but tends to serve as a stabilizer. Certainly, in view of the recent time the procurement of rubber for the stock pile has cost the taxpayers thousands of dollars due to the inability of the Bureau of Federal Supply to accept offers at extremely favorable prices. This, however, is no reflection upon the Bureau of Federal Supply, since it must operate within the framework of directives issued by the Munitions Board.

Apparently, the Munitions Board, which determines, after consultation with other governmental agencies, the quantities of each of the 69 strategic and critical items to be purchased, and thereby issues directives to the Bureau of Federal Supply, concentrates its efforts on the procurement of materials which are not readily available, and bypasses rubber, which, although reasonably plentiful supply, is one of the most important commodities from the standpoint of national security. Recently, it has been stated that our stock pile of natural rubber totaled 370,000 tons, a figure far short of our ultimate goal. It might well be pointed out in this connection that including approximately 250,000 tons of rubber which was transferred from stocks accumulated by Reconstruction Finance Corporation.

The stock-piling program seemingly is being operated on the basis of a balanced stock pile, the theory being that the stock pile loses its over-all value if, in the case of an emergency, the Government has, for illustration, a 5-year supply of rubber and only a 2-year supply of manganese. As a practical matter, this approach may be sound, however it appears inconsistent and pound-foolish, knowing that the ultimate stock-pile objective involves the procurement of a certain quantity of rubber, not to obtain this material as speedily as possible.

On June 21, 1949, E. F. Chilton, Acting Chief of the Office of Materials Resources of the Munitions Board, speaking before the thirty-fifth annual congress of the National Association of Purchasing Agents stated, that in the opinion of that body will very carefully examine the situation before giving its concurrence to the same action.

The present operations of the stock-piling program may be attributed to either the failure of the administrative agencies of the Government, including the Bureau of the Budget, to request the Congress for sufficient appropriations to purchase all of the strategic and critical materials required for the stock pile as they become available, or it may be due to poor administration of the provisions of the act. Obviously, the Congress cannot, due to the enormous tasks which confront it and the continuous demand upon the time of its Members, police each piece of legislation which it passes. In instances, however, involving the security of the United States, which is true of the present situation, an investigation appears to be in order.

While I am not an alarmist, I cannot overlook the fact that during the past year Russia, which represents the most serious threat to freedom in the world, purchased in excess of 125,000 tons of natural rubber in the markets of the Far East. It is both significant and disturbing that Russia, which is a belligerent program, while the United States is not today purchasing one pound of rubber for our national stock pile. Further
alarming is a report appearing in the press yesterday to the effect that during the current month Russia expects to purchase 16,000 tons of rubber in the Singapore market. The foregoing facts should furnish food for serious thought, since, in the estimation of a majority of viewers, Russia represents the threat of communism in the Far East. The question for us is: How can we prevent our friend, or at least, our neighbor, from engaging in this direct gamble with the national security of the United States.

From time to time when natural rubber is discussed great emphasis is placed upon the fact that in the prewar period Singapore rubber commanded a price which was 30 to 40 per cent above the world price. In other words, from the standpoint of world production natural rubber was used commodity which is today selling substantially less than the prewar price. Furthermore, the commodity rubbers which are sold today in the Far East are embarrased by the deterrent of this Government and I subscribe most heartily to the premise that we should take every step possible to prevent a recurrence of this situation.

Personally, however, I see no cause for concern at the present time. Our synthetic rubber industry is established and its value is recognized. Furthermore, the commodity rubber industry has undergone a complete change. Whereas prior to World War II the United States consumed the major portion of the natural rubber produced in the world today the year 1946 figure declined to 41 percent and based upon current statistics will be further reduced to 37 percent in 1949. In other words, in the standpoint of world production we are today cast in the role of a minority rather than a majority contributor. On the other hand, it is self-evident that to the extent this country imports 60 per cent of our rubber we invite the producing countries to invoke retaliatory measures. Do not misunderstand me. I am not a commodity expert and therefore do not take the position that natural rubber should demand a higher price than the present market. I do, however, and always have associated myself wholeheartedly with the principle of free enterprise and this has undergone a complete change. Whereas prior to World War II the United States consumed the major portion of the natural rubber produced in the world today the year 1946 figure declined to 41 percent and based upon current statistics will be further reduced to 37 percent in 1949. In other words, in the standpoint of world production we are today cast in the role of a minority rather than a majority contributor. On the other hand, it is self-evident that to the extent this country imports 60 per cent of our rubber we invite the producing countries to invoke retaliatory measures. Do not misunderstand me. I am not a commodity expert and therefore do not take the position that natural rubber should demand a higher price than the present market. I do, however, and always have associated myself wholeheartedly with the principle of free enterprise and the law of supply and demand. Under these principles every commodity will eventually arrive at its proper price level. For the edification of the Members of this body I wish to point out that to the best of my knowledge and belief, natural rubber is the only nationally used commodity which is today selling for substantially less than the present price. Furthermore, I do not believe that foreign producers expect a fantastic price for natural rubber. The criticism which is directed at this Government is based upon the fact that due to restrictions which we have imposed, it is not possible for natural rubber to compete with synthetic rubber in a free market.

The rubber occupies a far more important position in our international relations than has ever been the case in the past. It is the major dollar crop of the British Empire and, for the economies and destinies of that Empire. We have pursued the Far East. Recent developments in China are a source of the gravest concern to all of us and the unrest and infiltrations of communism into the countries of southeast Asia threaten the nations, which are our true friends. I have not only been in the Far East but have lived in the Far East. The rubber industry is fraught with serious possibilities and we have only a short time in which to prevent the stampede of rubber to the Soviet bloc.

For some time this matter has caused me great concern and I have not only carefully analyzed the situation in my own mind but have also discussed the elements which are involved with well-informed individuals both in the rubber industry and in the Government service. While I am not attempting to suggest a program whereby we can prevent these things, I do have the considered opinion that the interests of this country can best be served by the adoption of the following program which will not only be beneficial to us but will also assist the United Kingdom and strengthen the countries of southeast Asia against the rising tide of communism.

First, Immediately suspend the purchase of natural rubber for the Government stock pile and acquire rubber as rapidly as it becomes available until our strategic objectives are attained.

Second, Immediately suspend in entirety rubber order R-1 or substantially reduce the amount of the required mandatory consumption of synthetic rubber.

Mr. Speaker, it may already be later than we think.

EXTENSION OF REMARKS

Mr. D'EWART asked and was given permission to extend his remarks in the Record and include a resolution.

Mr. CASE of South Dakota asked and was given permission to extend his remarks in the Rec, and include copies of a series of five articles published in connection with the San Joaquin Valley water problem which will not exceed the limit set by the Joint Committee on Printing and is estimated to cost $266.50.

Mr. WOLVERTON asked and was given permission to extend his remarks in the Record in three instances and include extraneous matter.

Mr. WERDEL asked and was given permission to extend his remarks in the Record and include a report by Hon. Hugh D. Scott, Jr., to the Republican National Committee.

Mr. LODGE asked and was given permission to extend his remarks in the Record in three instances and include extraneous matter.

Mr. RICHARDS asked and was given permission to extend his remarks in the Record and include an editorial.

Mr. BOYKIN asked and was given permission to extend his remarks in the Record and include an editorial.

Mr. RYSKIN asked and was given permission to extend his remarks in the Record and include an editorial.

Mr. DOYLE asked an was given permission to extend his remarks in the Record in two instances, in each to include extraneous matter.

FOREIGN AID BILL

Mr. GARY. Mr. Speaker, I ask unanimous consent to take from the printed record the following table, which is worth a pound of cure.

<table>
<thead>
<tr>
<th>Amount</th>
<th>Purpose</th>
</tr>
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<tbody>
<tr>
<td>$4630</td>
<td>Making appropriations for foreign aid for the fiscal year ending June 30, 1956.</td>
</tr>
</tbody>
</table>
The SPEAKER. Is there objection to the request of the gentleman from Virginia?

Mr. MARCANTONIO. Mr. Speaker, reserving the right to object, this appropriation implements the policy which is drawing the world into an economic and a war crisis.

Mr. MCCORMACK. Mr. Speaker, I demand the regular order.

The SPEAKER. The regular order is:

Is there objection to the request of the gentleman from Virginia?

Mr. MARCANTONIO. Mr. Speaker, I object.

The SPEAKER. Objection is heard.

Mr. GARY. Mr. Speaker, I withdraw the request.

VISIT OF PRESIDENT QUIRINO AND THE PACIFIC PACT

Mr. JUDD. Mr. Speaker, I ask unanimous consent to address the House for 1 minute and revise and extend my remarks.

The SPEAKER. Is there objection to the request of the gentleman from Minnesota?

There was no objection.

Mr. JUDD. Mr. Speaker, for a long time it has been apparent that in Asia, just as in Europe, the free nations cannot hope to escape Communist conquest unless they make a most vigorous collective attack upon their defense problems—with our active support and assistance. The real significance of the visit of President Quirino—whose presence as our guest and counselor today is a great honor, indeed—is that such a pact in the Pacific has at last been inaugurated. While our Government theorized and dawdled, three leaders in Asia who face the reality, not the theory, of Communist enslavement—President Eli- pidio Quirino, of the Philippines; the former President Chiang Kai-shek of China; and President Syngman Rhee of Korea—have moved ahead with decision.

Precious time and ground have already been lost by our delay. But I hope that we are at last sufficiently alerted to the mortal dangers we face in Asia; that we will support with enthusiasm and determination their efforts to develop and extend the Pacific Pact.

If we cannot lead, let us at least follow these wise men from the east.

EXTENSION OF REMARKS

Mr. JENNINGS asked and was given permission to extend his remarks in the Record and include an editorial.

Mr. SADLAK asked and was given permission to extend his remarks in the Record and include a resolution.

HAWAII AND ALASKA SHOULD BE ADMITTED AS STATES OF THE UNION

Mr. DONOUGH. Mr. Speaker, I ask unanimous consent to extend my remarks in the Record and include a resolution.

The SPEAKER. Is there objection to the request of the gentleman from California?

There was no objection.

Mr. DONOUGH. Mr. Speaker, two of the most important bills which should pass at this session of Congress are the admission of Hawaii and Alaska as new States of the Union.

Yesterday the House, the gentleman from Louisiana [Mr. LASCADRE] inserted in the Record a poll of the Members of the House showing 3 to 1 in favor of these bills.

We are spending billions of American dollars to protect foreign countries and doing nothing to protect our first line of defense in the South Pacific by admitting Hawaii and in the North Pacific by admitting Alaska as States of the Union.

If Hawaii had been admitted as a State before the paralyzing strike which has held in bondage the hundreds of thousands of people in Hawaii and the Pacific coast at the will of Harry Bridges, we would have had some jurisdiction, because the Taft-Hartley bill does not give the President any authority in Territory and possessions.

Mr. Speaker, I insist that the approval of these two bills is much more vital and important than many fully realize and that they should be approved before we adjourn this session of Congress.

PREMIUM PAYMENTS IN THE PURCHASE OF GOVERNMENT OIL

Mr. ENGEL of California. Mr. Speaker, I ask unanimous consent to take from the Speaker's table the bill (S. 1647) to eliminate premium payments in the purchase of Government royalty oil under existing contracts entered into pursuant to the act of July 13, 1946 (60 Stat. 533), disagree to the Senate amendment to the House amendment, and ask for a conference.

The Clerk read the title of the bill.

The SPEAKER. Is there objection to the request of the gentleman from California [Mr. ENGEL]. [After a pause.] The Chair hears none and appoints the following conferees: Mr. ENGEL of California, Mr. HASSAN, and Mr. BARRETT of Wyoming.

SPECIAL ORDER

The SPEAKER. Under previous order of the House, the bill (H. R. 4830) making appropriations for foreign aid for the fiscal year ending June 30, 1950, and for other purposes, with the Senate amendments thereto be, and the same is hereby, taken from the Speaker's table to the end that the Senate amendments be, and they are hereby, disagreed to and that the conference requested by the Senate on the disagreeing votes of the two Houses be, and the same is hereby, agreed to.

Mr. LYLE. Mr. Speaker, by direction of the Committee on Rules, I call up House Resolution 320 and ask for its immediate consideration.

The Clerk read the resolution, as follows:

Resolved, That upon the adoption of this resolution the bill (H. R. 4830) making appropriations for foreign aid for the fiscal year ending June 30, 1950, and for other purposes, with the Senate amendments thereto be, and the same is hereby, taken from the Speaker's table to the end that the Senate amendments be, and they are hereby, disagreed to and that the conference requested by the Senate on the disagreeing votes of the two Houses be, and the same is hereby, agreed to.

The SPEAKER. The question is, Will the House now consider the resolution?

The question was taken; and on a division (demanded by Mr. MARCANTONIO) there were—aes 169, noes 4.

So (two-thirds having voted in favor thereof) the House agreed to consider the resolution.

The SPEAKER. The gentleman from Texas [Mr. LYLE] is recognized.

Mr. LYLE. Mr. Speaker, months ago the House passed by an overwhelming majority a bill providing funds for the European recovery program. Recently the Senate acted upon that measure, amending the House bill. It therefore becomes necessary for one of the bodies to recede or for the bill to go to conference.

The members of the Committee on Appropriations of the House recommended...
that the differences in the bill be con
considered in conference. That is the pu
pose of this resolution.
I am sure, Mr. Speaker, that there will
be limited opposition. I now yield 30
minutes of my time to the gentleman from
Mr. HERTER. Mr. Speaker, so far as
I know, there is no objection on this side
whatsoever to the adoption of this reso
lution. It merely carries out the orderly
procedure.
I understand, however, there is some
objection to the bill generally, and I now
yield 5 minutes to the gentleman from New
York [Mr. MARCANTONIO].
Mr. MARCANTONIO. Mr. Speaker, this
appropriation implements the policy
which this Congress has adopted, a poli
cy which is devastating to world peace
and to the economic well-being of Amer
icans. It seems to me the speed with
which it is being imposed upon the coun
try is inordinate and not in the best in
terests of the American people. That is
why I have exercised by right to act
under the rules of the House, in what is
obviously a vain effort to slow up the pro
cess which has a disastrous ef
fect on the world and a ruinous effect on the economy of Europe and on the economy of the United States.
This Marshall plan has been in exis
tence for over a year, and despite the pro
mises that were made, we find that the
European countries are today being
squeezed dry—squeezed as a result of the monopoly economy imposed upon those
countries through this so-called Marshall
plan.
It is not necessary for me to repeat
what is happening in England. Even
our press has to report the crisis there.
France has become a quasi-economic
colony of Wall Street, and Italy has be
defined a colony of this type of exop
loitation by Wall Street Imperialism.
As a result Europe today is in an economic
quicksand, and the impact of that eco
nomic crisis is now beginning to be felt
in America; unemployment is gaining in
evry major city of this country.
We followed this failure with the Atlantic Pact. Now, we follow with arms. Next it will be men.
Thus out of this tragic policy we bypass and weaken the United Nations, the last
hope for world peace.
When we try to do something here for
the average American we witness delay
after delay. We permitted the unem
ployment provisions of the GI bill of
rights, known as 52-20, to expire on
July 25. You still do nothing to protect
the unemployed veteran. But to put
over this program of empire and war we
get a rule from the Committee on Rules
with unprecedented speed; it is brought
here, and two-thirds of the membership
support the action, and undoubtedly
a majority of the House will pass the reso
lution.
Let me point out however that though
I am in a minority here, a small minori
ity, events have proven that this kind of
imperialist war policy, this policy of em
pire abroad means only retraction at
home. We have a policy of em
pire abroad and at the same time pro
gress at home; a policy of empire negates
progress at home. That explains why
this Congress which was elected on a
program of great promises has been a
Congress that has failed to repeal Taft
Hartley, has been a Congress which has
turned its back completely on the civil
rights program, has been a Congress
which has passed a most inadequate
housing bill, doling out housing with an
eyedropper. That is why this Congress has
passed a spurious rent-control bill which
will slow up the housing program and per
rent increases in every city in this coun
try. That is why this Congress is now
considering the minimum-wage law
which New York has comb sup
renders millions of workers to the tender
mercy of selfish interests. That is why
this Congress has appropriated more
than 50 percent of our budget for war.
That is why this Congress is following
the path of retrogression; it is the in
exorable outcome of a war policy which
is reactionary and dictated by the mo
nopoly interests of this country.
Mr. Speaker, I want you to know that I can
stop it. I know I will not today suc
ceed in this effort, but I do know that
the day is not far off when back in your
district despite the tons of propaganda
in the press and over the radio, despite
the anti-Communist hysteria by which
these appropriations are passed, that
despite the fear, the falsification which the
advocates of this policy have imposed on
the American people from the early
morning hours until the night through
the controlled press and by the controlled
crisis which this policy has caused in
Europe is now being felt every day in
the United States and it is causing eco
nomic havoc. As a result the burden of
that fact that the Demo
cratic administration is putting over this
war program on the American people un
der the dishonest guise of security and
dishonestly selling it as a peace program,
your people will refuse to supinely sub
mit to this insane program of war and
empire. The impact of the economic
crisis that this program has caused in
Europe is now being felt every day in
the United States and it is causing eco
nomic havoc. As a result the burden of
this policy of war and empire is falling
crushed by its own weight.
This administration has adopted. You
cannot go on with it indefinitely. Any
of you who think you can, just give an
accounting to your people very shortly
because they are going to ask you for
it. As for myself, I am not going along
with it.
Mr. Speaker, it is a shame that we
should have to give away $43 to $50 for every man,
woman, and child in America.
I want to tell you that you are going to
have to give an accounting to the
American people some day for the way
you are squandering our money and
putting our country in a very desperate
situation. I am not going to be one who
will wreck America. But it is going to be
your doing if you proceed as this
administration has adopted. You
cannot go on with it indefinitely. Any
of you who think you can, just give an
accounting to your people very shortly
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accounting to your people very shortly
because they are going to ask you for
it. As for myself, I am not going along
with it.
Mr. Speaker, I yield 5 minutes to the gentleman from New
York [Mr. MARCANTONIO].
Mr. HERTER. Mr. Speaker, I yield 5
minutes to the gentleman from New
York [Mr. MARCANTONIO].
heard about but had never hoped to actually see—the forces for which the gentleman from New York (Mr. Marcyantonio) speaks, and the forces for which the gentleman from New York (Mr. Marcyantonio) speaks, both speaking the same line at the first session of the Congress of the United States.

I am appalled that any patriotic American should get up here and tell us that we are being imperialistic through the ECA. A line used by a candidate for the American Labor Party against me only 2½ months ago. I want to assure the Members of this House that the people of the United States are not falling for that line, because the candidate of the American Labor Party ran a very poor fourth. The people of America are against imperialism in any form but they believe in helping other freedom-loving peoples to remain free.

Yes, there is imperialism in the world today, but it is not American imperialism. It comes from the east. It is a most subtle form of imperialism, using the threat of the Communist tactics of infiltration to permit a vicious minority to dominate and to thwart the will of the majority. I have become convinced that I have witnessed those tactics of infiltration in various organizations in this country, and it is an easy thing for me now to recognize those same tactics when they are applied either in Berlin or Czechoslovakia or China. They are the same; imperialism by infiltration. We have seen that imperialism spread across eastern Europe; we have seen the Russian economy is spending almost 3 months ago, that the Russian budget is equivalent to the total income of the United States. Yes, there is imperialism in the world.

The previous question was ordered.

Mr. CANNON. Mr. Speaker, I offer a motion which I send to the Clerk's desk. The motion was agreed to.

Mr. CANNON moves that the managers on the part of the House at the conference on the disagreeing votes of the two Houses on the bill, H. 3890 be instructed to insist upon disagreement to Senate amendment No. 1.

Mr. CANNON. Mr. Speaker, this amendment is an attempt to reinstate the old committee with was abrogated in the legislative appropriation bill last month. I offer this motion for two reasons: In the first place, because the Congress has already decisively passed upon it and emphatically rejected it, and second, because it will save $344,000 which would otherwise be wasted and will expedite the passage of this bill.

The Senate amendment is practically identical with the amendment offered by the gentleman from Ohio (Mr. Vorxs). In the consideration of the legislative appropriation bill for the Department of State, the only difference is that the gentleman from Ohio (Mr. Vorxs) on that occasion asked for $344,000 whereas the Senate now requests $344,000—$100,000 more—which makes it all the more objectionable.

When offered in the House on June 9, the amendment was rejected by a 3 to 1 vote. The Senate accepted the judgment of the House and all objection for the so-called watchdog committee was eliminated.

We had every reason to suppose the issue was definitely disposed of. It is res judicata, and the managers on the part of the House should not be required to churn over all this obsolete material again in conference or on the floor. It should be disposed of once and for all without being sent again to conference. Suffice to say that the committee has thoroughly studied the subject and we can say authoritatively that the watchdog committees has never saved a single dime that would not have been saved had the committee never been in existence. Every dollar spent by the watchdog committees, and every dollar expended by the watchdog committee, has been thrown away. And in times like these, in which expenditures are running from one and a half billion to two billion dollars behind revenues, we cannot afford even this mild extravagance.

Mr. Speaker, I yield 5 minutes to the gentleman from New York (Mr. Taber), for the reading of a paper, and then to the gentleman from New York (Mr. Short), in his capacity as chairman of the committee.

Mr. SHORT. Mr. Speaker, will the gentleman yield?

Mr. TABER. I yield to the gentleman from Wisconsin.

Mr. KEFFE. Am I correct in the assumption that the matter that is now pending before the House is a motion on the part of the chairman of the Committee on Appropriations that the conferees be instructed to rescind the Senate amendment which provides for the continuation of the “watchdog committee” that is set up to watch the expenditure of funds under ECA?

Mr. TABER. That is right. It is the only chance the Congress has to know what is going on in this operation.

Mr. KEFFE. The question we will be called upon to vote on in just a moment is whether or not we want to continue the operations of the “watchdog committee,” which has been created by an amendment introduced by the other body and for which funds were provided. Is that not the situation?

Mr. TABER. Yes; that is the situation.

Mr. KEFFE. I wish the gentleman would advise the House of the necessity for continuing the “watchdog committee.”

Mr. TABER. I wanted the House to have a picture of the $5,000,000,000 which needs to be watched, and the expenditure of which is so very important to be done properly and effectively.

The “watchdog committee” has done very considerable, effective work, especially in connection with the reservation of those plants in Germany which were so badly needed to restore the economy of Germany so that we could get to the point where some day we might be able to have these people self-supporting so that we could get out of Germany.

Mr. SHORT. Mr. Speaker, will the gentleman yield?

Mr. TABER. I yield.

Mr. SHORT. When this bill passed the House, much as I have disagreed with certain members of the Committee on Foreign Affairs, I thought they were acting in the interest of this country, and I think this “watchdog committee,” because the
amount of money necessary to conduct the work of the “watchdog committee” is an infinitesimal part of the billions of dollars that have to be expended. I hope the House will agree with the Senate committee.

The SPEAKER. The time of the gentleman from New York [Mr. TABER] has expired.

Mr. CANNON. Mr. Speaker, I yield two additional minutes to the gentleman.

Mr. KEEFE. Will the gentleman please advise the House as to how they should vote on this matter in the event that the gentleman is not able to vote to keep this “watchdog committee”?

Mr. TABER. Members should vote “no” if they want to have any control by the Congress over this operation, or if they want to have any reports on this operation.

Mr. MARCANTONIO. Mr. Speaker, will the gentleman yield?

Mr. TABER. I yield.

Mr. MARCANTONIO. The gentleman from New York [Mr. ROOSEVELT] saw fit to point out that the gentleman from Pennsylvania and I spoke against the resolution which was just adopted. However, the gentleman from New York failed to point out that he joined with the gentleman from Mississippi [Mr. RAEKIN] and other enemies of civil rights in voting against an antidiscrimination amendment to the housing bill.

Mr. TABER. Mr. Speaker, I hope the House will refuse to instruct its conferences to agree with the amendment of the Senate. It may be that they have asked for too much money, but they should vote “no” on this motion.

Mr. CANNON. Mr. Speaker, I yield 5 minutes to the gentleman from Massachusetts [Mr. WIGGLESWORTH].

Mr. SHORT. Mr. Speaker, will the gentleman yield?

Mr. WIGGLESWORTH. I yield.

Mr. SHORT. Does not the gentleman feel that we should have a “watchdog committee” which calls for the expenditure of an infinitesimal part of the total amount to be expended under this program?

Mr. WIGGLESWORTH. I will say to the gentleman, Mr. Speaker, that in my opinion there could be no better example of false economy than to wipe out this “watchdog committee” at this time.

Mr. SHORT. I thank the gentleman.

Mr. WIGGLESWORTH. Mr. Speaker, we all know that the ECA has a tremendous program, calling for the expenditure of billions of dollars. It operates in 16 separate nations and the closest possible supervision, in my judgment, is highly desirable.

I hold in my hand, Mr. Speaker, a summary of the work of the “watchdog committee” staff has done. It is 8 or 9 pages of single-space typewriting. It shows, among other things, activities leading to the recovery of several million dollars in several instances, the recovery far exceeding the $262,000 which was appropriated for the staff to function with.

I also have samples here, Mr. Speaker, of studies made by the “watchdog committee.” Here is one entitled “Report on Progress of the Economic Cooperation Administration.” It is 152 pages long. It is filled with statistics and tables of all kinds, invaluable to anyone wishing to keep abreast of the ECA problem.

Here is another study. It is 56 pages long, and is entitled “ECA and Strategic Materials.”

Here is a 29-page study entitled “Shipping Problems in the ECA Program.”

Here is another study entitled “Marine Insurance in the ECA Program.”

Here is another entitled “Wool Procurement by ECA.”

And another entitled, “The Food Situation in Europe in the Fall of 1948.”

And another entitled “German Reparations.”

Mr. Speaker, these are samples of the studies and reports which the “watchdog committee” has made since its creation.

Mr. JENNINGS. Mr. Speaker, will the gentleman yield?

Mr. WIGGLESWORTH. I yield.

Mr. JENNINGS. These unbound representatives of this country, as I understand it, are spending in 16 nations more than $5,000,000,000. How much do we propose to spend to safeguard and to underwrite the honest and faithful expenditure of that huge sum?

Mr. WIGGLESWORTH. We provided $262,000 for the past fiscal year, and the request here is for $344,000.

Mr. JENNINGS. In other words, that $344,000, or about seven one-thousandths of 1 percent that we are spending in 16 nations more than $5,000,000,000, is all we propose to spend to safeguard and to underwrite the honest and faithful expenditure of that huge sum?

Mr. WIGGLESWORTH. And committee activities have already saved several million dollars or several times the amount of money appropriated for them to operate on.

I think this motion should be defeated. I think the bill should be allowed to go forward for the consideration of the Senate.

Mr. JENNINGS. Mr. Speaker, the gentleman makes an attempt to do its work in a way different from the way it has been done heretofore. Perhaps that is a mistake.

Mr. WIGGLESWORTH. I think the gentleman is correct.

Mr. YATES. Mr. Speaker, will the gentleman yield?

Mr. WIGGLESWORTH. I yield to my colleague from Illinois.

Mr. YATES. I wish the gentleman from Massachusetts would tell the House what the witnesses for the watchdog committee told the ECA Appropriations Committee when they appeared as witnesses before the committee. Was the gentleman impressed particularly with the testimony given to us?

Mr. WIGGLESWORTH. I have been impressed by the studies they have made, which I have tried to call attention to in the course of the brief time at my disposal.

Mr. YATES. Will not the gentleman agree that there was no testimony of any value whatsoever offered by these witnesses to the committee?
were recommended by the administration and the subcommittee.

We have this curious situation, where this committee set out to obtain a bipartisan vote in an effort that was a bipartisan effort and is being continued that way, yet the attempt to destroy it is coming from a partisan effort. We have the Democratic leadership here on the Committee on Appropriations opposing it. Over in another body the Democratic floor leader led the fight to attempt to emasculate and destroy this committee so there would be no independent body looking in upon this vast expenditure of funds; and that partisan attempt was mowed down in the other body by bipartisan votes. I hope this is not the end of the bipartisan approach to our vast and increasing foreign problem; I hope this is not the start of the things that we are to see from now on. I hope that this committee will not have its usefulness destroyed and be unable to do anything because of Democratic votes that they do not want to do this. It would be a bad thing to go out to this country at a time when some of us are striving so hard to attempt to reach some sort of united, bipartisan agreement striving so hard to attempt to reach some infinitesimal amount of money, the only countenance we have.

I hope that this committee will not have us, that this committee spending an independent body by bipartisan votes. I hope this is like emasculating and destroying by partisan votes. You have the votes to do this. Speaker, Mr. GARY. I may say to the gentleman from Missouri I speak in the interests of the armed services which spend $18,000,000 annually.

Mr. SHORT. Absolutely. Mr. GARY. Does the gentleman feel that this small, infinitesimal amount to guard the expenditure of some $5,500,000 is unreasonable?

Mr. GARY. Does the gentleman think we ought to have a "watchdog committee" to watch over the expenditures of the armed services which spend $18,000,000 annually?

Mr. SHORT. Absolutely. Mr. GARY. Does the gentleman feel we should have a "watchdog committee" for each department of the Government spending billions of dollars?

Mr. SHORT. Absolutely. Mr. GARY. I may say to the gentleman I do not agree with him.

Mr. SHORT. Well, I have expressed my opinion.

Mr. GARY. If we do not have capable and honest Administrators, then we ought to get rid of them rather than watch them.

Mr. McCORMACK. Mr. Speaker, will the gentleman yield?

Mr. GARY. I yield to the gentleman from Massachusetts.

Mr. McCORMACK. If we follow the reasoning of the gentleman from Missouri, we might just as well abolish the executive branch of the Government.

Mr. GARY. Exactly, and turn the administration of the Government over to the Congress of the United States.

Mr. KEEFE. Mr. Speaker, will the gentleman yield?

Mr. GARY. I yield to the gentleman from Wisconsin.

Mr. KEEFE. Is it not a fact the Congressional Reorganization Act every legislative committee is responsible for each department of the Government? Are they not "watchdog" the Treasury? It will be a sudden and bad shock to me if I find that my good friend John is not watching. I have thought the Appropriations Committee were doing a fine close job of checking expenditures.

Mr. TABER. You cannot watch an old lion like that with a dog.

Mr. GARY. I yield to the gentleman from Virginia.

Mr. KEEFE. The time of the gentleman from Ohio has expired.

Mr. CANNON. Mr. Speaker, I yield 5 minutes to the gentleman from Virginia.

Mr. GARY. Mr. Speaker, this is like all other efforts to obtain economy. Here we have a committee appointed by the Democratic leader for $25,000 a year last year. Of course, that is small money compared with a great many appropriations we make. But they come back this year asking for $344,000. For what? As a "watchdog committee" to watch one of the most efficient administrations in the entire Government.

Something has been said about a non-partisan approach to this matter. Let me remind you that the head of the ECA is a Republican, but I still think he is one of the most able Administrators in the Nation. I do not think he needs any "watchdog committee" to tell him what he should do; therefore, I do not think that the Congress of the United States should spend $344,000 to provide such a committee.

Mr. SHORT. Mr. Speaker, will the gentleman yield?

Mr. GARY. I yield to the gentleman from California.

Mr. SHORT. Does the gentleman feel that this small, infinitesimal amount to guard the expenditure of some $5,500,000 is unreasonable?

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Something has been said about a non-partisan approach to this matter. Let
third, and I do not know where the "watchdog committee" put the Committee on Appropriations of either House. They are not officially set up, and I do not know their jurisdiction or how they are organized. I do not know whether that is part of the duty of a "watchdog committee." If the reorganization statute has set up an efficient committee organization, what is there so valuable with this committee as was pointed out here, that you need this for ECA but you do not need it for the armed services? I believe that unless you supply personnel on Appropriations of this House you will have to put up separate little committees that will undercut part of their jurisdiction every time we pass a major bill. I hope that the Committee on Appropriations members will stand up here and say it is one of the best committees in the House and assure this House that we can depend on them. Mr. JAVITS. Mr. Speaker, will the gentleman yield?

Mr. FULTON. I yield to the gentleman from New York.

Mr. JAVITS. Will the gentleman tell us whether he believes that this committee is necessary to preserve that bipartisanship in foreign policy so eloquently advocated here this afternoon as against the opponents of ECA on the extreme left and the extreme right.

Mr. FULTON. The bipartisan foreign policy can certainly exist. The Committee on Foreign Affairs and the Committee on Foreign Relations are the legislative committees on foreign affairs, having the duty to implement the bipartisan foreign policy. The Committees on Appropriations have Democrats and Republicans upon them to check these various appropriations, under this bipartisan foreign policy. May I say to you that the Committee on Appropriations, with its great history, should not be the first one to come in here through its senior members and advocate we cut out part of its jurisdiction and put this jurisdiction in an orphan committee that is not even set up under the Reorganization Act.

Mr. WIGGLESWORTH. Mr. Speaker, will the gentleman yield?

Mr. FULTON. I yield to the gentleman from Massachusetts.

Mr. WIGGLESWORTH. The gentleman has referred to the desirability of a staff for the Committee on Appropriations. I just want to refresh the gentleman's recollection of the fact that we did set up a very efficient staff for the Committee in the last 2 years, and that it was abolished in the present session of the Congress.

Mr. FULTON. Well, the problem, then, is this: To keep in our established House committees the powers and the duties responsibly. If we do not, there will be bypassing of our legislative committee here one after the other. It is shocking to hear that the efficient nonpartisan staff of the Appropriations Committee conducted hearings in the Eighty-first Congress, and I thank the gentleman from Massachusetts for his comment.

Mr. FULTON. Mr. Speaker, I yield 5 minutes to the gentleman from Arkansas (Mr. NORRELL).

Mr. NORRELL. Mr. Speaker, early this year the Legislative Appropriations Committee conducted hearings on this matter for quite a long time. I was chairman of that committee. We reported the bill out without providing any appropriation for the "watchdog committee." I thought we were correct then. We submitted our bill to the full Committee on Appropriations and, after extensive consideration, the full committee approved the bill. We came to the House, where an amendment was offered to restore the money for the "watchdog committee" and, after extensive argument, the amendment was defeated by a vote of 117 to 43. Our bill went to the other body and provision for the "watchdog committee" was not included in the legislative appropriation bill over there. That is what I am afraid of if we are going to continue the committee.

The work of the joint committee has been finished. It was set up to see that the Economic Cooperation Administration was properly organized, efficient administrative procedures were adopted, and the announced policies of Congress reflected in the administrative policies and plans of the Administration. We have the program in the charge of good men and they are doing an able job. No one now raises any question as to the management of the Economic Cooperation Administration. The work of this committee has been done. To continue it would be an utter waste. If you want to save a little money, this is one place where it can be done.

Mr. Speaker, I believe this House means what it said when it rejected by an overwhelming vote the amendment to the legislative appropriation bill. The amendment did not amend the bill to include it. We do not need the "watchdog committee" further, because the bipartisan foreign policy committee is, we have the Appropriations Committees of the House and Senate, and we have the Foreign Policies Committees of the House and Senate, also, to "watchdog" what happens. It might be that we would need another "watchdog committee" to watch the "watchdog committee," and then after a while we would need another "watchdog committee" to watch the "watchdog committee" to watch the "watchdog committee.

I think we ought to instruct our conferees, Mr. Speaker, to stand where we have stood all this year, to end it and let the Administration and the Economic Cooperation Administration, Mr. Hoffman, who is a good Republican—and I am glad he is in charge of it—operate as he ought to in the manner of which he is capable. He does not have to be subjected to the constant interference which must characterize the operations of a Joint Committee once convened and established for a purpose which no longer exists. I think we ought to instruct our conferees not to insist on disagreement to this amendment.

Mr. CANNON. Mr. Speaker, I move the previous question.

The previous question was ordered.

The SPEAKER. The question is on the motion offered by the gentleman from Missouri [Mr. CANNON].

The question was taken; and on a division (demanding Mr. TABER) there were—aye's 145, noes 127.

Mr. TABER. Mr. Speaker, I demand the yeas and nays.

The yeas and nays were ordered. The question was taken; and there were—yeas 210, nays 164, answered "present" 2, not voting 56, as follows:

[Roll No. 170]
The Clerk announced the following pairs:

On this vote:

Mrs. Norton for, with Mr. White of California against.

Mr. Gregory for, with Mr. Leonard W. Hall against.

Mr. Faison for, with Mr. Dague against.

Mr. Harter for, with Mr. Eaton against.

Mr. Breen for, with Mr. McGregor.

Mr. Cavalcante for, with Mr. Lencoe.

Mr. Staggers for, with Mr. Rich.

Mr. Russell for, with Mr. Tollefson.

Mr. Kennedy with Mr. Welch of California.

Mr. Fallon with Mr. Norblad.

The result of the vote was announced as above recorded.

The Speaker: The Chair appoints the following conferees: Messrs. Gary, McGrath, Yates, Cannon, Taber, and Wigglesworth.

EXTENSION OF REMARKS

Mr. LAN E and MR. MURRAY of Wisconsin asked and were given permission to extend their remarks in the Record.

Mr. HAGEN asked and was given permission to extend his remarks in the Record and include his own questionnaire.

Mr. DONOVAN asked and was given permission to extend his remarks in the Record and include an editorial.

Mr. WHITE of Idaho asked and was given permission to extend his remarks in the Record in two instances and include certain extracts.

Mr. STOCKMAN asked and was given permission to extend his remarks in the Record and include an article from the Klamath Falls News-Herald.

SPECIAL ORDER GRANTED

Mr. WILLIAMS asked and was given permission to address the House for 20 minutes on tomorrow, at the conclusion of the legislative program of the day and following any special orders hereafter entered.

ENROLLED BILL SIGNED

Mr. NORTON, 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:


ADJOURNMENT

Mr. MCMORRACK, Mr. Speaker, I move that the House do now adjourn.

The motion was agreed to; accordingly (at 6 o'clock and 22 minutes p. m.) the House adjourned until tomorrow, Wednesday, August 10, 1949, at 12 o'clock noon.
PUBLIC BILLS AND RESOLUTIONS

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

By Mr. CLEMENTE:
H. R. 5929. A bill to amend the Army and Navy Equalization Act of 1946; to the Committee on Armed Services.

By Mr. KARSTEN:
H. R. 5930. A bill to provide for direct Federal loans to meet the housing needs of moderate-income families, to provide an equitable system of rate making for public and private utilities, to provide credit to reduce the cost of housing for such families, and for other purposes; to the Committee on Banking and Currency.

By Mr. MURDOCK:
H. R. 5945. A bill to provide for the erection of a monument at the grave of General Adolphus Saxton; to the Committee on House Administration.

By Mr. CROSIER:
H. Res. 321. Resolution for the consideration of the bill H. R. 4846; to the Committee on Rules.

PRIVATE BILLS AND RESOLUTIONS

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

By Mr. CASE of South Dakota:
H. R. 5944. A bill authorizing the issuance of a patent in fee to Thomas Francis Two Bulls; to the Committee on Public Lands.

By Mr. JENNINGS:
H. R. 5945. A bill for the relief of the city of Harriman school district; to the Committee on the Judiciary.

By Mr. REDDEN:
H. R. 5946. A bill for the relief of Edgar D. Oerle; to the Committee on the Judiciary.

By Mr. BADATH:
H. R. 5947. A bill for the relief of Alfred Boileau; 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:

1936. By Mr. TAYLOR: Petition of Earle H. Bogardus, traffic counselor, Menands, N. Y., in support of a bill, H. R. 9545, a bill to provide for the treatment of Indians; to the Committee on Public Lands.

By Mr. BANKIN:
H. R. 5937. A bill to provide for the construction of a Veterans' Administration Hospital at Tupelo, Miss.; to the Committee on Veterans' Affairs.

H. R. 5938. A bill to provide for the construction of a Veterans Administration Hospital at Mound Bayou, Miss.; to the Committee on Veterans' Affairs.

By Mr. BURKE:
H. R. 5939. A bill to authorize the appropriation of funds to assist the States and Territories in financing more equitable schedules of salaries for teachers in the public elementary and secondary schools, and to promote the general welfare, and for other purposes; to the Committee on Education and Labor.

By Mr. BIEMILLER:
H. R. 5940. A bill to amend the Public Health Service Act and the Vocational Education Act of 1946 to provide an emergency 5-year program of grants and scholarships for education in the fields of medicine, osteopathy, dentistry, dental hygiene, public health, and nursing professions, and for other purposes; to the Committee on Interstate and Foreign Commerce.

By Mr. BYRNE of New York:
H. R. 5941. A bill to incorporate The Military Chaplains Association of the United States of America; to the Committee on the Judiciary.

By Mr. CHUDOFSKY:
H. R. 5942. A bill to amend the National Housing Act, as amended, and for other purposes; to the Committee on Banking and Currency.

By Mr. LANDON:
H. R. 5943. A bill to authorize the issuance of a patent in fee to Francis A. Moline; to the Committee on Public Lands.

By Mr. BORCHERT:
H. R. 5944. A bill to provide an equitable system of rate making for public and private utilities, to provide credit to reduce the cost of housing for such families, and for other purposes; to the Committee on Banking and Currency.

By Mr. HALL:
H. R. 5945. A bill to provide for the construction of a Veterans' Administration Hospital at Mound Bayou, Miss.; to the Committee on Veterans' Affairs.

By Mr. MAGNESS:
H. R. 5946. A bill to authorize the appropriation of funds to assist the States and Territories in financing more equitable schedules of salaries for teachers in the public elementary and secondary schools, and to promote the general welfare, and for other purposes; to the Committee on Education and Labor.

By Mr. BANKIN:
H. R. 5937. A bill to provide for the construction of a Veterans' Administration Hospital at Tupelo, Miss.; to the Committee on Veterans' Affairs.

H. R. 5938. A bill to provide for the construction of a Veterans Administration Hospital at Mound Bayou, Miss.; to the Committee on Veterans' Affairs.

By Mr. BURKE:
H. R. 5939. A bill to authorize the appropriation of funds to assist the States and Territories in financing more equitable schedules of salaries for teachers in the public elementary and secondary schools, and to promote the general welfare, and for other purposes; to the Committee on Education and Labor.

By Mr. BIEMILLER:
H. R. 5940. A bill to amend the Public Health Service Act and the Vocational Education Act of 1946 to provide an emergency 5-year program of grants and scholarships for education in the fields of medicine, osteopathy, dentistry, dental hygiene, public health, and nursing professions, and for other purposes; to the Committee on Interstate and Foreign Commerce.

By Mr. BYRNE of New York:
H. R. 5941. A bill to incorporate The Military Chaplains Association of the United States of America; to the Committee on the Judiciary.

By Mr. CHUDOFSKY:
H. R. 5942. A bill to amend the National Housing Act, as amended, and for other purposes; to the Committee on Banking and Currency.

By Mr. LANDON:
H. R. 5943. A bill to authorize the issuance of a patent in fee to Francis A. Moline; to the Committee on Public Lands.

By Mr. BORCHERT:
H. R. 5944. A bill to provide an equitable system of rate making for public and private utilities, to provide credit to reduce the cost of housing for such families, and for other purposes; to the Committee on Banking and Currency.

By Mr. HALL:
H. R. 5945. A bill to provide for the construction of a Veterans' Administration Hospital at Mound Bayou, Miss.; to the Committee on Veterans' Affairs.

By Mr. MAGNESS:
H. R. 5946. A bill to authorize the appropriation of funds to assist the States and Territories in financing more equitable schedules of salaries for teachers in the public elementary and secondary schools, and to promote the general welfare, and for other purposes; to the Committee on Education and Labor.