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 assist United Nations missions on their peaceful errands to the world's troubled areas. In the light of suggestions made by member governments I have modified that proposal. I have now suggested to the special committee established by the General Assembly to examine this matter of the establishment of a uniformed United Nations field service of 300 men, who would be seconded or otherwise made available, on a basis of geographical distribution, from the services of member governments for a period of from 1 to 3 years for protective and technical duties both at headquarters and in the field. I have also suggested the creation of a panel of 2,000 men who could be called upon for truce observation and plebiscite duties by the competent United Nations organs as the need arises. None of the men in the field service would carry arms, except sidearms for self-protection when this was deemed necessary. Under the revised plan the cost to the Organization would be kept to a minimum, while the 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 former 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 ways. 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 they felt was unsatisfactory to a majority of the inhabitants of the territories concerned. The debate also brought forth considerable support for the concept of a direct United Nations trusteeship, a proposal originally suggested by the United States Government 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 statesmanship on the part of the Governments could lead to such a solution of the problem, and that the political difficulties could be dealt with if the practical difficulties could be overcome. The best solution, in my opinion, would be a direct United Nations trusteeship with an administrator responsible solely to the Trusteeship Council. It is, of course, for the member governments to decide, but I feel sure that such a bold forward step would help the peoples of the territories concerned to follow the peaceful path toward self-government or independence, and that it would strengthen the confidence of dependent peoples all over the world in the United Nations and in the member governments who would have made such a solution possible.

PEACE AND ECONOMIC DEVELOPMENT FOR THE NEAR EAST

The Near East presents a challenging opportunity to the United Nations to combine political and economic action in the cause of lasting peace.

An armistice has been achieved in Palestine, and the terms of a peaceful settlement are being negotiated. Nine hundred thousand Arabs are receiving assistance from the United Nations; many of them must be resettled or repatriated. The new State of Israel has yet to establish its economic viability. Both Israel and the Arab States need a substantial, coordinated effort in economic development to raise their living standards.

I believe that this area should be given high priority in the proposed United Nations program of technical assistance for underdeveloped countries. This would make it possible for comprehensive plans to be worked out for regional economic development on a large scale in the whole area; these plans might include river valley developments, such as the Tennessee Valley Authority in the United States, in respect of the valleys of the Tigris, the Euphrates and the Jordan, and of the further development of the valley of the Nile. The first step is technical assistance, the next is financial investment. By carrying out both steps through the United Nations the burdens as well as the benefits can be shared equitably among participating countries.

Whatever is done in the Near East should not, of course, impede or delay similar programs for technical assistance and economic development in other parts of Asia and Africa and in Latin America.

ACTION TO MEET ECONOMIC DIFFICULTIES

Although there have been considerable improvements in many aspects of the world economic situation the basic conditions for economic stability and orderly development have not yet been established.

Of particular importance is the continued and persistent disequilibrium in international trade and payments. Little progress has been made toward a solution of this grave problem. The consequences have been particularly harmful for the weaker and less favored countries.

Moreover, if the recent slackening of economic activity in some countries were permitted to continue, it would cause large-scale unemployment in those countries, and at the same time would aggravate the existing economic maladjustments in the world as a whole. Another world-wide economic crisis would be a tragedy that can be prevented, if the governments of the world find a common basis for concerted action. A solution for these immensely complicated problems cannot be found by single countries acting in isolation nor by any limited group of nations.

Fortunately, the member governments have in the United Nations and the specialized agencies, the international machinery that makes it possible for them to take the necessary concerted action. It is urgent that they use this machinery to come to grips with these pressing economic problems.

UNIVERSALITY OF MEMBERSHIP

The applications of 14 countries for membership in the United Nations are pending. These are, in the order of their applications: Albania, Mongolian People's Republic, Jordan, Portugal, Ireland, Hungary, Italy, Austria, Rumania, Bulgaria, Finland, Ceylon, Korea, and Nepal. Most of these countries have been waiting for more than 2 years to be admitted.

Member governments are familiar with my views on the desirability of moving as rapidly as possible toward universality of membership. I have expressed them on several occasions during the past 3 years. I am well aware of the objections that have been raised against the admission of these states, but I believe that such objections could be better dealt with if the applicants were inside the organization rather than outside it. The applicants can in any event reasonably be considered as meeting the requirements of membership. Whatever may be said regarding the Governments of the countries concerned, their peoples, and the world as a whole, 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 record 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.

TRYGVE LIE,
Secretary General.

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 them true to one another, teach us, we humbly pray, the wisdom to cherish and preserve, in peace, the finest things we learned in war: faith in each other, brotherhood which knew no race, friendship which did not count the cost. That putting our trust not on 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 unto the 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 Senate had passed, with amendments in which the concurrence of the House is requested, a bill of the House of the following title:

H. R. 4830. 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

with the House on the disagreeing votes of the two Houses thereon, and appoints Mr. McKELLAR, Mr. HAYDEN, Mr. THOMAS of Oklahoma, Mr. RUSSELL, Mr. McCARRAN, Mr. BRIDGES, Mr. GURNEY, Mr. REED, and Mr. FERGUSON to be the conferees 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 oil under existing 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.

COMMITTEE TO ESCORT THE PRESIDENT OF THE PHILIPPINES

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. KEE], and the gentleman from Illinois [Mr. CHIPERFIELD].

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

(Thereupon, at 12 o'clock and 5 minutes p. m., the House stood 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 20 minutes p. m., the Doorkeeper announced President Elpidio Quirino, of the Philippines.

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 near the east. We welcome you here. 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. Mr. Speaker, 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 1934 as our charter of liberty has well 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 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 known in history. The Filipinos bled with the rest of humanity 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 anticipate and face the dangers of another possible world conflict. And we are determined to carry on and to fight to the last man on the side of America if 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 not lost a single moment 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 our 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 onrush 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 assistance and guidance we know 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 deserve 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 peace of the world in our part of the 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 cooperation in our 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 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 toward increasing fulfillment. [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, who also informed the House that on the following dates the President approved and signed bills and joint resolutions of the House of the following titles:

On August 1, 1949:

H. J. Res. 329. Joint resolution amending an act making temporary appropriations for the fiscal year 1950, and for other purposes.

On August 2, 1949:

H. R. 1360. An act to extend the times for commencing and completing the construction of a free 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 probation officer 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 Health, for the government of the District of Columbia to the Administrative Office of the United States Courts, for budgetary and administrative purposes.

On August 3, 1949:

H. R. 585. An act for the relief of Jacob A. Johnson;

H. R. 1625. An act for the relief of Christine Kono;

H. R. 2799. An act to amend the act entitled "An act regulating the retent on contracts with the District of Columbia," approved March 31, 1906;

H. R. 2853. An act to authorize the Secretary of the Interior to issue duplicates of William Gerard's script certificates No. 2, subdivisions 11 and 12, to Blanche H. Weedon and Amos L. Harris, as trustees;

H. R. 4261. An act authorizing the Secretary of the Interior to issue to L. J. Hand a patent in fee to certain lands in the State of Mississippi;

H. R. 4963. 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 employees of the Bureau of Animal Industry for overtime duty performed at establishments which prepare virus, serum, toxin, or analogous products for use in the treatment of domestic animals;

H. R. 1127. An act for the relief of Sirkka Siiri Saarelainen;

H. R. 1288. An act for the relief of certain officers and members of the crew of the steamship *Taiyuan;*

H. R. 1303. An act for the relief of Dr. Elias Stavropoulos, his wife and daughter;

H. R. 2021. 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 E. Blanchard;

H. R. 3467. An act for the relief of Franz Eugene Laub;

H. R. 4566. An act to revise, codify, and enact into law title 14 of the United States Code, entitled "Coast Guard"; and

H. R. 4804. An act to record the lawful admission to the United States for permanent residence of Karl Frederick Kucker;

On August 5, 1949:

H. R. 2417. An act to authorize the Secretary of the Air Force to operate and maintain a certain tract of land at Valparaiso, Fla., near Eglin Air Force Base, as a recreational facility; and

H. R. 5238. 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. 1466. An act for the relief of Daniel Kim;

H. R. 2084. An act for the relief of Teiko Horikawa and Yoshiko Horikawa;

H. R. 2850. An act for the relief of Denise Simeon Boutant; and

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. COOLEY 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 enactment of the Fair Labor Standards Act, more generally known as the minimum-wage law. During the years that have intervened a great change has come in our economic conditions. Today the cost of living is nearly double what it was in 1938. The minimum-wage law enacted at that time fixed the minimum-wage rate at 40 cents per hour in the several categories of employment coming within the provisions of the act. This has remained the law from that time until the present. It has not been changed during the intervening years, although the cost of living has greatly increased. Consequently, an intolerable situation exists that the present proposals seek to remedy. A rate of 75 cents per hour is now proposed as a minimum wage. Such relief should have been granted long ago. Further delay would be unconscionable. Justice to those in this lower income group demands immediate correction of the present unfair standard.

There have been many proposals offered in connection with this subject of legislation. Some seek to clarify, extend, or diminish the coverage under the act; others to change the amount of the minimum wage by the adoption of a formula that would tie the wage to a Bureau of Labor index based on the cost of living; and other proposals seek to change the administrative features of the act. These numerous and diverse proposals, under consideration in connection with the pending legislation, have a tendency to confuse the issue, although offered with sincerity and honest purpose. The real and fundamental purpose of this legislation was set forth in the statement of policy contained in the act of 1938, as follows: "to correct and as rapidly as practicable to eliminate, without substantially curtailing employment or earning power, the existence in industries engaged in commerce or in the production of goods for commerce, of labor conditions found by Congress to be detrimental to the maintenance of the minimum standards of living necessary for the health, efficiency, and general well-being of workers."

To accomplish this purpose Congress, in the act of 1938, establishing rates of pay, maximum hours of employment, overtime and restrictions on child labor. The legislation now before us seeks to accomplish the same purposes as the original act with such amendments as present conditions and the experience gained in the years since 1938 would justify.

In considering the proposed legislation now before the Congress much has been said, and, will be said concerning the minimum wage provisions of the bill. This is perfectly proper and entirely in order, but, we must not overlook 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 moments to explain an amendment which I shall introduce as an amendment to the Lucas amendment. My amendment is simple. It calls for a change in the starting wage from 65 to 75 cents.

I realize 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. Possibly the 75-cent starting price in my amendment is not sufficient. As I say, this starting price necessarily has to be arbitrary.

The 65-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 that is true of most areas in the United States. The Southern States are the exception to this general 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 raise their wages. Many of these 22,000,000 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 wage for labor-union members and the minimum wage for these nonunion members—too sharp a difference, in my opinion. These 22,000,000 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 shall support it wholeheartedly, providing we do have the opportunity of amending the Lucas bill. I am not in favor of a minimum wage based on the cost-of-living index. I favor 75 cents, but what I would like to see would be the Lucas bill with the 75-cent minimum attached to it.

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 cost of living index gives 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 declining period of business. It also 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 starting 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 proper legislation, instead of in the light of political vote getting.

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

Mr. McCONNELL. Mr. Chairman, I yield such time as he may desire to the gentleman from New Hampshire [Mr. COTTON].

Mr. COTTON. Mr. Chairman, the gentleman from Ohio [Mr. BREHM] 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 am for a straight 75-cent minimum wage for all employees covered by the present law. I have stated my opinion on this point publicly several times during both the Eightieth and Eighty-first Congresses. My position on this point has been strengthened recently by the fact that the Governor of my State has endorsed this standard and both branches of the legislature have passed resolutions calling for it. Recently I have considered carefully the proposal for a sliding scale and have come to the conclusion that I cannot accept it. A minimum wage should be exactly what the term implies—a minimum wage. That means a fixed amount, not an escalator. We are not seeking to determine a wage scale, but a minimum point and that point should be definite.

I believe, however, that it would be most dangerous to pass the Lesinski bill. Under that bill many of the exemptions contained in the present law are removed and small business enterprises, which are actually intrastate in their character, will be brought under the requirements of the act. Others will be in a quandary as to whether they are under the act or not. Certain processors of farm produce would also be included. Furthermore, the bill contains several vicious provisions, one of which will add confusion to the question of overtime on 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.

I earnestly hope that when the final vote comes on this question we shall not be compelled to choose between a minimum wage less than 75 cents or a law which may endanger small business enterprises and deprive their employees of work. I am willing to go a long way in supporting the 75-cent minimum wage, but I doubt if I can pay the price of accepting the Lesinski bill in its present form.

The Lucas bill clarifies the present law, preserves its safeguards, and if amended to provide a 75-cent minimum, would in my opinion be the best legislation we could enact. I shall support such an amendment to the Lucas bill and if it is adopted vote for the bill. If the Lucas bill is not adopted, I trust that proper amendments may be adopted to the Lesinski bill to restore existing exemptions. In which case, I could support that.

I do not care what name may be given the act, or what its number may be, provided we increase the minimum wage to 75 cents an hour and preserve the exemptions and safeguards of the present law.

Mr. McCONNELL. Mr. Chairman, I yield such time as he may desire to the gentleman from Michigan [Mr. FORD].

Mr. FORD. 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 Michigan?

There was no objection.

Mr. FORD. Mr. Chairman, I express the same sentiments as the gentleman from Ohio [Mr. BREHM]. At this time I would like to indicate my support for a proposed amendment to the Lucas bill by the gentleman from Ohio, Representative BREHM. 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 most 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 BREHM, the Lucas bill would be good legislation. In contrast to the new proposal by the gentleman from Michigan, Representative LESINSKI, H. R. 5856, is unsound in many particulars. I refer specifically to the provision which gives the administrator the right to sue, on behalf of an employee, for back wages allegedly due. This dangerous 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. Clovis 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. LESINSKI. 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 must 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 a change in the index in the cost of living. This is a procedure to which I am utterly opposed. It means frequent changes in the minimum wage by small amounts, perhaps a cent or two per hour, and leaves everyone in the dark as to what the minimum wage actually will be annually.

The 75-cent minimum is the least 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 nothing to prevent Congress from reconsidering the problem again.

What does this Lucas bill provide? It provides 65 cents an hour until December 31. Assuming that 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, 1949. It would be possible 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 next December 31 and head off 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 a fundamental purpose of all 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 changed by some 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 diffcult 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 in 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 away from the fear that exists 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 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 postwar prices and the cost 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 provided in the law of 1938 was adopted by some industries as early as 1940 and was generally attained in practically all industries by 1942. At that time the index of consumers prices for moderate-income families was 116—1935–39=100.

At the present time this index of consumers 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 received only 40 cents an hour 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 a national income of about $65,000,000,000, 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 approved a 65-cent minimum 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 rate in 1946 is less than half 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 studies made 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 not and other employers would not increase the minimum wage which they are paying unless such an increase were made generally applicable to all their competitors.

Since fewer than 1,500,000 workers all over the country are receiving less than the new minimum, and most of 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 will be much less than that required when the Fair Labor Standards Act of 1938 was first put into operation. We learned then that an effective minimum wage raises the wages of the lowest paid workers 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.

I am not now thinking of a wage necessary to support a family, but just the amount of money required for any self-respecting person to live in any community in the United States. Admitting that the cost of living is higher in our larger cities than in the smaller communities, it must be recognized that 75 cents an hour is only $30 a week even at full employment. In cities like 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 medium and small-size communities. 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 $1 per hour.

There are a number of industries where most of the employers already pay more than a 75-cent minimum, and if such a rate were made applicable to all competitors, many industries would be agreeable to establish a minimum rate above 75 cents per hour. However, we did take 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 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. This provision exempts from 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 was introduced 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 store 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 leave 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 have made a firm decision that he is or ought to 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 more 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 drawing the line at such a large volume of business as $500,000 a year, we have assured that the family concern, the neighborhood stores and service shops and the small struggling establishments will be able to work out this problem in their own way and without the legal requirement imposed on the chains, department stores, and the large retail and service establishments.

However, the committee has deleted this provision from their substitute bill, H. R. 5856, which many members of the Committee on Education and Labor reluctantly agreed to, including myself.

Mr. HOFFMAN of Michigan. Mr. Chairman, I make the point of order that a quorum is not present.

The CHAIRMAN. The Chair will count. [After counting.] Sixty-five Members are present, not a quorum. The Clerk will call the roll.

The Clerk called the roll, and the following Members failed to answer to their names:

[Roll No. 168]

Bailey	Gilmer	Poulson
Bentsen	Gordon	Powell
Bland	Gore	Rains
Blatnik	Gregory	Ribicoff
Bolton, Ohio	Halleck	Richards
Boykin	Hand	Rivers
Breen	Harrison	Rogers, Fla.
Buckley, N. Y.	Hinshaw	Roosevelt
Bulwinkle	Hope	Sadowski
Burke	James	St. George
Burleson	Jonas	Scott, Hugh D., Jr.
Burton	Kennedy	Smith, Ohio
Byrne, N. Y.	King	Smith, Va.
Cannon	Kirwan	Thomas, N. J.
Celler	McGregor	Towe
Chatham	Mason	Welch, Calif.
Chiperfield	Miles	Whitaker
Christopher	Morrison	Wigglesworth
Clevenger	Moulder	Withrow
Crosser	Norton	
Dawson	O'Hara, Ill.	
Dolliver	Patman	
Eaton	Pfeifer, Joseph L.	
Engle, Calif.	Plumley	
Fellows		

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, and finding itself without a quorum, he had directed the roll to be called, when 356 Members responded to their names, a quorum, and he submitted herewith the names of the absentees to be spread upon the Journal.

The Committee resumed its sitting.

Mr. LESINSKI. Mr. Chairman, I yield 15 minutes to the gentleman from Massachusetts [Mr. MCCORMACK].

Mr. MCCORMACK. Mr. Chairman, in last night's Washington Star in the news stories on yesterday's debate on the pending bill and under an AP dispatch appeared a very interesting observation made by the writer that attracted my attention. He said:

> Many southern Democrats and Republicans were lined up tentatively—

I hope it is only tentatively if what he said is true—

> behind the measure sponsored by Representative LUCAS, Democrat, of Texas, a Labor Committee member.

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

I cannot believe that many Members from districts in the South will favor and support the Lucas substitute. The results of the Roosevelt and Truman leaderships, particularly along economic lines, have been very favorable not only to the entire country but to the South. Let me briefly refer to them: The Tennessee Valley Authority, agriculture. Where was cotton and wool 16 to 20 years ago? What kind of diversified farming did the South have then? It was under 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 with hope 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 on several occasions recommended increasing the present minumum wage from 40 cents to at least 75 cents per hour. The 1948 Democratic platform called for an increase to at least 75 cents per hour.

The passage of the Lesinski bill, the main feature of which is the 75-cent minimum wage, is for the best interests of our 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 collegaues 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 be adopted 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 that 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 our 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 the past by 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 his 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 1,500,000 persons earn less than 75 cents an hour. So, what we are dealing with, those covered by the Lesinski bill, is 1,500,000; not a wage increase to 22,600,000, but 1,500,000, and that is an answer to those who say it would have a serious impact upon our national economy.

H. R. 3190 would have included about 5,000,000 more workers as the result of the changes in its coverage and exemption provisions. Of this 5,000,000 only 900,000 would benefit; this deserving group receiving less than 75 cents per hour.

Under the Lesinski substitute it will be less than 5,000,000, and therefore less than 900,000 newly covered employees who will benefit if this bill is passed. So, under the original House bill as reported by the committee, 2,400,000—1,500,000 under the present law and 900,000 of the 5,000,000 covered by extended coverage—would benefit. It is only that group that receives less than 75 cents an hour; all the others, through collective bargaining and increases given by their employers, receive a rate of 75 cents an hour or more. The Lesinski substitute reduces the number of both groups provided for in H. R. 3190.

Now, another interesting thing. Of the 1,500,000 workers subject to present law and receiving less than 75 cents per hour, about 1,000,000 are employed in manufacturing industries and about 500,000 in nonmanufacturing industries. Even if the original bill is adopted, as I said, only 2,400,000 workers would benefit by the increase, and one-half of them now earning less than 75 cents are being paid between 65 and 75 cents an hour. Under the Lesinski bill it would be less in number. But, of the 1,500,000 now covered under existing law getting less than 75 cents, and of the additional ones to be included, less than 900,000, one-half of them receive from 65 to 70 cents an hour at the present time.

I refer to this for two reasons: First, to show that the passage of the Lesinski substitute does not mean an increase for all workers covered by the present law, 22,600,000, and by his bill; second, more important is the fact, that the wage provisions of the Lucas substitute is an attack on the present wage structure. While I assume he does not intend same, it is, in fact, a wage-cutting bill. That is what the Lucas substitute is. Certainly if anyone is going to vote against the Lesinski bill, he does not want to vote for a wage-cutting bill of present wages that the financially unfortunate workers, the 22,600,000, are presently receiving. Who wants to knowingly vote for a wage-cutting bill, particularly to the fine Americans, but unfortunately financially situated persons covered by the wage-and-hour law or by the provisions of the Lesinski substitute?

Let me state another pertinent fact. The average increase required to increase the wages of these low paid employees to 75 cents per hour, very few of who earn as low as 40 cents per hour, is anywhere from 5 cents to 15 cents per hour. We must remember that we are today considering a bill that relates to and affects low paid employees, but we also must remember they are human beings, just like you and me. What will be the effect of the increase under the Lesinski bill and under existing law to our whole economy if we provide for a 75-cent minimum? That is a pertinent question. It cannot be much more than $400,000,000 annually. Under the original House bill, H. R. 3190, it is estimated at $500,000,000 annually, so it will be less than $500,000,000, and not much more than $400,000,000 annual increase in wages. It would represent a little more than 1 percent of the total wages now paid to the 22,600,000 workers covered by the present law. It is a relatively small increase. A 75-cent maximum would have no harmful effect, in fact it would have a beneficial effect on our economy as a whole.

Let us look at the $400,000,000-plus increase from another angle. Last year there was voluntarily paid a $12,000,000,000 increase in wages and salaries throughout the country. Compare this $400,000,000-plus to be paid to this unfortunate group to the $12,000,000,000 voluntary increase in wages. What kind of effect would that have upon our national economy? It would have a beneficial effect, in my opinion, but certainly it would have no adverse effect. We would simply be doing justice—the first job of government, justice—to a fine class of people, Americans, but again, all human beings. Certainly for anyone to argue that this increase in such a deserving direction would adversely affect our national economy seems to me ridiculous.

Let us, in searching our souls—oh, what beautiful words they are to express, but what meaning there is in them if carried into effect, these words expressed by a colleague of ours, the former chairman of the Republican National Committee—let us in searching our souls examine the bill and its effect from another angle. It is simply extending justice to these workers. It is an attack on economic insecurity in a sound, healthy way. 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 my 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 only 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. Strong family life, strong government; weak family life, weak government.

Without regard to party, my colleagues, I say, in the words of our friend from Pennsylvania, "Let us search our souls." If you search your soul 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 if the Lucas bill should be amended raising 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 the gentleman 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 this legislation 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 and foreign 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 by the gentleman 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 in at least these 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 vote in favor of final passage, 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 past 3 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 law—as to 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 have discovered it over the past several years—it was said to me in a joking way—"Sam, why do not you 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 everybody, but you 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 saying that the soul should be searched, as far as we are concerned, has deliberately exempted the employees of the large mail-order houses from coverage by this act.

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 reasonably patient in this, 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 as to their jobs but also as to the 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—those 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 65 cents as a 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 a flexible rate 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 into the various 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 that those in purely local pursuits and services not be covered.

At the joint committee hearings on the act in 1937, Assistant Attorney General Jackson—now Justice Jackson, Secretary of Labor Perkins, and Chairman 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 issues involved 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. Fortunately, there are general areas of agreement as to many parts of the two bills, which we will be asked to consider. Therefore, we can simplify our task to some extent if we confine ourselves to a discussion of the controversial sections of the bills. These issues are the coverage and exemption provisions, the minimum-rate and maximum-hour provisions, and the administration of the act.

I do not have enough time available to do it now but I am hopeful that during the 5-minute debate we shall be able to clarify the various features of the bill that will be before us.

Since the most important issue is the coverage provisions, I shall begin by discussing them.

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 are exempt. The word "all" is underlined. This statement is true—as far as it goes. However, the mimeographed summary does not point out that there is a tremendous difference between what we think of as a 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. Now you are undoubtedly 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 (j) 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 a very wide application of its regulatory power over interstate commerce.

Just like every river must eventually flow to the sea—so every worker by some stretch of the imagination—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 depends upon whether such business fits within the narrow definition in the Lesinski bill—and it is impossible to understand the effect of the retail and service definition in 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 nonretail service or selling. This includes:

First. Any sale in quantities larger than ordinarily sold by such establishment.

Second. Certain types of sales at a discount.

Third. Any sales to other businessmen—regardless of quantity sold—if the goods are resold by them.

Fourth. Any sales of goods not ordinarily bought by individuals for their own consumption.

Most retailers make some sales in each one of these categories—but, nevertheless, they are still considered to be retailers by other members of the trade and by the public generally. But if more than 25 percent of his dollar volume is derived from such sales, a businessman loses his status as a retailer under the Lesinski bill. As you can see, it is quite a feat to be considered as a retail or service establishment under the Lesinski bill. Many of this country's small local businesses would not fit within the definition—and these would not be exempt.

After general debate on this matter has closed, it is expected that H. R. 5894—the Lucas bill—will be offered as a substitute to H. R. 5856, the Lesinski bill. It might be well to consider how the Lucas bill treats the coverage of small-business establishments by modifying the definition of the term "produced" in section 3 (j). In the Lucas bill, production of goods for commerce means an activity "closely related or indispensable" to such production. Therefore, employees of certain businesses will no longer be covered by the act simply because their work is but remotely connected with the production of goods for interstate commerce, as is now the case.

In addition to limiting the coverage provision, the Lucas bill establishes a practical test of a "retail and service establishment." While, the Lesinski bill gives an artificial definition as to what constitutes a retail or service establishment—based on arbitrary interpretations of the Administrator—the Lucas bill exempts all retail and service establishments which are recognized as such in their particular industry, and do not derive more than 25 percent of their dollar volume from sales for resale, as resale is defined in the bill.

The Lucas bill also 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, small 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 Lesinski 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, large or small, is paying its employees more than the statutory minimum of 40 cents. They have to, in order to get the kind of employees they want. It is the overtime provisions that hurt 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 $60 a week—because he is required to pay time and a half for overtime work which is necessary. It is important to remember this fact—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 argument for and against a minimum-wage law. The common purpose of a minimum-wage law is to prevent the payment of unduly low wages—or oppressive wages. This law is not concerned with regulating wages among all levels of workers, but only with eliminating the particular cases where they are below a minimum standard—such as sweatshops and the exploitation of certain types of workers. Its function is not to affect all wage earners, but merely to protect certain individuals at the lowest fringe of the labor force.

Today we are to consider the problems to be encountered in determining a correct minimum-wage figure; whether it should be a rigid 75-cent rate or a flexible one based on the cost of living. An example of the defect in a rigid minimum-wage rate is the present law, which has not 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 would have 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—dangerous to employee and employer alike. With the objective in mind of protecting the relative purchasing power of the marginal worker and with a 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 this can be assured is not by just 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 prices for this purpose 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 provision—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 the Lucas bill 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, 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, is 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 their business 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?

Mr. PERKINS. If he was doing 75 percent of his business interstate he would not be covered?

Mr. McCONNELL. There is no test in the Lesinski bill so far as interstate and intrastate business is concerned.

Mr. PERKINS. 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.

I presume what 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-business people, retail and service people, coal dealers, barber shops, laundries, bakers, retail establishments of various other descriptions, all disturbed because they are uncertain whether they are covered under the act. They do not do an interstate business. They are not arguing that. The matter they are arguing is whether they are classified as retailer or nonretailer under the act.

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

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

Mr. JENSEN. In the building-material industry without a doubt more than 25 percent of the business is done on a big scale, that is, they sell big bills. Now, then, under the Lesinskil bill, are they considered nonretail?

Mr. McCONNELL. They are considered nonretail under the Lesinski bill on account of the quantity and the resale provisions. Much of their business, as the gentleman says, is big business.

Mr. JENSEN. 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 I object to 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. I am addressing myself 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 rulings 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 broaden the Fair Labor Standards Act 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 outmoded 40-cent minimum wage rate established in 1938. It 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 it must be 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. Some said then 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 is in a 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 of future purchasing power and 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 ties. This is the rate which has long been widely recognized as a fair and practicable 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 $1,500 a year.

This 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 it does, 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 persists 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 less than 75 cents an hour. Therefore, the worker who receives less than this amount must obtain

some subsidy from charity, from relative, or from some other source. Sweatshop wages are at the root of many of the social ills which local, State, 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 economy 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 concern.

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 identical wages in the South that are paid in the North. What the law would do, however, would be to substantially narrow the wide wage differentials that have existed between various sections of the country. The practical effect of narrowing this competitive gap would be to slow up at least the migration of old-established plants from high-wage sections to low-wage areas. If a manufacturer can legitimately achieve lower costs in one place as against another without taking unfair advantage of his workers no one can object to that type of migration. But as a practical matter we know that in the consumer-goods industries at least that there will be far less shifting about of established plants when this Congress enacts a statutory wage of 75 cents per hour. This proposed legal minimum is fairly close to the minimum which most of these industries, which tend to migrate, now voluntarily pay.

I am not arguing against the establishment of new industries in the under-industrialized sections of our country. What I am arguing for are proper safeguards which will protect established communities but which will at the same time protect inexperienced workers in places where hitherto there has been little industrial employment. This would be the effect of a sound national minimum wage such as provided in the bill now before you.

Let me refer to another case of a textile mill which left my district about a year ago. One of the oldest woolen mills in the United States, employing about 800 workers closed its doors and went out of business. Those who know most about why this company took this action are convinced the reason was that this employer found it difficult to compete under present conditions in his industry. Woolen mills are now opening up in the South, I am informed, and are paying rates far below the established rates in the North. No one in his right mind will say to any manufacturer "You cannot move wherever you please"; nor would anyone in his right mind argue that woolen mills cannot operate successfully in the South. What I am arguing for is a code of fair competition. The Government should set up certain standards which would permit private industry to exercise every bit of ingenuity, skill, and enterprise possible. But there should be a definite floor under wages below which no one can cut. The clever employer can always succeed without taking advantage of his workers. The unfair employer will be prevented from going to such lengths in his treatment of labor that both the individuals concerned and the economy as a whole will suffer. I insist that far fewer plants will close down in the North if a fair and reasonable minimum wage law is speedily written into law. Nor will this law in any way limit the expansion of any legitimate industry which wants to build new plants or go into new territory.

Finally let me mention 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 these ex-GI's 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 some very low-wage 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. Unfortunately 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 my work with the 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. Many of these men 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 10,034 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 must put an end to such conditions as quickly as we can reach a vote on this bill and as quickly as it can finally be enacted into law.

Mr. DOLLINGER. 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 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 them for their labors and enable them to meet at least the minimum costs of food, housing, clothing, and health. It is not conceivable that anyone would wish to deny workers just returns for their efforts—and it is our duty to help them achieve decent standards 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. 1352 on January 13, 1949, providing for a $1 minimum hourly wage. This wage, in my opinion, is still not adequate.

H. R. 5856, now before us, although a compromise, is a step in the right direction, and 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 supply a family on less than that sum. This would provide only the necessities of life—not luxuries. Those who receive less must do without proper foods and necessary medical care for themselves and their children.

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 not 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 repeat, 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 can hardly insist that private industry meet its obligations without recognizing our own. It is my hope that we will soon have the opportunity to take care of these loyal employees.

The bill now before us would provide protection to a great percentage of the

hundreds of thousands of workers not now protected by our fair labor standards laws. It 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 childhood—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 and coverage 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 minimum proposed 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 be considering 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 proposed 75-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 salary 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 do not work 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 in improvement of their personal 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.

Mr. GRANAHAN. 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. GRANAHAN. Mr. Chairman, I favor the passage of H. R. 5856, the new Lesinski bill to amend the Fair Labor Standards Act. It is not as liberal as H. R. 3190, the bill originally reported by the Committee on Education and Labor.

This substitute measure is not wholly satisfactory to the friends of labor. It is relatively a moderate measure, but it is probably the best we can hope to get at this time. Certainly, however, we cannot accept anything less than this, which is, in effect, a compromise bill—and we should certainly not adjourn this session of Congress without passing this bill.

The opposition to increasing 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 extension of rent control, 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 working men and women a fair day's pay for a fair day's work. A self-supporting and self-respecting democracy can plead no justification for 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, requiring the payment of time-and-a-half for all hours over 40 a week, outlawing all "oppressive" child labor, and industrial homework in most of the industries in which sweatshop methods had prevailed.

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 under way since 1944.

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 was 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. But there was no action. Again, in his state of the Union message, of January 14, 1946, the President expressed his support for this legislation, declaring:

> Lifting the basic minimum wage is necessary, it is justified as a matter of simple equity to the workers, and it will prove not only feasible but also directly beneficial to the Nation's employers.

The issue came to a vote in the Senate in April 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.

By the majority vote which put President Truman in office and restored Democratic majorities to both branches of the Congress, the people of the United States plainly indicated that 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 50,000 employees. The Administrator gives no basis for this estimate however, and in fact admits that it is impossible to make such an estimate with any degree of accuracy.

The Administrator concedes in his 1948 annual report to Congress that the Supreme Court's decisions have virtually

destroyed the exemption for all retail and service establishments located in the rural communities and selling and serving farmers. He further concedes that such decisions cast considerable doubt upon the application of the exemption to any retail or service establishment, wherever located, making some sales to business users. Since practically every retail or service establishment makes some such sales, this means that the status of all retail and service establishments is doubtful under the present exemption. My amendment clears up that doubt by exempting the establishments which are traditionally regarded as retail. It is only in the sense that it clarifies such doubt that my amendment can be regarded as expanding the present exemption. But in a real sense it is not expanding the exemption at all but simply confirming it for those establishments which the Congress always intended to exempt. The contrary view must assume that in granting the retail and service establishment exemption, Congress intended to reject what is traditionally recognized as a retail sale or service in an industry and to adopt an arbitrary concept of what is retailing or servicing.

The other charge against my amendment has been that it would make the exemption difficult, if not impossible, to apply, because years of litigation would be required to ascertain what is recognized as a retail sale in various industries. This charge is completely baseless. The Administrator, through his 11 years of administration of the existing law, has come to know quite well what sales and services are recognized as retail in each particular industry. Moreover each industry knows also what such sales and services are. Only in the rare instance where the Administrator and industry disagreed on this matter would a court test be required. In any event, no enforcement burden is placed upon the Administrator. The employer claiming exemption would have the burden of proving that at least 75 percent of his sales are recognized as retail in his industry. The problem is the employer's and not the Administrator's. The latter, therefore, is in no position to complain about the difficulty of establishing whether particular sales are recognized in the industry as retail.

Mr. LESINSKI. Mr. Chairman, I yield 5 minutes to the gentleman from Pennsylvania [Mr. KELLEY].

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

Mr. KELLEY. I yield to the gentleman from Maryland.

Mr. BEALL. Is it the gentleman's understanding that restaurants and laundries doing a retail business are exempt under the bill?

Mr. KELLEY. That is my understanding.

Mr. Chairman, one cannot approach a discussion or amendment to the Fair Labor Standards Act without thinking of the former chairman of the House Labor Committee, the gentlewoman from New Jersey [Mrs. NORTON]. It was she who sponsored and piloted the original bill through the House under very severe difficulties. I wish to say for my part that it is a great tribute to her, and she deserves the gratitude of all those 22,000,000 people she so valiantly assisted.

I am opposed to any reduction below the 75-cent minimum. It is not a question of examining your consciences to see whether the 75 cents is too much; it is a question of examining your consciences 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. 3190. 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, there were so many 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 member of that committee that everyone was satisfied to have the minimum wage apply to everyone else except themselves. 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 talk particularly about 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 employee 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 living has gone way up. 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 cuts of 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 minimum in the law is still 40 cents.

Nobody who was in favor of establishing a decent minimum fair labor standards in a Federal law when it was being debated in 1938 thought that 40 cents an hour would provide luxury, or comfort, 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 still on the books, but it gives 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. All that this will do is to give him back about the same kind of protection he had before. He needs this protection desperately and we must not allow any complicated arguments to stand in the way of that basic human fact.

I agree with the general economic argument that we need a 75-cent minimum 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 this country at a high enough level to meet the expenses we have in these troubled times to make sure that this country can be defended in case the trouble gets worse. I will leave it to others to discuss these important 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 such shamefully low wages are paid only to office boys. These million and a half workers work and try tc live in big cities as well as in small towns. 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 to the office-boy argument, let us get rid of that once and for all. There are not that many office boys. 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 million and a half who are now so grossly underpaid. 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 obsolete. Simple economic justice requires that it be raised and that it be raised very promptly. I have great hopes that the House of Representatives will pass this week a bill which will raise this minimum 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 House 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 act was originally 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 the act will benefit from this modest 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, efficiency 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 WINGATE 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 one-third, but the Lucas bill gives no consideration to this important fact.

As a result, the Lucas bill would benefit less than half a million workers, and these very little, since the workers who get less than 65 cents an hour generally 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, a poor 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 firm, solid 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 its provisions. By 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.

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 would strengthen the administration of the act, by making it possible for both employers and employees to know exactly where they stand and by assuring that wages Congress intends should be paid shall in fact be paid to workers protected by the act.

The Lesinski bill is the better bill for protecting children from oppressive child labor. It is the better bill in protecting the overtime standards. And above all, to return to my first point, it is by far the better bill in establishing a decent, realistic floor under wages, which will directly benefit many workers and will help all of us by stabilizing our economy.

Mr. McCONNELL. Mr. Chairman, I yield 10 minutes to the gentleman from Wisconsin [Mr. MURRAY].

Mr. MURRAY of Wisconsin. Mr. Chairman, it may seem peculiar that one who comes from an agricultural State would have 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 lot of this New Deal stuff which does not mean very much to us because, if you will 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 minimum-wage legislation vote against the Gore bill. The Gore bill provides a 50–60-cents-per-hour labor return to the producers of foods and fibers in our country. This is a 19-year study and you can find it in the Appendix of the June 8 RECORD. This study indicates a 50–60-cents-an-hour labor return. The exact hourly return depends on the weather and a number of other factors. But over these 19 years it provides the producer an average of between 50 and 60 cents an hour for labor. I could not understand why so 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 1939. 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, 25, 24, 21, and 21. Now, that is what happened in the seventh year of the more abundant life, so far as the labor returns to the farmers of this country are concerned. There is not anyone who can dispute that fact because these figures are from the BAE and this is their study. If there is anybody who believes that 90 percent of parity gives the farmers any more than 50 to 60 cents an hour, I can tell him a good way to prove it to himself. Just go out and buy a farm, pay 50 cents an hour and then sell your product for 90 percent of parity and see how you come out at the end of the year. If you study this Dr. Wiley report you will note that the labor return was over $4 in the Southwest in 1948. But you must remember that wheat was more than parity and the crop was above normal. That is No. 1.

No. 2: I have heard much talk around here in the past few days about the State of Louisiana. I have heard folks saying how we bad Republicans—black Republicans—are against all these things. I just wonder how many people ever checked up and found out that we already have a law which gives the Secretary of Agriculture the authority to fix a minimum wage in one part of American agriculture. Did you know that? Pretty nearly everyone here voted for it, too, and that is the sad part of it, because that is what you voted for in the Sugar Act. What does the Sugar Act provide? The Sugar Act provides that the Secretary of Agriculture—now, remember, this is not some black Republican who cuts the ears off little children and does a lot of bad things—this is a member of the President's Cabinet—then has the authority to fix minimum wages. The Sugar Act provides that the Secretary of Agriculture has carte blanche authority under the law to fix this minimum wage.

So when they tell you that the sugar people in the State of Louisiana is able to get out from under the Lesinski bill they are not giving you all the facts, because the facts are that they are already out from under it because the Secretary of Agriculture, having this carte blanche authority provided in the Sugar Act, said that the minimum wage for Louisiana should be set at 32 cents an hour to 39 cents an hour. Everyone knows about these DP's. They had about 300 of them, and half of them have evaporated; they cannot find them. They heard about what wonderful opportunities they were going to have in the United States and 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, the party who speak so often of minimum-wage legislation, also goes down to Florida and gives them 45 cents an hour minimum wage. The question is, If a member of President's Cabinet has 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. Out in California and Colorado it is 60 and 65 cents an hour. Sugar from California and Colorado must be just as sweet as sugar from the 25-to-45-cent-per-hour area.

I am just talking about the field work. I am not talking about the folks in the factories. So the question is, Here is a member of the President's Cabinet, not any black Republican that cuts off children's ears, but here they are, with carte blanche authority, and they go down to Puerto Rico, and what do they do? They figure that 29 cents an hour is enough for the Puerto Ricans.

Is that how much they are interested today in minimum wages? I hope not.

Then they go to the Virgin Islands and they figure that Puerto Rico's 29 cents is too much and they give them 25 cents an hour. It is in the official letter in the May 20, 1949, RECORD.

So I do not want to be kidded too much in connection with this wage-hour legislation.

I happen to come from a State where labor has had recognition for years and years. The labor legislation in Wisconsin was enacted under Republican administrations, too. Occasionally some outside fellow comes in and tells us how bad we Republicans are, but we do not find all these controversies that you have.

Our State is pretty well divided industrially and agriculturally, as far as business is concerned. In that State you do not find anybody who is antilabor 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 be one of the reasons why fundamentally you will find Wisconsin right out in front. If forward-looking laws do not work out satisfactorily, we get rid of them. We even had an OPA in 1930. 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 this 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 a fine contribution the other day. 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 going to have a few hundred wheat growers in the United States and a few hundred cotton growers in the United States, and so on down the line. One wheat grower produces 500,000 to 600,000 bushels 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 some 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 on this land, as far as a minimum wage is concerned, when we can protect the man who owns the land, as we did last week, with a minimum wage—not only a minimum wage but we also provided him a job at 50 or 60 cents an hour—I say to you that we have some responsibility, our Government has a responsibility, to see that the man who does the work has somewhere near comparable support for the labor he does on those farms. Mr. Hugh Mitchell, of the farm-labor section of the AFL, is one of the most constructive labor men I have met in Washington.

But I just believe the time has come when we have to meet that problem. We are going to say, "Well, the farmers do not want to come under it and we will not put them under it." The time is coming when we had better broaden the base for minimum wages or take it off the books altogether. I for one am willing to stand up and be counted to broaden the base from one end to the other, because if it has merit to it, it has merit for the many as well as for the few.

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

Mr. MURRAY of Wisconsin. I yield.

Mr. McCARTHY. The gentleman raised a question as to those who voted against the Gore bill.

Mr. MURRAY of Wisconsin. I said I was much surprised the other day to see them vote against the Gore bill knowing that it provided only 50 to 60 cents an hour minimum wage.

Mr. McCARTHY. It was a sliding scale.

Mr. MURRAY of Wisconsin. No. There was no slide to it for 90 percent of American agriculture.

Mr. LESINSKI. Mr. Chairman, I yield 5 minutes to the gentleman from North Carolina [Mr. BARDEN].

Mr. BARDEN. Mr. Chairman, I want to vote for a reasonable, fair, minimum wage law; I would prefer its being 65 cents an hour because I sincerely believe a higher rate would not be good for the economy of the section from which I come. I do not impugn the motives of anyone who thinks otherwise. I do not wish to hear again on this floor the statement that money has been sent to the South and because of that we ought to vote a certain way whether we think that way or not. I simply repeat that the amount of dollars that may have been sent or is to be sent will not have, nor have they had, in my opinion, any effect whatever upon the formulation or the changing of the conscientious opinions and convictions of the men from that section.

I do not wish to malign anybody for participating in the writing of this Lesinski bill; I simply want to remind the membership of the House again that neither of these bills are committee bills; neither of these bills have been considered by the committee, not 1 minute. Neither of the bills have been approved by a majority of the committee——

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

Mr. BARDEN. If the gentleman will get me more time. The gentleman does not want to deny what I say, does he?

Mr. BAILEY. Yes; I do.

Mr. BARDEN. Then, I will yield.

Mr. BAILEY. Four-fifths of the bill H. R. 5853——

Mr. BARDEN. I am not talking about four-fifths of the bill; I am not talking about nine-tenths of the bill; I am talking about the bill.

Mr. BAILEY. Four-fifths——

Mr. BARDEN. I do not yield further.

I want to call to your attention some of the "bugs," and I repeat that neither of these bills are committee bills, and the gentleman from West Virginia knows it. Now, I want to call to your attention some real "bugs" in this bill that you had better be thinking about. The most important thing in this bill is not the 65- or 75-cent rate, because the amount in either bill can be changed, but it is the internal part of the bill that you must consider and amend.

On pages 27 and 28 you will find the widest rule-making regulation and order-making power ever granted to anybody in the halls of this Congress. And what does it carry with it? The violation of any regulation, or order, or interpretation by the Administrator carries a fine of $10,000 and imprisonment for 6 months, or both. Has it reached the point that this House is going to delegate that kind of power to an administrator of an act of this kind? Who has gone so far afield as he has in the past? Just think of it, that one man could make a regulation or an order and that you would be subject to a fine of $10,000 and imprisonment in jail for 6 months or both. And that is the Lesinski bill.

Was it by accident that it simply overlooked the retroactive provision that we put in the overtime-on-overtime 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 put in this bill? 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 expanded, and I do not fear so much the coverage as I do the unlimited power of one man. I say to you that no one man should have the power that is granted in the Lesinski bill—to impose so much penalty. If he is a good man he should not want it; if he is a bad man he should not have that power in this great country of ours.

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 Lucas bill preferable.

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 was no objection.

Mr. O'SULLIVAN. Mr. Chairman, I support heartily, with a few prospective slight amendments, the Lesinski bill, H. R. 5856, 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 at this time it needs a little progressive 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 high and mighty," and 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 in the lower wage scale brackets who are engaged in work tasks involving interstate commerce, or who are producing or working upon goods, wares, and merchandise which are to be sold and 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, 1,500,000 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.

The strong Government 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 earthly riches above ideas that all labor is entitled to that fair and just wage which moral decency dictates should be paid, not only in the interests of the workers and their dependents, but the sound economy and the Christian welfare of all of the people of the Republic.

Many States of the Union have adopted minimum-wage laws patterned after our national legislation.

Instead of carrying on my discussion further upon the merits of the bill I believe it would be more clarifying and helpful to give you the benefit of the contents of a telegram and a statement, which I will place in the Appendix of the RECORD. They state more succinctly than I am able to do, the meritorious side of these very necessary workers and hence I recommend these documents to you for your careful consideration.

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 movement to lower the minimum hourly wage, as the index of 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, frustrating scheme would certainly be, I think, "confusion's legislative masterpiece."

Mrs. WOODHOUSE. 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 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 including any occupation or process 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 to 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 men. Yet minimum budgets for employed single women living alone prepared over the last 18 months by State labor departments are for Washington $2,231 a year, California (Heller Foundation) $2,218, Arizona $1,953, New York $2,087, Connecticut $1,949. Taking the manufacturing average working week as 40 hours and 50 weeks in the year, incidentally a very high average to assume under current conditions, these minimum budgets for employed single women would call for an hourly wage of from 97 cents an hour in Connecticut and Arizona to $1.11 in Washington. How then can we regard 75 cents an hour for an adult man with a family as high? It is a very bare minimum of subsistence wage.

A 65-cents-an-hour minimum wage would benefit fewer than 500,000 workers or about 2 percent of those now covered. Wages have gone up, as we all know, since 1938. Most workers who get less than 65 cents an hour are barely below that figure.

A 75-cents-an-hour minimum would benefit 1,500,000 workers but would raise the total wage paid covered workers by less than 1 percent.

The arguments against the 75-cents-an-hour minimum are echoes of the arguments of the opponents of the 1938 bill. The cry is that prices will go up, unemployment increase, the marginal worker lose his job and national purchasing power decline. The same people who protested the 25-cent minimum are making the same protests against the proposed 75-cents-an-hour minimum and their arguments and predictions are as fallacious today as they were a decade ago.

In 1938 it was argued that hundreds of thousands of workers would be thrown out of work because employers would be squeezed between high costs and low prices. Actually between May 1938 and May 1939 employment increased by 680,000. Unemployment did not increase, the marginal worker did not lose his job, business did not go bankrupt. Exactly the contrary happened.

A flexible minimum wage rising and falling within the fixed limits, in the proposal of H. R. 5894—Lucas bill—50 cents to 65 cents, may at first sight seem very reasonable. But it is first, not in accord with traditional American philosophy and practices and second, it would make for serious difficulties in administration.

A flexible minimum changed annually would make for uncertainty for both employer and employee. Yet today both American business and American labor are seeking stability and a stable progressing economy is most definitely the goal of the present administration and of most of the legislation touching on industrial life introduced into this Congress. A minimum wage tied to the cost of living would go down with any reduction in the cost of living. If the minimum wage goes down even a few cents this would look like Government approval of a wage cut and employers who might not otherwise reduce wages would be encouraged to do so.

Though we have had many years of experience with State minimum wage laws it is worth noting that no State has experimented with a minimum tied to the cost of living. It serves rather risky to experiment first on a nationwide scale.

The Bureau of Labor Statistics Consumer Price Index admittedly does not measure total living costs of low-income workers throughout the country. It is rather a measure of prices paid by moderate-income families in larger cities. So the measure of change is not really satisfactory. Then we must consider the serious difficulties involved in administering a minimum wage which changed from year to year. A large percentage of cases of failure to comply have been due to misunderstanding of the law rather than to deliberate intention to evade the law. With a minimum changing from year to year, this problem in administration would be greatly enlarged.

But more important, this idea of a flexible minimum is against the American tradition that all of us share in increasing national prosperity. While unfortunately, we have had booms and busts our economic curve has gone steadily upward. Our national income, our national production, our man-hour productivity have gone up. Wages have followed. While not always getting his full share the American workman's standard of living has gone up with our increasing national production. A flexible minimum tied to a cost-of-living index would hold the standard of living of the lowest-paid worker to a dead level.

This is not only contrary to our American tradition, not only unfair to these low-paid workers who in great proportion do not have the protection of organized collective bargaining, but it would be detrimental to American business.

American business has expanded because purchasing power has expanded. Investment in new business or to expand business is made only if there are prospects of sales. Sales are made only if there is purchasing power. The wages of the workers represent a very great proportion of the annual total purchases.

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 market the goods and services we produce. The traditional business method of meeting a lack of demand by cutting down production and cutting wages makes little sense if we look at the results.

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 have done 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 our high level of production. 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 further long consideration in executive session, produced H. R. 3190, which attempted to meet valid objections to the original committee bill introduced by our chairman. It became rather obvious that the bill would probably be defeated in the House, and I believe all of you realize that H. R. 5856 represents a further compromise which I feel is as far as we are justified in going, if we are to produce legislation of any real value and effect.

Any reduction of the 75-cent minimum provided in H. R. 5856 would, in my opinion, make passage of this legislation a meaningless gesture.

I urge the universal 75-cent minimum, not because I believe this amount will provide a genuinely adequate living wage but as a step forward to the eradication of the worst forms of underpayment discrimination and exploitation of the bargaining weaknesses of American workers.

I urge the 75-cent statutory rate as a means of improving the lot of some 1,250,000 workers now covered by the act who suffer from these exceptionally low wages. The 75-cent minimum provides a wage floor to which no employer can truly and properly object. Those employers who exploit the helplessness of workers by paying them intolerable wages should not be allowed to create unfair competition by paying less than $30 for a 40-hour week.

Substantial changes have occurred in the level of wages, in the costs of living, in the standards of productivity, and in our national income during the past 11 years.

All existing measures of living costs indicate higher minimum wage levels than the 75 cents. The city worker's family budget developed by the United States Bureau of Labor Statistics, which provides only a necessary minimum standard, reflects a living level below which deficiencies exist in one or more aspects of family consumption. It is estimated that this minimum budget, which provides for no savings other than a modest amount of life insurance, would cost as of February 1949, for a family of four, in the lowest-cost city, New Orleans, $3,019 and in the highest-cost city, Seattle, $3,579. The average for 18 cities was $3,300, or on the assumption of 2,000 hours of work, about $1.66 per hour.

Even 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 80 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 93 percent, which in itself justifies a minimum of 77.2 cents per hour.

National income was $67,400,000,000 in 1938. In 1949 it has risen to $224,000,000,000 or 233 percent. Productivity has risen considerably as indicated by the fact that the gross national product (in current dollars) per employed person has risen from $1,916 in 1938 to $4,254 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 fall-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. McCONNELL. Mr. Chairman, I yield 5 minutes to the gentleman from Arkansas [Mr. HAYS].

Mr. HAYS of Arkansas. Mr. Chairman, a friend related to me the other day a conversation he had overheard. Some one said, "How can Mr. HAYS abandon the Democratic leadership on this important bill?" I was pleased for my friend to answer, "Mr. HAYS is a Democrat, but his people cannot take a 75-cent minimum wage."

You do ask an apology for offering what might appear to be a sectional argument; it is not that. If we establish a permanent Federal policy as to minimum wages, we must begin with the low-rated areas. Any unfairness to them would be inconceivable; we simply cannot do that. So, because the people of the South have suffered from a tough wage situation and have done their best in solving it, first with their own resources, and then with some help from the Federal Government, we have made terrific progress in the last few years, and we do not want to lose it. When the record is finally completed I want it to be remembered, not that I opposed the minimum wage proposed by Mr. LESINSKI, but that I favored raising the minimum wage to 65 cents, which is the very highest that our people can stand. It is not going to be much consolation to you when you get home to be able to say to a worker that you helped raise his minimum if you are to be confronted with a question from others thrown out of employment by an inordinately high minimum wage "Why did Congress do it?" I am predicating my case upon this proposition that if you raise the wage beyond 65 cents, you are throwing elements of instability into many phases of our economic life. I am not confining it altogether to the South, though I am more familiar with that. Hear me on this point. The great differentials are not so much between Chicago and Little Rock as they are between Little Rock and some town in western Arkansas and between Chicago and southern Illinois where the costs of living are lower.

In an effort to meet the problem I went before the Committee on Labor and Education thinking that I had something that might appear to them to be a constructive suggestion. In view of the great readjustment through which we now move, a price readjustment, it seemed to me that it would be wise to provide some kind of storm cellar. I do not know what the wage ought to be; nobody knows as a scientific fact what the minimum ought to be. But, if we set it too high and are wrong, then a flexible wage that provides that it may be reduced provides insurance against a collapse, and that is the only purpose of the flexibility feature. If we are wrong, if we fix it at 75 cents, and a terrific decline in the price structure causes unemployment, then we have a readjustment again and the minimum is lowered, you have saved his job, and the business.

Nobody has spoken to this point yet, nobody has told us just what the minimum wage ought to be scientifically, but I think I have some figures that will throw some light on that and, incidentally, I inserted figures in yesterday's RECORD at page 11234, which I think will be helpful.

First take the relationships of 1938, when the law was first adopted, and then take the increase in the cost of living and apply it to the 25-cent minimum, and you come up with 42.7. That is what it

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 you would have. 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. We needed it terribly in Arkansas. Forty-four percent of all the employees in the Nation's lumber industry were getting less than 40 cents an hour when it was put into operation. I think it is a tribute to the lumber industry that they cooperated in raising it, although it meant readjustment. 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 hate to abandon the defense of 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 can be defended, though, if you go to 65 cents I think there is some justification for that. Increased productiveness as well as increased costs since 1938 might be invoked to support it.

Mr. LESINSKI. Mr. Chairman, I yield 5 minutes to the gentleman from Indiana [Mr. JACOBS].

Mr. JACOBS. Mr. Chairman, as I rise to address this body on the question of minimum-wage legislation I am not unmindful of the fact that I am addressing a body that within the last few weeks raised executive salaries in the Government from $15,000 to $25,000 per year. I hope we get substantially the same response from the same people who voted upon that legislation.

In 5 minutes my remarks must of necessity be general. Since there has been so much searching of souls here I feel that I should like to turn an X-ray upon the soul of a plan that has been suggested. There is much talk about who should and who should not be covered, and that is an important matter. I think the cat was let out of the bag here this morning when it was suggested that possibly it would be well to cover only mining, transportation, and manufacturing businesses. Just who would benefit by it, in view of the well-known fact that everyone engaged in those industries already receive more than the minimum?

Then were we being kidded on the square when it was suggested that possibly the wise thing to do would be to make it $5 an hour and exempt everyone, or was it what we lawyers refer to as the res gestae, the facts speaking spontaneously through the speaker rather than the speaker narrating the facts. There have been a good many things said about the Lesinski bill. I cannot answer all of them in 5 minutes, but I can give you a typical example of some of the objections to the validity of those objections. For example, a few days ago we passed the bill H. R. 858. I opposed that bill on the floor, but so far as I am concerned, this body has passed upon it, and I do not think we should debate the question again. That bill carried retroactive provisions so that a violation of the wage-and-hour law in the past was not subject to action for recovery now. Now, I opposed it on the floor, but you folks settled it. I think it should not be reopened. It was said here on the floor a moment ago that under this bill the retroactive provisions that we enacted in H. R. 858 would be revived. That is not true at all. That is an error upon the part of any Member who says so, because the retroactive provisions were in section 2, which were not amendments to the Fair Labor Standards Act at all. They are part of the law, and if we included a retroactive provision in this bill, it would appear twice in the statutes.

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

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

Mr. LUCAS. 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 enacting a completely new 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 $30 a week is too much for any man to receive. I would. But the people who are now finding these fancied flaws in this bill, such as I have just pointed out to you, these people oppose the covering of the very people that many of them are now saying, "Why are they not covered?" That is why.

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

Mr. McCONNELL. Mr. Chairman, I yield the balance of the time to the gentleman from California [Mr. WERDEL].

Mr. WERDEL. Mr. Chairman, I want first to point out to the Committee that there are two vital parts to the Fair Labor Standards Act. The first one is the subject of most of the discussion—particularly by those supporting the bill—so far today. That deals with the minimum wage.

There is another important part of the act, far more vital to all of us throughout the country and that is the maximum hours provision. It is said, and I believe justifiably so, that this bill was originally treated as a political measure. When these minimum wages were first put into effect, they were treated as the subject of legislating a minimum of income for the people of this country. To be sure we were in a recession or depression, but we were on the upgrade and coming out of it, and still 25 cents was the minimum. Then politically it went to 30 cents. Then politically it went to 40 cents. Never, never to date has this Congress had the courage to make that minimum wage contact the economy of this country in any part of it. Never has it had the courage. Now, today, for the first time, we hear reports that a segment of our country interested in a certain industry wants to make that minimum wage high enough to contact the economy of another part of our country which has a lower cost of living. This effort is made by industry not to raise the wages of employees, but in the hope of driving those wage earners' employers out of a competitive field by making it a crime for their employer to stay in business and pay them what he can afford to pay them.

In the bill there are two purposes that have been expressed. One is to guarantee a minimum cost of living to working people. None of us would oppose it. Our opinions differ when we try to pick one figure as a minimum wage to cover the whole of the United States. Surely no one here will debate the fact that the minimum of food, shelter, and clothing in Washington costs much more than it does in the South, or in Arizona, or in parts of my State. When we arbitrarily set a Nation-wide minimum wage, we know it is too low and ineffective in part of the country or so high as to force unemployment in other regions. So much for the minimum wage.

The justification given for the maximum-hours provisions of the law was that we were going to spread employment. By prohibiting employment over 40 hours, except under penalty, the employers would be inclined to employ more people, and spread employment. I am interested in this bill in its entirety, and I assure you I have given it my full attention for the time we have been able to have these two bills. Personally, I like the Lucas bill because it does not differ so much from existing law, which I think is important when we are considering amendment. I hope to say something on that later.

In connection with the State of California and its fruit-growing industry, there is one change in this bill that I want to call to your attention with respect to the canning industry, and only that part of the industry that processes perishable, seasonal fruits and vegetables. There has never been any controversy about the fact that a maximum workweek, and penalty for overtime, cannot be applied and obtain the purpose of the act. I am referring to the purpose of the penalty for overtime hours, which is to spread employment. The imposition of penalty overtime would not result in spreading work. It will not give more people employment. No one in the course of the hearings that were held on the original Fair Labor Standards Act, or at the many hearings that have been since held on the proposals to amend the act, has disputed this.

The issue has always been the extent to which Congress would attempt to apply the principle of spreading work in the business of processing fruits and vegetables. Even though President Green, of the A. F. of L., the present Administrator, Mr. McCombe, and his predecessor, Mr. Metcalf Walling, 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. BARDEN] has already told you about the penalties under these bills, particularly under the Lesinski bill. I wish in particular to draw your attention to section 11. In conjunction with this read also section 2, and in conjunction 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 or order of the Secretary 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 those sections to any one man. Remember that not just the men making less than 75 cents are covered by this act, as the majority leader has said, but every man in organized labor who is engaged in interstate commerce is covered by this act.

If you believe in free collective bargaining, if you believe that there was any degree of sincerity in the administration's opposition to the Taft-Hartley Act, read these paragraphs, then you see the substitute for Government control, for Government order and directive, not only, if you please, for the little man but here lies the rule-making power to destroy collective bargaining.

That was one of the issues before the committee. It is now offered to you here without committee hearings. I ask that you give it your careful attention so that free collective bargaining cannot be interfered with in the absence of a national emergency.

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. Is there objection to the request of the gentleman from Wisconsin?

There was no objection.

Mr. BIEMILLER. Mr. Chairman, this country cannot afford to tolerate sweatshop wages, nor continue the ridiculously outdated 40 cent an hour 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 1947 cost $1,057 a year, or over $20 a week. The price rise of 7 percent by February 1948 has brought this sum to $1,311, or over $21.77 a week. The entire income of thousands of families in the United States today is less than $20 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 of $3,000 or more.

The draft rejection rates during the war illustrate the relation between low income and physical disability. Rejection rates were highest 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 6.5 years to 1.05. Workers on substandard wages cannot afford adequate medical care. What is more, medical facilities often are not available to them. In States with the lowest per-capita income are to be found 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 result is a higher mortality rate from tuberculosis, malaria, and similar diseases in States with the lowest per capita incomes.

Educational opportunities are limited and housing is poor for families of low-paid workers. Where the per capita income is lowest is to be found the highest proportion of population with no schooling at all or with the fewest school years completed. The people who lack money for proper food, for doctors, whose children are deprived of the opportunity for education, are the same as those who must live in the miserable houses deserted by their more fortunate neighbors.

Children born and brought up in families with substandard incomes are handicapped from the beginning. They are undernourished, and deprived of the opportunity for education and training that would enable them to rise above the economic level of their origin. At an early age they are pushed into factory or mill to help with the family support. They marry young and become the progenitors of the next generation of substandard 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 sickness and 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.

A nation cannot safely ignore these facts. A 75-cent minimum wage cannot correct all these evils, but it would be an important protection against the worst of them. Collectively, we have a responsibility to improve the social conditions of which individuals are the helpless victims and for which they are not to blame. Congress is the proper vehicle through which to secure action, and a revised minimum-wage law as an instrument for putting the remedy into effect.

The full cost of a worker's maintaining himself should come out of industry, just as industry is expected to pay for the cost, maintenance, and replacement of the machine which the worker operates. Maintenance of the worker, as of the machine, means keeping him in good working condition, properly fed as the machine is properly fueled, skillfully treated when ill as the machine is repaired when broken. But it also means properly feeding, clothing, housing, and educating his offspring so that they in turn may effectively take their place in the industrial and economic processes of the Nation.

The realization of this basic principle means that the worker's wages must not only be such that he can buy the goods and services necessary for his support and that of his family, but he must be able, through taxes, to contribute to the cost of educating 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 instead of from wages; to the extent to which he must rely on medical care for which he cannot pay and toward which he has not contributed through taxes; to that extent his employer is being subsidized by taxpayers and private charities. Only after meeting the full cost of maintaining its machines and its workers is an industry or 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 addition pay a subsidy to industry in the form of taxes to provide the necessities of life for its workers. A minimum-wage law would relieve the taxpayer of at least a part of the 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 lose the power adequately to perform the functions of their jobs.

Finally, let me drive home the point that low-wage workers are not the least

competent workers. Those receiving less than 75 cents are often highly productive, industrious, and ambitious. But they happen to have drifted into industries which are poorly managed, or the employer is so situated that he can simply force his workers to take what they are given. 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 all single and only work because they want pin money. People who work for low wages do so because there are no other jobs elsewhere open to them, or 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 an hour and those who are fortunate enough to be able to get and hold jobs paying a living wage.

Society owes these victims of our industrial society a certain degree of equality in regard to their basic wage standard. We must not permit industry to become parasitic, 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. LEFEVRE. 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 York?

There was no objection.

Mr. LEFEVRE. Mr. Chairman, I am thoroughly interested in having the definition of a retail establishment clarified. I have favored the last bill introduced by Mr. LUCAS, H. R. 5894. It seems to me that everyone admits that the wage-hour-law was never intended to cover retail and service firms. Therefore, I see no reason why the Congress should have any objection to the spelling out of a clear-cut definition, so we who are in the retail business and interested in the welfare of small business should not have any worries as to the interpretation of the law by the Administrator, whomever he may be.

The present Fair Labor Standards Act was purely an experiment. If such a law is really necessary, it is up to us to improve it, based on the retailers experiences. As a retail dealer in building materials, including lumber, millwork, builders' hardware, paints, and so forth, I can vouch for the fact that a substantial part of our sales goes through the carpenter contractor, the painter, the mason, and the electrician. Except on rare occasions the materials are taken from stock and involve regular retail functions and services. There is no reason in the world why such sales should be classified as resale sales. I feel positive that most of you, whether you were building a new house, remodeling your present home, or making repairs, would make your arrangements through a contractor and, therefore, the materials sold would not be made direct to you from the retailer as a direct-to-consumer sale. In the trade such sales have always been recognized as retail. 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 these are retail sales. 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 pine 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 in industry. 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 sale in the industry 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 hour 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 talking about in our 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 65 cents named in the Lucas bill 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 pending measure or the 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 bill under the 5-minute rule, I hope it will be possible for the Members to remain on the floor and become familiar with both the Lucas substitute and with the Lesinski bill, because certainly there is hardly any legislation that will be proposed in this Congress or any other that is fraught with so much potential effect upon the American people, the American Government, and even the world.

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 nothing to do with the economy of the country. My own conception is that while these 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 did not learn 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 earth—what God gives us 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 1896, 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 1907 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 you could buy a beautiful piece of sliced bacon for 20 cents. But who had the 20 cents? The bread lines and the soup kitchens in this country 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 onto 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 until you hit the bottom of 50 cents, or whatever else is provided. That is all there is to that. Why a minimum wage at all? Because in time of slack purchasing it is natural that the manufacturer or the merchant or the other man will want to move his product. So, in order to do it, he wants to reduce the price, and with manufactured commodities the labor cost is the larger part of it. He begins then to lower his labor. But his competitor has to lower his labor to meet it. So they start, and when they both get to the

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 inspired by the lobbyists that infest 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 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? This says that clarifying regulations may be made. Then there is incorporated in the bill, if you will read it, by reference, both the Administrative Procedure Act enacted 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 wilful 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 wilful 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 know what I was talking about, but the gentleman admits that subsection 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 question.

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 shall be imprisoned 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, from the South, mainly, did work with some of the boys from the North in an effort to try to reach a common agreement. There was no trading. Some little concessions, and they were exceedingly small and no more than the very minimum we thought we could seek, were granted to certain types of southern industry.

Yesterday the gentleman from Ohio [Mr. BROWN] made the statement that he supposed the southerners traded the committee out of a lot. We did not.

But I did have the privilege of working with a number of members of the committee on this bill. I have never met finer gentlemen or dealt with more fair-minded men. What we have tried to bring in is an honest and a forthright bill. I do not tell you that the bill will work or that it is perfect. I can only tell you in my humble judgment, after 3 months of trying to work out with great care with other Members certain provisions, that it is infinitely better than the existing law and infinitely better than anything that has been offered.

For example, the Lucas bill will leave no relief whatever to the merchants and the service institutions along the border lines of every State from Port Arthur to Texarkana, or any other city of the Nation located close to a State line.

Under the 5-minute rule I hope the gentleman from Alabama [Mr. ELLIOTT] will tell you about that. It will leave them to be continually harrassed and sued. They will have to keep records on every delivery across a State line to see whether it was 50 percent or not. Certainly, that is just one of many omissions.

Again we have exempted under that law these local-service institutions, such as laundries, restaurants, hotels, and many other retail establishments. Why limit it to those who have not over 25 percent of wholesale? In order to bar from lifting the coverage from those large institutions that are engaged in wholesale operations in connection with textile mills and thousands of other big plants which to all intents and purposes are part of the larger plant. 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 employer as though he 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 factories 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 delineating 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 find themselves 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.

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

There was no objection.

Mr. WHITTINGTON. Mr. Chairman, the so-called Lesinski bill, H. R. 5856, to provide for the amendment of the Fair Labor Standards Act of 1938, is before us. I favor substituting H. R. 5894, the Lucas bill, for the said Lesinski bill.

The choice is between the 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 as 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 act. 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, a violation of 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 advance, wages may advance. When the costs of living decrease, wages may be reduced. The Lucas bill contains a flexible provision. The minimum wage is fixed at 65 cents, but if the costs of living decrease the rate may be reduced to 50 or 52½ 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 restricted. The operations 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 could wish. Personally 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 should be different from 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 the accommodations 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. Of course there are exceptions in the matter of interstate commerce involving transportation and other large interstate activities.

I urge that the Lucas bill be substituted for the Lesinski bill primarily because of its clarification of the existing Fair Labor Standards Act, of the continuance of the agricultural exemptions under the Secretary of Agriculture and because the coverage is not materially extended, but reduced. In addition exemptions for retailers are clarified and exemptions for other small dealers are increased.

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 APPROVED 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 point in the RECORD.

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 gentlemen 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 desirous 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 majority 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 for his 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 who always and at all times oppose legislation that is in the interest of the masses and labor, will I am sure, support this substitute. These very Republicans did not have the courage or nerve to introduce a bill of their own or any proposal which would improve, if that is possible, the present Lesinski bill, which as I said before, has been debated these past 4 hours. Their sole purpose and aim is to scuttle and destroy the committee bill. My Republican friends and some of the Dixiecrats do not hesitate, however, to vote millions of dollars for foreign labor, but when it comes to fair treatment for the American wage earner they are deaf and blind to their demands and appeals.

I frankly do not think there are a half a dozen Members, with the exception of the inner Republican coalition leaders that are familiar with Mr. LUCAS' bill because day before yesterday, he advocated another bill but when the majority of the members of the Committee on Education and Labor agreed on a compromise bill, eliminating some of the objectionable—to some gentlemen—provisions, the gentleman from Texas [Mr. LUCAS], not to be outdone, excluded these provisions from his bill also and made other changes which very few Members are familiar with. But the meaning of all this, Mr. Chairman, as I said before, is to destroy the committee bill, if possible.

"LUCAS COMPARISON AND NAM"

Yes, I received from the gentleman from Texas [Mr. LUCAS] a copy of a so-called comparison of his bill to the committee bill. I wonder who aided and assisted in the preparation of this 12-page comparison? Is not it possible that it is the work of experts of the highly paid National Association of Manufacturers in conjunction with the Republican leaders—in fact, that is my candid and strong belief. My many years of experience familiarized me with the shrewd and underhand methods employed by the Republicans in attempting to defeat American legislation that tends to aid, relieve, or bring about a decent minimum wage for the underpaid American wage earner.

FUTILE ATTEMPT OF MR. BARDEN

The gentleman from North Carolina [Mr. BARDEN] has tried to instill fear in the membership by quoting the provisions of the committee bill tha relate to the new power given to the Secretary of Labor and also the penal provisions effective on violation of this proposed bill; but he does not state that all of these provisions apply to second offenders and are not within the power of the Secretary of Labor, for such offenders have a right of appeal and due process through our courts. No, he would not mention that, but the gentleman from Texas, Judge COMES, I feel, has corrected the gentleman from North Carolina, Mr. BARDEN'S views on this point, for the gentleman from North Carolina [Mr. BARDEN] at all times opposes every worth-while bill which might in the slightest degree aid and further the cause of labor. Is all this for the purpose of protecting the Republican carpet-bagger manufacturers who sold out their employees in the East and the West and moved to North Carolina and other Southern States, for the sole purpose of obtaining cheap labor?

WORTHLESS SLIDING SCALE

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 on 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; the inducement 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 who can least afford them.

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

Contracts will be uncertain. The minimum wage may rise during the life of a contract for manufacture taken during the latter part of the year. What price shall the manufacturer quote? Workers will be unemployed if the firm waits to see what the new minimum will be.

Firms placing contracts may wait if it appears that a reduction in the minimum will take place. Perhaps the principal can find a firm that will cut wages with a reduction in the minimum and quote a price a few cents a dozen lower. That may cause unemployment among the workers where the buying organization normally placed its contracts.

Reasonable stability is replaced by chronic instability and uncertainty.

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-wage industries. (It is not proposed to tie the salaries of corporation 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 workers in the lowest wage categories, during depression periods.

The proposal to adopt a policy which will encourage wage reductions for the lowest wage workers if the cost of living declines slightly runs counter to these practices.

All of this sliding-scale talk is on the theory that the country may suffer the throes of a recession and the employers may not be able to pay a minimum of 75 cents per hour or $30 per week, if the employees are employed the entire week.

The Republicans, I am confident, would like to see a recession brought about so that it could be used by them for political purposes notwithstanding the damage and harm that it would bring to our economy and to our country. No, they are not interested in the welfare of our great country, but uppermost in their heads is how to fool and mislead the American people in obtaining their votes to serve the vested interests and to accomplish therefrom their selfish ends.

CONTINUED PROSPERITY AND HEALTHY ECONOMIC CONDITIONS

As a matter of fact, that great Republican National City Bank of New York stated in their recent Monthly Letter as follows:

The business news during July has borne out indications that began to appear in June that the hand-to-mouth buying policies and reduction of inventories since the first of the year were clearing the way for an upturn of demand in many lines. For the first time since the slump set in, buying in substantial volume appeared in nonferrous metals, primary textiles, and various other industries, bringing firmer prices in numerous cases and a better feeling throughout business generally.

The American Bankers Association told Senators there is no danger of a real depression, and that business is in fact showing a pick-up.

In the Washington Evening Star of August 3, 1949, Mr. Earl R. Muir, president of the Louisville, Ky., Trust Co., said there can be no real depression when we have in the hands of millions of people some $175,000,000,000 in savings and deposits. We are going through a very fine period of readjustment.

In this same connection, conditions cannot be too bad for witness the statement that appeared in the New York Times under date of August 7, 1949, relative to the Chrysler Corp. profits—this is only one corporation, and many similar situations exist as I have pointed out from time to time in my remarks:

FIFTY-THREE MILLION TWO HUNDRED AND TWENTY-TWO THOUSAND EIGHT HUNDRED AND FORTY-THREE DOLLARS IS CLEARED BY CHRYSLER IN HALF YEAR

A net profit of $53,222,843, 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 $13,080,524 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 $35,786,010, or $4.11 a share, including $7,318,918 from foreign subsidiaries.

Net sales for half year were $950,927,855, against $662,812,815, covering 573,289 cars and trucks, compared with 439,159 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.

BARKING UP WRONG TREE

Therefore, Mr. Chairman, I feel it is fair to state that the gentleman from Texas [Mr. LUCAS] is barking 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.

ORGANIZED 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 measley 75 cents minimum or $30 per week as provided for herein; rather it will aid and assist unorganized labor, many white-collar workers who receive less than 75 cents per hour, and again, unfortunately, there are many hundreds of thousands of them that find it impossible to make both 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 why men 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 that, further, they can be so untrue 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 that unfortunately has been formed and has existed for nearly 4 years will not succeed in defeating this extremely meritorious and fair bill that was reported, as I said, after many months of careful consideration by the Committee on Education and Labor.

Mr. Chairman, though this bill has excluded many of the provisions that should have been covered under a minimum-wage bill, I, nevertheless, support it vigorously because it is the best bill that we can secure, due to the unholy alliance, as I said, that exists on the part of the Republicans and the Dixiecrats.

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 Clerk'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 act may be cited as the "Fair Labor Standards Act of 1949."

"'SEC. 2. (a) 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 commerce and the channels and instrumentalities 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; (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.

"'(b) It is hereby declared to be the policy of this act, through the exercise by Congress of its power to regulate commerce among the several States and with foreign nations, to correct and as rapidly as practicable to eliminate the conditions above referred to in such industries without substantially curtailing employment or earning power.

"'DEFINITIONS

"'SEC. 3. As used in this act—

"'(a) "Person" means an individual, partnership, association, corporation, business trust, legal representative, or any organized group of persons.

"'(b) "Commerce" means trade, commerce, transportation, transmission, or communication among the several States or between any State and any place outside thereof.

"'(c) "State" means any State of the United States or the District of Columbia or any Territory or possession of the United States.

"'(d) "Employer" includes any person acting directly or indirectly in the interest of an employer in relation to an employee but shall not include the United States or any State or political subdivision of a State, or any labor organization (other than when acting as an employer), or anyone acting in the capacity of officer or agent of such labor organization.

"'(e) "Employee" includes any individual employed by an employer.

"'(f) "Agriculture" includes farming in all its branches and among other things includes the cultivation and tillage of the soil, dairying, the production, cultivation, growing, and harvesting of any agricultural or horticultural commodities (including commodities defined as agricultural commodities in section 15 (g) of the Agricultural Marketing Act, as amended), the raising of livestock, bees, fur-bearing animals, or poultry, and any practices (including any forestry or lumbering operations) performed by a farmer or on a farm as an incident to or in conjunction with such farming operations, including preparation for market, delivery to storage or to market or to carriers for transportation to market.

"'(g) "Employ" includes to suffer or permit to work.

"'(h) "Industry" means a trade, business, industry, or branch thereof, or group of industries, in which individuals are gainfully employed.

"'(i) "Goods" means goods (including ships and marine equipment), wares, products, commodities, merchandise, or articles or subjects of commerce of any character, or any part or ingredient thereof, but does not include goods after their delivery into the actual physical possession of the ultimate consumer thereof other than a producer, manufacturer, or processor thereof.

"'(j) "Produced" means produced, manufactured, mined, handled, or in any other manner worked on in any State; and for the purposes of this act an employee shall be deemed to have been engaged in the production of goods if such employee was employed in producing, manufacturing, mining, handling, transporting, or in any other manner working on such goods, or in any closely related process or occupation indispensable to the production thereof, in any State.

"'(k) "Sale" or "sell" includes any sale, exchange, contract to sell, consignment for sale, shipment for sale, or other disposition.

"'(l) "Resale" shall not include the sale of goods to be used in residential or farm building construction, repair, or maintenance.

"'(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 employing his own child or a child in his custody under the age of 16 years in an occupation other than manufacturing or mining or other than an occupation found by the Administrator to be particularly hazardous for the employment of children between the ages of 16 and 18 years or detrimental to their health or well-being) in any occupation, or (2) any employee between the ages of 16 and 18 years is employed by an employer in any occupation which the Administrator shall find and by order declare to be particularly hazardous for the employment of children between such ages or detrimental to their health or well-being; but 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. The Administrator shall provide by regulation or by order that the employment of employees between the ages of 14 and 16 years in occupations other than 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) "Wage" 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 facilities, if such board, lodging, or other facilities are customarily furnished by such employer to his 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 an administrator, to be known as the Administrator of the Wage and Hour Division (in this act referred to as the "Administrator"). The Administrator shall be appointed by the President, by and with the advice and consent of the Senate, and shall receive compensation at the rate of $15,000 a year.

"'(b) The Administrator may, subject to the civil-service laws, appoint such employees as he deems necessary to carry out his functions and duties under this act and shall fix their compensation in accordance with the Classification Act of 1923, as amended. The Administrator may establish and utilize such regional, local, or other agencies, and utilize such voluntary and uncompensated services, as may from time to time be needed. Attorneys appointed under this section may appear for and represent the Administrator in any litigation, but all such litigation shall be subject to the direction and control of the Attorney General. In the appointment, selection, classification, and promotion of officers and employees of the Administrator, no political test or qualification shall be permitted or given consideration, but all such appointments and promotions shall be given and made on the basis of merit and efficiency.

"'(c) The principal office of the Administrator shall be in the District of Columbia, but he or his duly authorized representative may exercise any or all of his powers in any place.

"'(d) The Administrator shall submit annually in January a report to the Congress covering his activities for the preceding year and including such information, data, and recommendations for further legislation in connection with the matters covered by this act as he may find advisable.

"'(e) No provision of this act imposing any liability, disability, or punishment shall apply to any act done or omitted in good faith in conformity with any written regulation, order, or interpretation of the Administrator or the Secretary of Agriculture, as the case may be, notwithstanding that such regulation, order, or interpretation may, after such act or omission, be amended or rescinded or determined by judicial authority to be invalid for any reason.

"'SPECIAL INDUSTRY COMMITTEES FOR PUERTO RICO AND THE VIRGIN ISLANDS

"'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 the Administrator may appoint separate industry committees to recommend the minimum rate or rates of wages to be paid under section 6 to employees therein engaged in commerce or in the production of goods for commerce in particular industries. An industry committee appointed under this subsection shall be composed of residents of such island or islands where the employees with respect to whom such committee was appointed are employed and residents of the United States outside of Puerto Rico and the Virgin Islands. In determining the minimum rate or rates of wages to be paid, and in determining classifications, such industry committees and the Administrator shall be subject to the provisions of section 8.

"'(b) An industry committee shall be appointed by the Administrator without regard to any other provisions of law regarding the appointment and compensation of employees of the United States. It shall include a number of disinterested persons representing the public, one of whom the Administrator shall designate as chairman, a like number of persons representing employers in the industry, and a like number representing employees in the industry. In the appointment of the persons representing each group, the Administrator shall give due regard to the geographical regions in which the industry is carried on.

"'(c) Two-thirds of the members of an industry committee shall constitute a quorum, and the decision of the committee shall require a vote of not less than a majority of all its members. Members of an industry committee shall receive as compensation for their services a reasonable per diem, which the Administrator shall by rules and regulations prescribe, for each day actually spent in the work of the committee, and shall in addition be reimbursed for their necessary traveling and other expenses. The Administrator shall furnish the committee with adequate legal, stenographic, clerical, and other assistance, and shall by rules and regulations prescribe the procedure to be followed by the committee.

"'(d) The Administrator shall submit to an industry committee from time to time such data as he may have available on the matters referred to it, and shall cause to be brought before it in connection with such matters any witnesses whom he deems material. An industry committee may summon other witnesses or call upon the Administrator to furnish additional information to aid it in its deliberations.

"'MINIMUM WAGES

"'SEC. 6. (a) Except as otherwise provided in this act, every employer shall pay to each of his employees who is engaged in commerce or in the production of goods for commerce wages at the following rates:

"'(1) Until and including December 31, 1949, not less than 65 cents an hour.

"'(2) For each calendar year after 1949, not less than the rate prescribed for such year in the applicable order of the Administrator determined and issued as follows: On or before the 10th day of December 1949 and on or before the 10th day of December of 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 minimum piece rate prescribed by regulation or order; or, if no such minimum piece rate is in effect, any piece rate adopted by such employer which shall yield, to the proportion or class of employees prescribed by regulation or order, not less than the applicable minimum hourly wage rate. Such minimum piece rates or employer piece rates shall be commensurate with, and shall be paid in lieu of, the minimum hourly wage rate applicable under the provisions of this section. The Administrator, or his authorized representative, shall have power to make such regulations or orders as are necessary or appropriate to carry out any of the provisions of this paragraph, including the power without limiting the generality of the foregoing, to define any operation or occupation which is performed by such home-work employees in Puerto Rico or the Virgin Islands; to establish minimum piece rates for any operation or occupation so defined; to prescribe the method and procedure for ascertaining and promulgating minimum piece rates; to prescribe standards for employer piece rates, including the proportion or class of employees who shall receive not less than the minimum hourly wage rate; to define the term "home worker"; and to prescribe the conditions under which employers, agents, contractors, and subcontractors shall cause goods to be produced by home workers.

"'(b) The provisions of paragraphs (1) and (2) of subsection (a) of this section shall be superseded in the case of any employee in Puerto Rico or the Virgin Islands engaged in commerce or in the production of goods for commerce only for so long as and insofar as such employee is covered by a wage order heretofore or hereafter issued by the Administrator pursuant to the recommendations of a special industry committee appointed pursuant to section 5: *Provided*, That the wage order in effect prior to the effective date of this act for any industry in Puerto Rico or the Virgin Islands shall apply to every employee in such industry covered by subsection (a) of this section until superseded by a wage order hereafter issued pursuant to the recommendations of a special industry committee appointed pursuant to section 5.

"'MAXIMUM HOURS

"'SEC. 7. (a) Except as otherwise provided in this section, no employer shall employ any of his employees who is engaged in commerce or in the production of goods for commerce for a workweek longer than 40 hours, unless such employee receives compensation for his employment in excess of the hours above specified at a rate not less than one and one-half times the regular rate at which he is employed.

"'(b) No employer shall be deemed to have violated subsection (a) by employing any employee for a workweek in excess of that specified in such subsection without paying the compensation for overtime employment prescribed therein if such employee is so employed—

"'(1) in pursuance of an agreement, made as a result of collective bargaining by representatives of employees certified as bona fide by the National Labor Relations Board, which provides that no employee shall be employed more than 1,040 hours during any period of 26 consecutive weeks; or

"'(2) in pursuance of an agreement, made as result of collective bargaining by representatives of employees certified as bona fide by the National Labor Relations Board, which provides that during a specified period of 52 consecutive weeks the employee shall be employed not more than 2,240 hours and shall be guaranteed not less than 1,840 hours (or not less than 46 weeks at the normal number of hours worked per week, but not less than 30 hours per week) and not more than 2,080 hours of employment for which he shall receive compensation for all hours guaranteed or worked at rates not less than those applicable under the agreement to the work performed and for all hours in excess of the guaranty which are also in excess of 40 hours in the workweek or 2,080 in such period at rates not less than one and one-half times the regular rate at which he is employed; or

"'(3) for a period or periods of not more than 14 workweeks 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, as the case may 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, buttermilk, whey, skimmed milk, or cream into dairy products, or in the ginning and compressing cotton, or in the processing of cottonseed, or in the processing of sugar beets, sugarbeet molasses, sugarcane, or maple sap, into sugar (but not refined sugar) or into sirup, the provisions of subsection (a) shall not apply to his employees in any place of employment where he is so engaged; and in the case of an employer engaged in the first processing of, or in canning or packing, perishable or seasonal fresh fruits or vegetables, or in the first processing, within the area of production (as defined by the Secretary of Agriculture), of any agricultural or horticultural commodity during seasonal operations, or in handling, slaughtering, or dressing poultry or livestock, the provisions of subsection (a), during a period or periods of not more than 14 workweeks in the aggregate in any calendar year, shall not apply to his employees in any place of employment where he is so engaged.

"'(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 the nature of gifts made at Christmas time or on other special occasions, as a reward for service, the amounts of which are not measured by or dependent on hours worked, production, or efficiency;

"'(2) payments made for occasional periods when no work is performed due to vacation, holiday, illness, failure of the employer to provide sufficient work, or other similar cause; reasonable payments for traveling expenses, or other expenses, incurred by an employee in the furtherance of his employer's interests and properly reimbursable by the employer; and other similar payments to an employee which are not made as compensation for his hours of employment;

"'(3) sums paid in recognition of services performed during a given period if either, (a) both the fact that payment is to be made and the amount of the payment are determined at the sole discretion of the employer at or near the end of the period and not pursuant to any prior contract, agreement, or promise causing the employee to expect such payments regularly; or (b) the payments are made pursuant to a bona fide profit-sharing 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;

"'(4) contributions irrevocably made by an employer to a trustee or third person pursuant to a bona fide plan for providing old-age, retirement, life, accident, or health insurance or similar benefits for employees;

"'(5) extra compensation provided by a premium rate paid for certain hours worked by the employee in any day or workweek because such hours are hours worked in excess of 8 in a day or 40 in a workweek or in excess of the employee's normal working hours or regular working hours, as the case may be;

"'(6) extra compensation provided by a premium rate paid for work by the employee on Saturdays, Sundays, holidays, or regular days of rest, or on the sixth or seventh day of the workweek, where such premium rate is not less than one and one-half times the rate established in good faith for like work performed in nonovertime hours on other days; or

"'(7) extra compensation provided by a premium rate paid to the employee, in pursuance of an applicable employment contract or collective-bargaining agreement, for work outside of the hours established in good faith by the contract or agreement as the basic, normal, or regular workday (not exceeding 8 hours) or workweek (not exceeding 40 hours), where such premium rate is not less than one and one-half times the rate established in good faith by the contract or agreement for like work performed during such workday or 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 employee 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 6 (a) and compensation at not less than one and one-half times such rate for all hours worked in excess of 40 in any workweek and (2) provides a weekly guaranty of pay for not more than 60 hours based on the rates so specified.

"'(f) No employer shall be deemed to have violated subsection (a) by employing any employee for a workweek in excess of 40 hours if, pursuant to an agreement or understanding arrived at between the employer and the employee before performance of the work, the amount paid to the employee for such employment in excess of 40 hours—

"'(1) in the case of an employee employed at piece rates, is computed at piece rates not less than one and one-half times the bona fide piece rates applicable to the same work when performed during nonovertime hours; or

"'(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 and one-half times such bona fide rates applicable to the same work when performed during nonovertime hours;
and if (i) the employee's average hourly earnings for the workweek exclusive of payments described in paragraphs (1) through (7) of subsection (d) are not less than the minimum hourly rate required by applicable law, and (ii) extra overtime compensation is properly computed and paid on other forms of additional pay required to be included in computing the regular rate.

"'(g) Extra compensation paid as described in paragraphs (5), (6), and (7) of subsection (d) shall be creditable 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 is to reach as rapidly as is economically feasible without substantially curtailing employment the objective of a minimum wage as prescribed pursuant to paragraph (2) of section 6 (a) in each such industry. The Administrator shall from time to time convene an industry committee or committees, appointed pursuant to section 5, and any such industry committee shall from time to time recommend the minimum rate or rates of wages to be paid under section 6 by employers 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 in any such industry or classifications therein.

"'(b) Upon the convening of any such industry committee, the Administrator shall refer to it the question of the minimum-wage rate or rates to be fixed for such industry. The industry committee shall investigate conditions in the industry and the committee, or any authorized subcommittee 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, will not substantially curtail employment in the industry, and will not give any industry in Puerto Rico or in the Virgin Islands a competitive advantage over any industry in the United States outside of Puerto Rico and the Virgin Islands.

"'(c) The industry committee shall recommend such reasonable classifications within any industry as it determines to be necessary for the purpose of fixing for each classification within such industry the highest minimum-wage rate (not in excess of that prescribed pursuant to paragraph (2) of section 6 (a)) which (1) will not substantially curtail employment in such classification and (2) will not give a competitive advantage to any group in the industry, and shall recommend for each classification in the industry the highest minimum-wage rate which the committee determines will not substantially curtail employment in such classification. In determining whether such classifications should be made in any industry, in making such classifications, and in determining the minimum-wage rates for such classifications, no classifications shall be made, and no minimum-wage rate shall be fixed, solely on a regional basis, but the industry committee and the Administrator shall consider among other relevant factors the following:

"'(1) Competitive condition as affected by transportation, living, and production costs.

"'(2) The wages established for work of like or comparable character by collective labor agreements negotiated between employers and employees by representatives of their own choosing.

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

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

"'(d) The industry committee shall file with the Administrator a report containing its recommendations with respect to the matters referred to it. Upon the filing of such report, the Administrator, after due notice to interested persons, and giving them an opportunity to be heard, shall by order approve and carry into effect the recommendations contained in such report, if he finds that the recommendations are made in accordance with law, are supported by the evidence adduced at the hearing, and, taking into consideration the same factors as are required to be considered by the industry committee, will carry out the purposes of this section; otherwise he shall disapprove such recommendations. If the Administrator disapproves such recommendations, he shall again refer the matter to such committee, or to another industry committee for such industry (which he may appoint for such purpose), for further consideration and recommendations.

"'(e) Orders issued under this section shall define the industries and classifications therein to which they are to apply, and shall contain such terms and conditions as the Administrator finds necessary to carry out the purposes of such orders, to prevent the circumvention or evasion thereof, 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.

"'(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.

"'ATTENDANCE OF WITNESSES

"'SEC. 9. For the purpose of any hearing or investigation provided for in this act, the provisions of sections 9 and 10 (relating to the attendance of witnesses and the production of books, papers, and documents) of the Federal Trade Commission Act of September 16, 1914, as amended (U. S. C., 1946 edition, title 15, secs. 49 and 50), are hereby made applicable to the jurisdiction, powers, and duties of the Administrator and the industry committees.

"'COURT REVIEW

"'SEC. 10. (a) Any person aggrieved by an order of the Administrator issued under section 8 may obtain a review of such order in the United States court of appeals for any circuit wherein such person resides or has his principal place of business, or in the United States Court of Appeals for the District of Columbia circuit, by filing in such court, within 60 days after the entry of such order, a written petition praying that the order of the Administrator be modified or set aside in whole or in part. A copy of such petition shall forthwith be served upon the Administrator, and thereupon the Administrator shall certify and file in the court a transcript of the record upon which the order complained of was entered. Upon the filing of such transcript such court shall have exclusive jurisdiction to affirm, modify, or set aside such order in whole or in part, so far as it is applicable to the petitioner. The review by the court shall be limited to questions of law, and findings of fact by the Administrator when supported by a preponderance of the evidence shall be conclusive. No objection to the order of the Administrator shall be considered by the court unless such objection shall have been urged before the Administrator or unless there were reasonable grounds for failure so to do. If application is made to the court for leave to adduce additional evidence, and it is shown to the satisfaction of the court that such additional evidence may materially affect the result of the proceeding and that there were reasonable grounds for failure to adduce such evidence in the proceeding before the Administrator, the court may order such additional evidence to be taken before the Administrator and to be adduced upon the hearing in such manner and upon such terms and conditions as to the court may seem proper. The Administrator may modify his findings by reason of the additional evidence so taken, and shall file with the court such modified or new findings which if supported by a preponderance of the evidence shall be conclusive, and shall also file his recommendation, if any, for the modification or setting aside of the original order. The judgment and decree of the court shall be final, subject to review by the Supreme Court of the United States upon certiorari or certification as provided in title 28, United States Code, section 1254.

"'(b) The commencement of proceedings under subsection (a) shall not, unless specifically ordered by the court, operate as a stay of the Administrator's order. The court shall not grant any stay of the order unless the person complaining of such order shall file in court an undertaking with a surety or sureties satisfactory to the court for the payment to the employees affected by the order, in the event such order is affirmed, of the amount by which the compensation such employees are entitled to receive under the order exceeds the compensation they actually receive while such stay is in effect.

"'INVESTIGATIONS, INSPECTIONS, AND RECORDS

"'SEC. 11. (a) The Administrator or his designated representatives may investigate and gather data regarding the wages, hours, employment of minors and other conditions, and practices of employment in any industry subject to this act, and may enter and inspect such places and such records (and make such transcriptions thereof), question such employees, and investigate such facts, conditions, practices, or matters as he may deem necessary or appropriate to determine whether any person has violated any provision of this act, or which may aid in the enforcement of the provisions of this act. The Administrator shall utilize the bureaus and divisions of the Department of Labor for all the investigations and inspections necessary under this section. The Administrator shall bring all actions under section 17 to restrain violations of this act.

"'(b) With the consent and cooperation of State agencies charged with the administration of State labor laws, the Administrator may, for the purpose of carrying out his functions and duties under this act, utilize the services of State and local agencies and their employees and, notwithstanding any other provision of law, may reimburse such State and local agencies and their employees for services rendered for such purposes.

"'(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 of the persons employed by him and of the wages, hours, and other conditions and practices of employment maintained by him, and shall preserve such records for such periods of time, and shall make such reports therefrom to the Administrator as he shall prescribe by regulation or order as necessary

or appropriate for the enforcement of the provisions 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 removal of such goods therefrom any oppressive child labor has been employed: *Provided*, That any such shipment or delivery for shipment of such goods by a purchaser who acquired them after such oppressive child labor has been employed shall not be deemed prohibited by this subsection if such purchaser proves that he was 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 the act: *And provided further*, That a prosecution and conviction of a defendant for the shipment or delivery for shipment of any goods under the conditions herein prohibited shall be a bar to any further prosecution against the same defendant for shipments or deliveries for shipment of any such goods before the beginning of said prosecution.

"'(b) No employer shall employ any oppressive child labor in commerce or 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, profession, or local retailing capacity, or in the capacity of outside salesman (as such terms are defined and delimited 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 (or of both) is not for resale and is recognized as retail sales or services in the particular industry; or (3) any employee employed by any establishment engaged in laundering, cleaning, or repairing clothing or fabrics, more than 50 percent of which establishment's annual dollar volume of sales of such services is made within the State in which the establishment is located, provided that 75 percent of such establishment's annual dollar volume of sales of such services is made to customers who are not engaged in a mining, manufacturing, transportation, or communications business; or (4) any employee employed by an establishment which qualifies as a retail establishment under paragraph (2) of this subsection and is recognized as a retail establishment in the particular industry notwithstanding that such establishment makes or processes the goods that it sells; or (5) any employee employed as a seaman; or (6) any employee employed in the catching, taking, harvesting, cultivating, or farming of any kind of fish, shellfish, crustacea, sponges, seaweeds, or other aquatic forms of animal and vegetable life, including the going to and returning from work and including employment in the loading, unloading, or packing of such products for shipment or in propagating, processing, marketing, freezing, canning, curing, storing, or distributing the above products or byproducts thereof; or (7) any employee employed in agriculture; or (8) any employee to the extent that such employee is exempted by regulations or orders of the Administrator issued under section 14; or (9) any employee employed in connection with the publication of any weekly or semiweekly newspaper with a circulation of less than 5,000, the major part of which circulation is within the county where printed and published or counties contiguous thereto; or (10) any employee of a street, suburban, or interurban electric railway, or local trolley or motorbus carrier, not included in other exemptions contained in this section; or (11) any individual employed within the area of production (as defined by the Secretary of Agriculture), engaged in handling, packing, storing, ginning, compressing, pasteurizing, drying, preparing in their raw or natural state, or canning of agricultural or horticultural commodities for market, or in making cheese or butter or other dairy products; or (12) any switchboard operator employed in a public-telephone exchange which has less than 750 stations; or (13) any employee of an employer engaged in the business of operating taxicabs; 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 would not otherwise apply, engaged in handling telegraphic messages for the public under an agency or contract arrangement with a telegraph company where the telegraph message revenue of such agency does not exceed $500 a month; or (15) any employee employed in planting or tending trees, cruising, surveying, or felling timber, or in preparing, processing, or transporting logs or other forestry products, prior to the completion of the processing thereof in and about a sawmill, if the number of employees employed by his employer in forestry or lumbering operations does not exceed 12; or (16) any employee employed in connection with the operation or maintenance of ditches, canals, reservoirs, or waterways, not owned or operated for profit, and which are used exclusively for supply and storing of water for agricultural purposes.

"'(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 I 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 while not legally required to attend school 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 learners, of apprentices, and of messengers employed exclusively in delivering letters and messages, under special certificates issued pursuant to regulations of the Administrator, at such wages lower than the minimum wage applicable under section 6 and subject to such limitations as to time, number, proportion, and length of service as the Administrator shall prescribe; and (2) the employment of individuals whose earning capacity is impaired by age or physical or mental deficiency or injury, under special certificates issued by the Administrator, at such wages lower than the minimum wage applicable under section 6 and for such period as shall be fixed in such certificates.

"'PROHIBITED ACTS

"'SEC. 15. (a) It shall be unlawful for any person—

"'(1) to transport, offer for transportation, ship, deliver, or sell in commerce, or to ship, deliver, or sell with knowledge that shipment or delivery or sale thereof in commerce is intended, any goods in the production of which any employee was employed in violation of section 6 or section 7, or in violation of any regulation or order of the Administrator issued under section 14; except that any such transportation, offer, shipment, delivery, or sale of such goods by a purchaser who acquired them after such violation occurred shall not be deemed unlawful if such purchaser proves that he was without knowledge of such violation, and acted in good faith in reliance on written assurance from the producer that the goods were produced in compliance with the requirements of the act, and no provision of this act shall impose any liability upon any common carrier for the transportation in commerce in the regular course of its business of any goods not produced by such common carrier, and no provision of this act shall excuse any common carrier from its obligation to accept any 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 issued under section 14;

"'(3) to discharge or in any other manner discriminate against any employee because such employee has filed any complaint or instituted or caused to be instituted any proceeding under or related to this act, or has testified or is about to testify in any such proceeding, or has served or is about to serve on an industry committee;

"'(4) to violate any of the provisions of section 12;

"'(5) to violate any of the provisions of section 11 (c), or to make any statement, report, or record filed or kept pursuant to the provisions of such section or of any regulation or order thereunder, knowing such statement, report, or record to be false in a material respect.

"'(b) For the purposes of subsection (a) (1) proof that any employee was employed in any place of employment where goods shipped or sold in commerce were produced, within 90 days prior to the removal of the goods from such place of employment, shall be prima facie evidence that such employee was engaged in the production of such goods.

"'PENALTIES

"'SEC. 16. (a) Any person who willfully violates any of the provisions of section 15 shall upon conviction thereof be subject to a fine of not more than $10,000, or to imprisonment for not more than 6 months, or both. No person shall be imprisoned under this subsection except for an offense committed after the conviction of such person for a prior 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 consent is filed in the court in which such action is brought. The court in such action shall, in addition to any judgment awarded to the plaintiff or plaintiffs, allow a reasonable attorney's fee to be paid by the defendant, and costs of the action.

"'(c) The Administrator is authorized to supervise the payment of the unpaid minimum wages or the unpaid overtime compensation owing to any employee or employees under section 6 or section 7 of this act, and the agreement of any employee to accept such payment shall upon payment in

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 United States courts of the Territories and possessions shall have jurisdiction, for cause shown, to restrain violations of section 15.

"'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 lower than the maximum workweek established under this act, and no provision of this act relating to the employment of child labor shall justify noncompliance with 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 any employer in reducing a wage paid by him which is in excess of the applicable minimum wage under this act, or justify any employer in increasing hours of employment maintained by him which are shorter than the maximum hours applicable 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 section 7 of the Fair Labor Standards Act of 1949 (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 of the Secretary of Labor, and any agreement entered into by the Administrator or the Secretary of Labor, in effect under the provisions of the Fair Labor Standards Act of 1938 on the date of enactment of this act, shall remain in effect as an order, regulation, interpretation, or agreement of the Administrator of the Wage and Hour Division or the Secretary of Agriculture, as the case may be, pursuant to this act, except to the extent that any such order, regulation, interpretation, or agreement may be inconsistent with the provisions of this act, or may from time to time be amended, modified, or rescinded by the Administrator of the Wage and Hour Division or the Secretary of Agriculture, as the case may be, in accordance with the provisions of this act.

"(c) No amendment made by this act shall affect any penalty or liability with respect to any act or omission occurring prior to the applicable effective date of this act; but, after the expiration of 2 years from such applicable effective date, no action shall be instituted under section 16 (b) of the Fair Labor Standards Act of 1938 with respect to any liability accruing thereunder for any act or omission occurring prior to the applicable effective date of this act.

"(d) No amendment made by this act shall be construed as amending, modifying, or repealing any provision of the Portal-to-Portal Act of 1947.

"(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 which would have been payable 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?

There was no 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 the necessary clarifications, 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 carrying 75 cents as a minimum wage or 65 cents as a minimum wage or a dollar 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 United States, in peacetime. 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."

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 legislation, conveying more power, as I have said, than any Administrator has ever possessed in the history of this country in peacetime. I stand on that statement.

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 so that in every case where 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 they give him such power as to 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 abdicate 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 the power to make rules but the Secretary 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 that power already resides in certain of 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 Secretary as to how far back he can go to bring suit. We all know that there is no statute of limitation binding any sovereign unless he himself limits that power. The Senate committee in reporting a similar bill put a statute of limitations in clear and definite terms in this provision to grant power to bring suits, but there is no statute of limitations 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 clear back to that date. That is not all. The labor unions are going to put unconscionable 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 Administrator in seeking injunctions may recover back wages under its equitable jurisdiction. So the gentleman from Michigan [Mr. LESINSKI] placed in his bill a proviso which is 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 inspected 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 they are wanting to create a great corps of lawyers at a time when we are trying to cut down on the expenses of government; here we are authorizing the Secretary of Labor to hire lawyers to instigate litigation and bring suit. 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 reply: "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 firm 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 number of hours worked and wages paid; that constitutes the heart and soul of business. In this bill the gentleman from Michigan carries those provisions into every little business. Oh, 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 typewriters of the business houses in town will 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. Mr. Chairman, that is not all. 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 Ohio [Mr. BURKE] state that it did not cover hotels. How he makes such an interpretation of the words in the bill is beyond me.

While we have gotten the gentleman 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-commerce feature of this exemption 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 from Illinois [Mr. ARENDS] 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. I have now gotten to 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 the administration when we can do so conscientiously—were asked by members of the Committee on Education and Labor to get together with them to form late some bill with which we folks in the South could go along. May I say that in working with the Committee on Education and Labor, I supposed the subcommittee had been appointed in the regular way, and I still suppose that. They worked with us in the finest sort of spirit. They made certain concessions. We explained the situation that we folks in the South were laboring under; that there were certain border-line industries that could not stand the 75-cent minimum wage. We explained that we could not possibly vote for H. R. 3190; we explained also that we could not vote for the second Lesinski bill that was thrown into the hopper, which would have continued the coverage just as it is at the present time, but would have increased the minimum wage to 75 cents.

I want to say in that connection that I know nothing about the differences that may have arisen between the members of the Committee on Education and Labor, as I am not a member of that committee, and I am not taking sides today. I just want to say this: That I supposed that the bill we had agreed upon had been submitted to the Committee on Education and Labor and had been reported out in the regular way. I have no criticism of the chairman or any member of the committee if it was not done. There were, no doubt, reasons. But I supposed until the debate began on this bill yesterday that it had been done, and that the bill had been reported out in the regular way.

At any rate, I want to state that the members of the committee were most cooperative, and we believe that we have reported a bill—it is not perfect, that is true—but we do believe that it is a bill that the members of the Democratic Party can go along with; that is, those of us who fear that our industries might be upset in the South by a flat increase to 75 cents. I cannot go into the details of the bill in the 5 minutes allotted to me.

Just let me say this: I said I was a Democrat and believed in the Democratic Party. I think we have forgotten our party responsibility, especially we folks on the Democratic side. I know there are 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 our country, and the loyalty that we owe our section and our 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 America 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 I do not know who wrote it, but it is offered by him. I have the highest respect for my good 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 ought to be written into it, that we do it, 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 Lucas substitute.

Mr. RANKIN. That is wrong.

Mr. LUCAS. I reserve the right to object further, Mr. Chairman.

Mr. LANHAM. I will yield to the gentleman, although he would not yield to me on yesterday.

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, whether they be Democrats or Republicans?

Mr. LANHAM. I do not criticize any one. I am pleading for party loyalty, harmony, 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. BREHM] 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 the Lesinski bill 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? I think 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 the minority members had seen it. 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 to you that some of us were 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] has, 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 Michigan.

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 and approved the bill.

Mr. LUCAS. Do not include my name among them.

Mr. LANHAM. I yielded for a question.

Mr. BARDEN. I will ask the gentleman, then.

Mr. LANHAM. I do not know. I know nothing about the mystic 13 and am not interested in them. I think the gentleman from North Carolina is right in one contention of his, and I would vote for such an amendment. I refer to an amendment that would strike the provision in the bill making it a criminal offense to violate any rule or regulation made by the Administrator of the Wage-Hour Act.

I believe it is absolutely necessary that the Administrator have the right to make rulings so as to clarify for people who apply to him the meaning of certain portions of the bill and the application of the bill to certain situations that might arise. But I do not believe that he should have the power to, in effect, formulate a criminal statute. He should have limited rule-making power. But a violation of any such rule should not be made a criminal offense.

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

Mr. LANHAM. Mr. Chairman, I ask unanimous consent that I may proceed for another 5 minutes.

The CHAIRMAN. Objection is heard.

Mr. McCONNELL. Mr. Chairman, a parliamentary inquiry. Did any Member particularly object?

The CHAIRMAN. The Chair will again put the question.

Is there objection to the request of the gentleman from Georgia that he proceed for five additional minutes?

Mr. CRAWFORD. Mr. Chairman, reserving the right to object, I am going to object because my guess is that debate will be limited on this bill and many of us will be frozen out. That is the only reason for objecting.

The CHAIRMAN. Objection is heard.

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

Mr. Chairman, first I want to subscribe wholeheartedly to what was said by my colleague the gentleman from Georgia [Mr. LANHAM]. What has been said here in reference to the drafting of this bill is in great measure true, but it has been stated in a slanted manner. What happened was that the Committee on Education and Labor finally voted out a bill. We found there were certain Members of this body who felt it would work injury upon some of their constituents. We did hold further meetings and we did make certain changes in this measure in order to meet certain conditions which we thought appealed to good conscience. That is all there is to it.

Of course, you can state it so that it sounds as if it is something wicked, but the fact remains that this committee worked with a great number of our southern brethren who are Democrats, who came up to help us work out a good measure. So far as I am concerned, this is one country and the State of Georgia means something to me, notwithstanding the fact that I live in the State of Indiana, and if someone is being injured in the State of Georgia and I can help work out a measure which will not injure him, I am glad to do it.

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

Mr. JACOBS. I yield.

Mr. MORTON. The fact also remains that the present Lesinski bill as it is now before us was never voted out or discussed at a full committee meeting of the House Committee on Education and Labor.

Mr. JACOBS. That is only true in a technical sense. The greatest portion of the provisions, of course, were discussed and voted out. Those changes which I am talking about were not, that is true, I will grant you.

Mr. MORTON. The fact further remains, if the gentleman will yield further, that it is very doubtful that it would

ever have been reported out of that committee.

Mr. JACOBS. I do not subscribe to that view at all.

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

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

Mr. KEEFE. Would the gentleman indicate what the specific concessions were, and to whom they were made, as a result of this conference which resulted in the final bringing out of the second Lesinski bill?

Mr. JACOBS. Not in 5 minutes; I cannot. Of course, the gentleman knows that I cannot.

Mr. KEEFE. Would the gentleman specify them?

Mr. JACOBS. As I said, the gentleman knows that I cannot do it in 5 minutes.

I presume, when we read the bill, that we will discuss the specific provisions. I will discuss one, if the gentleman will let me proceed. There has been so much talk here about this matter of rule making. Let us examine it and see exactly what it is. Under a law of this kind we get into some very complicated situations. For example, in the bill H. R. 858, we had to define the regular rate.

When we defined "regular rate," we found sometimes we collided with bonus and other good faith plans, and employer and employee do not know whether they are under the provisions of the law. So the Secretary is given rule-making powers. Those people who are talking about these rule-making powers would have you believe that what the Secretary says is final, that he makes the law, and that you will go to jail if you do not comply with it.

What is it actually? He makes a ruling. If the employer complies with that ruling the employer cannot be held liable, notwithstanding the fact that later a court may decide that the Secretary's ruling was erroneous, and under the intent of the law the employer would have been otherwise liable.

In the interests of clarity, this rule-making power is given to the Secretary so that as the courts construe and interpret this law over the years, the employers will not be subject to liability which they, in good faith, thought they were not subject to at the time the transactions took place.

Nothing could be fairer, when you are dealing with a situation as complicated as that in the wage-hour law. I simply point that out. That is one of the things that has been held up as a horrible bugaboo with reference to this bill, which was worked out by these fine gentlemen from all sections of the country.

The CHAIRMAN. The time of the gentleman from Indiana [Mr. JACOBS] has expired.

Mr. ANDERSON of California. Mr. Chairman, I move to strike out the last word, and I ask unanimous consent to speak out of order.

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

There was no objection.

Mr. ANDERSON of California. Mr. Chairman, the headlines in Monday's Washington Post, with reference to the Ecuadoran 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 will recall the 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 the Hawaiian Islands? 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 take such steps as are necessary to bring an end to the Hawaiian shipping tie-up.

The people of Hawaii are Americans—they are a part of the United States. They may some day be citizens 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 the 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 to the world that we can fly over the blockade in Honolulu as readily as we flew over the blockade of Berlin?

Why do we not give some consideration to our own American citizens while we are saving the rest of the world?

THIS IS A COMPROMISE

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 virtues 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 progressive 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 resist with all my strength every effort to slice away its strong 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 BASIC 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 times he was a prophet of high honor, not 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, untrammeled 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, no matter in what capacity, 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.

SOMETHING IS BETTER THAN NOTHING

That, Mr. Chairman, is why I had hoped that this bill, as finally reported,

would be bold and brave in its extension of coverage, would not retreat, and would establish a dollar an hour as a minimum legal wage.

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, crumbs are 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 irreducible minimum, and I believe that Members would be ashamed to propose less in public.

The absolute prohibition against child labor in interstate commerce in this bill is a vast gain—had it not been weakened by several blanket exemptions, I should have called that prohibition the greatest victory for progress in this Congress.

There are other blanket or partial exemptions which can be regarded only as concessions to backward thinking.

The provisions of this bill cannot and must not be regarded as sops to labor 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 implicity 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 provision—that is no floor; that is a trapdoor to depression.

Mr. LESINSKI. Mr. Chairman, I move that the Committee do now rise.

The motion was agreed to.

Accordingly the Committee rose; and the Speaker having resumed the chair, Mr. 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 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 to amend 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, 1949, rather than June 29, 1948, those 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 title III, 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 Secretaries of the Army, 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 ruling 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 satisfactory 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 the National Guard. Further study, however, indicates that this section would increase the number of persons immediately eligible for retired pay by a known number of 250, and would, by crediting additional years of non-Federal service to certain personnel now on the retired list, increase the pay of 650 others. These costs would total $412,300 per year. I am advised that as many as 500 additional persons might also be made immediately eligible for retirement and that this annual cost might amount to $656,000. Thus, the unexpected cost of this section might reach a maximum annual figure of $1,068,300 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 not yet 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 60 years. Hence, 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 reserve retirement to include non-Federal service would establish an undesirable precedent. In defining the term "Federal service," the Congress excluded all 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 servive, service in the inactive National Guard or Air National Guard, or in a nonfederally 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 restrict 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 (H. DOC. NO. 295)

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 fifteenth and subsequent decennial censuses and to provide for apportionment of Representatives in Congress."

The bill provides that 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 insofar as possible. 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.

HARRY S. TRUMAN.

THE WHITE HOUSE, *August 9, 1949.*

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

Mr. MURRAY of Tennessee. Mr. Speaker, I move that the bill and message be referred to the Committee on Post Office and Civil Service and ordered to be printed.

The motion was agreed to.

EXTENSION OF REMARKS

Mr. MANSFIELD. Mr. Speaker, I ask unanimous consent that my colleague the gentleman from Illinois [Mr. GORDON], who has been called home to Chicago on account of the death of his brother, be permitted to extend his remarks in the RECORD and include an article by Mr. Irving Pflaum, of the Chicago Sun-Times.

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

There was no objection.

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

Mrs. DOUGLAS asked and was given permission to extend her remarks in the RECORD in two instances and include certain excerpts.

Mr. ALBERT asked and was given permission to extend his remarks in the RECORD and include extraneous matter.

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

Mr. JONES of Missouri asked and was given permission to extend his remarks in the RECORD and include an address by Hon. CLIFFORD DAVIS.

Mr. BECKWORTH asked and was given permission to extend his remarks in the RECORD.

Mr. PHILBIN asked and was given permission to extend his remarks in the RECORD in two instances and include two newspaper articles and editorials.

Mr. SMITH of Wisconsin asked and was given permission to extend his remarks in the RECORD and include a statement by General Fellers.

Mr. PATTERSON asked and was given permission to extend his remarks in the RECORD and include a copy of the resolution adopted by the Connecticut Council of the Women's Republican Club.

Mr. FARRINGTON asked and was given permission to extend his remarks in the RECORD and include an act passed by the Legislature of the Territory of Hawaii.

Mr. SANBORN asked and was given permission to extend his remarks in the RECORD.

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

Mr. SHAFER asked and was given permission to extend his remarks in the RECORD in two instances.

OUR RUBBER PROBLEM

Mr. SHAFER. Mr. Speaker, I ask unanimous consent to address the House for 1 minute.

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

There was no objection.

Mr. SHAFER. Mr. 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 Armed Services Committee 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 all Government 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, 25¾ cents per pound. As a matter of fact, following our action, the price almost immediately declined and reached a low of 14½ cents in July 1947. The price today and for the past several months has been around 16½ 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 can and will best be served by the development within the United States of a free, competitive synthetic-rubber industry. In order to strengthen national security through a sound industry, it is essential that Government ownership of production facilities, Government production 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 insure 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 stock pile 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, not inconsistent 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 consume 276,000 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 thereto, 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 minimum amount 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 total 980,000 long tons, of which 570,000 tons would be represented by natural rubber and 410,000 tons by synthetic rubber. For the year 1950 it was estimated that the United States would consume 614,000 tons of natural and 332,000 tons of synthetic rubber, an over-all total of 946,000 tons.

Despite the substantial estimated consumption of synthetic rubber in the United States, which should materialize unless there is a complete collapse of the rubber-manufacturing industry, the Department of Commerce is presently forcing the consumption of 268,000 long 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 fully discussed at a conference between Government officials and representatives of the rubber industry and as a result thereof the representative of 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 are more severe than the situation warrants 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 unanswered: How much synthetic rubber will be consumed annually in the United States on a purely voluntary basis, with no Government controls or restrictions? In considering rubber legislation next year, 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 conditions warrant and the requirements of 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 entirely in order 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 patent pooling agreement with industry to provide for the exchange of technical information relating to the production and development of synthetic rubber. Recognizing the desirability of giving full reign 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 amazed to learn that the agreement still exists. Seriously but regretfully, there exists in my mind 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 be construed as being in contravention to the wishes of the Congress.

There is complete accord both on the part of Government and private industry with the principle that a technologically advanced and rapidly expandible synthetic-rubber industry should and will always be maintained in this country and likewise that such industry should be privately owned and operated. 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 newly developed furnace blacks complement those of "cold rubber" and make possible further improvements in tread wear ranging from 20 to 30 percent. (H. S. Firestone, 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 rubbers. * * * Another important consideration to the manufacturer is the existence of many different types of polymers which permit choice of a material tailor-made to suit individual and product specifications. (George M. Tisdale, vice president, United States Rubber Co., 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 tubes made of any other known material. 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. (John L. Collyer, president, B. F. Goodrich Co., New York Journal of Commerce, June 24, 1949.)

We now have a low-temperature rubber which is over 30 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 finest 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 rubber legislation, should be most 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 with 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 requirements on a wartime basis pending 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 act the Congress intended that the stock pile should be procured at the earliest possible moment. The method of procurement which has been and is 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 programs of the Munitions Board, in testifying 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 requirements 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-pile purchase are in 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-pile buying, but the Government has not, to the largest extent possible, availed itself of the opportunty to secure this material. As a matter of fact, for periods of several months at a time during the past 2 years no 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. Certain it is that up to the present 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 which shall be purchased, and thereafter 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 in reasonably plentiful supply, is one of the most important commodities from the standpoint of national security. Recently a Member of the Senate 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 included in this figure is 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 penny-wise 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. H. Hawkins, Acting Chief of the Office of Materials Resources of the Munitions Board, speaking before the thirty-fourth annual congress of the National Association of Purchasing Agents, in Chicago, stated that the Government's stock-piling program was one-third completed, counting materials on hand and orders placed. Mr. Hawkins further stated that if the Eighty-first Congress appropriated the funds which had been requested for stock-piling purposes, the program would be one-half completed by June 30, 1950. Since the Strategic and Critical Materials Stockpiling Act was enacted 3 years ago, it does not appear, from the standpoint of the national security of the United States, that an enviable record has been made, in view of the fact, that based upon the foregoing statement, approximately 4 years will be required to complete 50 percent of the over-all program.

Even the achievement of this halfway goal now appears questionable. In June both branches of the Congress passed appropriation bills which provided funds for stock-pile buying extending through the fiscal year 1950 in the exact amounts recommended by both the Munitions Board and the Bureau of the Budget and such bills have been signed by the President. Recently, however, the Senate Appropriations Committee in its deliberations on the over-all military appropriation bill for the fiscal year 1950 attached a rider thereto reducing the amount of the previously approved stock-piling appropriation by $275,000,000. While this reduction furnishes a cause for alarm, far more serious in my opinion is the expression of policy agreed to at the same time that the purchase of materials for the stock pile should be concentrated upon commodities available within the United States. No one is more interested than I in our domestic economy. However, it is far beyond my conception to understand this reasoning. The very essence of stock pile for national defense is to procure materials not available within our own borders, the supply of which may be completely cut off in the event of a national emergency. I sincerely trust that this body will very carefully examine the situation before giving its concurrence to the Senate 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 tremendous 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 the peace of 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 is continuing its buying 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 my judgment, they represent a distinct gamble with the national security of the United States.

From time to time when natural rubber is discussed great emphasis is placed upon the world cartel. Admittedly, prior to World War II restriction schemes designed to control the price of natural rubber through controlled production were in existence in the Far East to the detriment 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 complexion of the world rubber situation 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, during the year 1948 this figure declined to 41 percent and based upon current statistics will be further reduced to 37 percent in 1949. In other words, from the standpoint of world production we are today cast in the role of a minority rather than a majority consumption. On the other hand, it is self-evident that to the extent this country imposes unnecessarily rigid restrictions, 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, however, it is only fair to state 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 prewar 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.

Today natural 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 controls the economies and destinies of 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 peace of that entire continent. Sad to relate, it appears that the accomplishments of this Government in Europe through the European Recovery Program may have already been more than offset by the inroads of communism in Asia. The end is not yet in sight and the clouds are slowly gathering. No one can forecast the future. It appears certain, however, that if the present trend continues unchecked this Government will, at possibly an early date, be called upon for staggering amounts of financial aid which we can ill afford. A program in Asia similar to our European activities would place upon this country a burden which, if undertaken, could well wreck our national economy. Another development which confronts us and which is fraught with serious possibilities is the present financial position of the British Empire. Nothing can be accomplished by dodging the issue. The picture is all too clear. Let us face the facts. Please do not misunderstand my position; I am only attempting in a practical manner to find a solution to a most difficult and serious problem. The national security of the United States unfortunately cannot be confined to our own borders and the spread of communism in the Far East as well as the financial position of our neighbors across the sea contain a definite threat to our own well-being. It occurs to me that we can, at no great sacrifice, make a substantial contribution to the solution of the problem by the immediate inauguration of a stock pile buying program of natural rubber. The benefits of this action will be twofold: The United States will secure a necessary and highly strategic commodity for its stock pile and at the same time would bolster the tottering dollar position of the British Empire and create a healthier and happier condition in the rubber producing countries of the Far East. Such a policy would not entail either a grant or a loan of public funds. Contrariwise, it would represent an investment in a tangible asset—natural rubber. I feel very strongly that serious consideration should be given to this matter without further delay. This program can be inaugurated today at no cost to the Government save from the standpoint of invested funds, whereas if we delay action until the lights go out in Asia, I do not have the temerity to speculate as to the extent of the ultimate financial burden which will be placed upon our already strained resources.

During the past year we have secured a substantial amount of natural rubber for our stock pile by the use of counterpart sterling funds accumulated in England through the operations of the Economic Cooperation Administration. So far as is possible this procedure should be continued and counterpart funds should be used wherever available to the greatest extent possible in the procurement of strategic and critical materials for our stock pile.

I have endeavored to call your attention to certain phases of our rubber program which in my opinion should be corrected. My conclusions are based entirely upon what I feel to be our national security requirements. Although we have no immediate rubber problem in this country, the effect of our present policy upon our international relations and the economies of friendly countries cannot be overlooked. There never was a truer saying than "An ounce of prevention is worth a pound of cure." 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 panacea to cure all ills it is my 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 resume the purchase of natural rubber for the Government stock pile and acquire rubber as rapidly as it becomes available until our stock-pile objective is attained; and

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 RECORD in two instances, in one to 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. WERDEL asked and was given permission to extend his remarks in the RECORD and include copies of a series of five articles published in connection with the San Joaquin Valley water problem, notwithstanding the fact that it exceeds 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 and include an editorial.

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 from the Mobile Register.

Mr. DOYLE asked and 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 Speaker's table the bill (H. R. 4830) making appropriations for foreign aid for the fiscal year ending June 30, 1950, and for other purposes, with Senate amendments thereto, disagree to the Senate amendments, and agree to the conference asked by the Senate.

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 Elpidio Quirino, of the Philippine Republic, 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 three 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. McDONOUGH. Mr. Speaker, I ask unanimous consent to extend my remarks at this point in the RECORD on the subject of admitting Hawaii and Alaska to the Union.

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

There was no objection.

Mr. McDONOUGH. 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 my colleague, the gentleman from Louisiana [Mr. LARCADE] 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 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. ENGLE 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. ENGLE]. [After a pause.] The Chair hears none and appoints the following conferees: Mr. ENGLE of California, Mr. REGAN, and Mr. BARRETT of Wyoming.

SPECIAL ORDER

The SPEAKER. Under previous order of the House, the gentleman from Michigan [Mr. HOFFMAN] is recognized for 10 minutes.

Mr. HOFFMAN of Michigan. Mr. Speaker, I yield back my time.

REPORT FROM COMMITTEE ON RULES

Mr. COLMER. Mr. Speaker, I ask unanimous consent that the Rules Committee may have until midnight tonight to file a report.

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

There was no objection.

LEAVE OF ABSENCE

By unanimous consent, leave of absence was granted to Mr. DAGUE (at the request of Mr. GRAHAM), for Wednesday to Saturday, inclusive, on account of important public business.

CALL OF THE HOUSE

Mr. MARCANTONIO. Mr. Speaker, I make the point of order that a quorum is not present.

The SPEAKER. Evidently no quorum is present.

Mr. PRIEST. Mr. Speaker, I move a call of the House.

A call of the House was ordered.

The Clerk called the roll, and the following Members failed to answer to their names:

[Roll No. 169]

Arends	Douglas	Mason
Bentsen	Eaton	Morrison
Bland	Fallon	Norton
Bolton, Ohio	Fellows	Patman
Breen,	Flood	Patten
Bulwinkle	Garmatz	Pfeifer,
Burleson	Gilmer	Joseph, L.
Cavalcante	Gordon	Plumley
Celler	Gregory	Powell
Chatham	Hart	St. George
Chiperfield	Hinshaw	Smith, Ohio
Christopher	Johnson	Staggers
Clevenger	Jonas	Thomas, N. J.
Dague	Kearney	Vinson
Davies, N. Y.	Kennedy	Welch, Calif.
Dingell	McGregor	Wier
Dolliver,	McKinnon	Woodhouse

The SPEAKER. On this roll call 381 Members have answered to their names, a quorum.

By unanimous consent, further proceedings under the call were dispensed with.

FOREIGN AID BILL

Mr. LYLE, from the Committee on Rules, reported the following privileged resolution (H. Res. 320, Rept. No. 1241), which was referred to the House Calendar and ordered to be printed:

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.

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—ayes 298, 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 considered in conference. That is the purpose 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 Massachusetts [Mr. HERTER].

Mr. HERTER. Mr. Speaker, so far as I know, there is no objection on this side whatsoever to the adoption of this resolution. 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 policy which is devastating to world peace and to the economic well-being of Americans. It seems to me the speed with which it is being imposed upon the country is inordinate and not in the best interests 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 process which is having a disastrous effect on the peace of the world and a most ruinous effect on the economy of Europe and on the economy of the United States.

This Marshall plan has been in existence for over a year, and despite the promises 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 become definitely a colony of this type of exploitation by Wall Street imperialism. As a result Europe today is in an economic quicksand, and the impact of that economic crisis is now beginning to be felt in America; unemployment is gaining in every major city of this country.

This plan has failed. 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 unemployment 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 resolution.

Let me point out however that though I am in a minority here, a small minority, events have proven that this kind of imperialist war policy, this policy of empire abroad means only reaction at home. You cannot have a policy of empire abroad and at the same time progress 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 is causing 30, 40, and 50 percent rent increases in every city in this country. That is why this Congress is now considering the minimum-wage law which in return for a mere crumb surrenders millions of workers to the tender mercies 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 inexorable outcome of a war policy which is reactionary and dictated by the monopoly interests of this country.

As for me, I shall do everything I can to stop it. I know I will not today succeed in this effort, but I do know that the day is not far off when back in your districts 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 fear 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 radio, despite the suppression of civil liberties, despite the fact that the Democratic administration is putting over this war program on the American people under the dishonest guise of security and dishonestly selling it as a peace program, your people will refuse to supinely submit 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 economic havoc. As a result the burden of this policy of war and empire is falling heavily on your constituents and you will hear from them.

The SPEAKER. The time of the gentleman from New York has expired.

Mr. HERTER. Mr. Speaker, I yield 5 minutes to the gentleman from Pennsylvania [Mr. RICH].

Mr. RICH. Mr. Speaker, in present conditions it takes a lot of nerve and a lot of intestinal fortitude to get up and speak against the bill when so many Members have made up their minds individually and collectively that they are for giving $6,500,000,000 to foreign countries.

I want you to know that I am for aiding and assisting people who are starving to death and people who need something to sustain life, but I am not for the program that has been conducted by the ECA in its squandering of billions of dollars that the Congress of the United States influenced by its State Department has been willing to extend to those people. I think it is one of the most extravagant pieces of work that was ever adopted by any country in the entire history of the world. No one ever thought of doing such a thing as we are doing through the State Department and the ECA. The $6,700,000,000 involved here means $45 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 money and for 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 wrecked if you follow the program 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.

The President came down here and asked you not only for this money but for an additional $1,500,000,000 to arm certain countries over there. And yet you talk about peace. Why, the gentleman from New York [Mr. MARCANTONIO] is right when he says you are not going to have peace by arming all of the countries of the world. I never heard of any such ridiculous idea so far as trying to get peace is concerned. If you want peace, get it by making friends. But what are you doing? You are arming all of those governments. Do you trust them after you get them armed? I believe that those arms may be used against the American people, and I am more afraid they will be used against America than against any other country in the world.

What was done about China? Look at the paper that the State Department brought out the other day. It ought to make you tremble, it ought to make you shudder. Two billion dollars have been wasted over there, and the way it has been wasted. They should have known and told you a long time ago, long before you spent the $50,000,000, the $80,000,000, the $150,000,000. No. You were like little boys coming up to the trough. You do what the administration tells you to do. You asked for a report months ago but they refused to give it to you. They sent it up here the other day. It is rotten. Yet you are still willing to give away more money.

If you want to save money, you should get down on your knees and ask God for a little direction here. You are not going to get peace by trying to arm everybody over there. You are going to squander the money of this country until we will not be able to carry on.

Mr. Speaker, I did not get up here to give a lecture. But you are putting out money so fast that in the Capitol Building you are shoveling it out of all of the windows. You could not spend it fast enough, so you have men over there taking the top off the Capitol in order to give it away faster until there will not be anything left.

Mr. Speaker, it is a shame that we are doing the things we are doing. You ought to stop, think, look, and listen before we go any further.

Mr. LYLE. Mr. Speaker, I yield 5 minutes to the gentleman from New York [Mr. ROOSEVELT].

Mr. ROOSEVELT. Mr. Speaker, I have lived to see something which I had

heard about but had never hoped to actually see—the forces for which the gentleman from Pennsylvania [Mr. RICH] speaks and the forces for which the gentleman from New York [Mr. MARCANTONIO] speaks, both spouting the same line in the Halls 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. I heard that line used by a candidate of the American Labor Party against me only 2½ months ago. I want to assure the Members of this House that the people of America 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 type of imperialism, using all the Communist tactics of infiltration to permit a vicious minority to dominate and to thwart the will of the majority. I have learned those tactics and 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 forfeiture, as the result of that imperialism, of all the freedoms of those people. Where is freedom of speech in Russia today? And, from Russia to Czechoslovakia where is there freedom of worship?

No, my friends, this ECA program is not imperialism; it is not militarism. I quote a simple fact from Pravda about 3 months ago, that the Russian budget calls for an expenditure for their army and their air force and their navy of almost 30 percent of the total Russian budget. And, remember that the Russian budget is equivalent to the total national income. It is not as our budget, limited to Government services. The Russian economy is spending almost 30 percent of their total national income on their militarism.

The small-arms aid, without going into the details of that program, that we are offering to the members of the Atlantic Pact nations, is to help them defend themselves against this very militarism in the east. Let us place the responsibility for world tension where it belongs. Let us cut aside all the beautiful red tape that they are trying to throw around these very simple and very humane programs. Let us in America realize and let us proclaim to the world, in contradiction to the gentleman from New York [Mr. MARCANTONIO], that the purpose behind the United States policy of helping those people in the world who want to help themselves to remain free from Communist imperialism, is a most friendly and unselfish purpose; the most humane that any country has ever held out to sister nations in the history of the world.

The SPEAKER. The time of the gentleman from New York has expired.

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

The previous question was ordered.

The SPEAKER. The question is on the resolution.

Mr. MARCANTONIO. Mr. Speaker, on that I demand the yeas and nays.

The yeas and nays were refused.

The resolution was agreed to.

A motion to reconsider was laid on the table.

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

The Clerk read as follows:

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. R. 4830 be instructed to insist upon disagreement to Senate amendment No. 1.

Mr. CANNON. Mr. Speaker, this amendment is an attempt to reinstate the old watchdog committee which 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. VORYS] in the consideration of the legislative appropriation bill on June 9. The only difference is that the gentleman from Ohio [Mr. VORYS] on that occasion asked for $244,000 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 provision 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 committee 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 committee, and on 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].

Mr. TABER. Mr. Speaker, this bill involves approximately $5,000,000,000.

Amendment No. 1 adds $344,000 for the so-called "watchdog committee."

Amendment No. 3 increases the amount appropriated for the ECA by $59,910,000.

Amendment No. 4 reduces the amount that may be spent for confidential expenditures from $500,000 to $200,000.

Amendment No. 5 provides that $25,000 shall be available to carry out the provisions of section 115 (f) of the Economic Cooperation Act. I cannot tell you what that is. I will have to check it.

Amendment No. 6 wipes out the authority of the President to spend all the money by the 15th of May.

Amendment No. 7 provides for the loaning by the Export-Import Bank of $150,000,000.

Amendment No. 8 relates to the local currencies that come to our control as the result of the sending of these things over there.

Amendment No. 9 reduces the amount for Greece and Turkey from $50,000,000 to $45,000,000.

Amendment No. 10 provides $4,000,000 for the Chinese students in this country.

Amendment No. 11 reduces the amount of funds for the Army in occupied territory from $925,000,000 to $900,000,000 and reduces the administrative expenses.

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

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

Mr. KEEFE. 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 resist the Senate amendment which provides funds 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. KEEFE. 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. KEEFE. 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 preservation 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 dead right in insisting on having 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 conferees.

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 Members want 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. RANKIN] and other enemies of civil rights in voting against my antidiscrimination amendment to the housing bill.

Mr. TABER. Mr. Speaker, I hope the House will refuse to instruct its conferees to disagree 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 that 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 unbonded 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 in seeing that they properly expend this money?

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 of $5,000,000,000, is all we propose to spend to safeguard and to undertake to guarantee 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 to conference and let the amount to be made available for this purpose be worked out in conference.

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

Mr. WIGGLESWORTH. I yield.

Mr. JENNINGS. That is seven one-thousandths of 1 percent that we are going to expend to watch the expenditure of that unprecedented sum, is it not?

Mr. WIGGLESWORTH. I think the gentleman is correct.

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

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

Mr. YATES. I wish the gentleman from Massachusetts would tell the House just 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?

Mr. PHILLIPS of California. Mr. Speaker, will the gentleman yield?

Mr. WIGGLESWORTH. I yield.

Mr. PHILLIPS of California. I rise to express the hope that sometime before we are through with this bill an adequate opportunity may be provided to find out what is in it and to discuss it. We have discussed this afternoon whether the gentleman from New York agrees with the gentleman from Pennsylvania, but only two people have discussed what is in this bill.

Mr. WIGGLESWORTH. The conference report will, of course, be considered subsequently. I hope the House will vote "no" on the pending motion.

The SPEAKER pro tempore (Mr. PRIEST). The time of the gentleman from Massachusetts has expired.

Mr. FULTON. Mr. Speaker, a parliamentary inquiry.

The SPEAKER pro tempore. Does the gentleman from Missouri yield for a parliamentary inquiry?

Mr. CANNON. I yield.

Mr. FULTON. I have asked in regard to time on this particular motion and find that there is only time for those for the motion. No one has time against it. Both the gentleman from California [Mr. PHILLIPS] and I would like to know who has the time against it.

The SPEAKER pro tempore. The Chair will answer the gentleman's parliamentary inquiry.

The gentleman from Missouri [Mr. CANNON] is entitled to 1 hour on his motion, and he may yield time as he so desires.

Mr. FULTON. Who is in charge of the time against the motion?

Mr. CANNON. No one has been heard so far except those opposed to the amendment.

Mr. FULTON. I was told by the gentleman there was no time.

The SPEAKER. The gentleman from Ohio, [Mr. VORYS] is recognized.

Mr. VORYS. Mr. Speaker, the "watchdog committee" is a committee established not by House resolution but by law. When that law was reviewed and extended there was not even an attempt to change the "watchdog committee." What is being attempted here is to repeal a law by denying funds to a committee which must have funds to do its work, work which is enjoined upon it by law. I urge the House to vote "no" on this proposal. I happen to be a member of this much-abused "watchdog committee." It attempts to do its work without publicity and fanfare. Perhaps that is a mistake. It makes its criticism to the ECA officials in a quiet way in the hope of establishing better procedure; it furnishes reports to four committees, the Foreign Affairs Committee of the House, the Foreign Relations Committee of the Senate, and the two Appropriations Committees of the Congress.

The gentleman stated that the subcommittee felt that the reports were of no value. Let me remind the House that the full Committee on Appropriations of this House did not choose to follow its subcommittee but made cuts in the ECA appropriations far below those which

were recommended by the administration and the subcommittee.

We have this curious situation, where this bipartisan committee set up with 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 purely as 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. You have the votes 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 on some of the dreadful problems that face us, that this committee spending an infinitesimal amount of money, the only independent agency to report to the Congress, was destroyed by a partisan attempt here this afternoon.

Mr. PHILLIPS of California. Mr. Speaker, will the gentleman yield?

Mr. VORYS. I yield.

Mr. PHILLIPS of California. I am trying to get information about two points in the bill. Can the gentleman tell me whether item No. A in the bill has any relationship to the Revaluation Conference to be held in Washington in September which I think will have a very far-reaching effect upon the money of the United States?

Mr. TABER. If the gentleman will yield to me I can answer that it does not.

Mr. VORYS. The only thing before us right now is this one question of destroying by partisan effort this bipartisan creation to investigate and report to the Congress on the Marshall plan. I beg you to vote "no."

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

Mr. VORYS. I yield.

Mr. SHORT. I want to thank the gentleman for the statement he has made.

The SPEAKER. 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. GARY. Mr. Speaker, this is like all other efforts to obtain economy. Here we have a committee appointed by the last Congress which spent $262,000 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 nonpartisan 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 this Nation. I certainly 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 Missouri.

Mr. SHORT. Does the gentleman feel that this small, infinitesimal amount to guard the expenditure of some $5,500,000,000 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 $18,000,000,000 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 Congress long ago when it set up an agency responsible to the Congress under the Budget and Accounting Act set up a watchdog administration to watch all departments of Government and provided that the Comptroller General should be there for but a single term of 15 years as the representative of the Congress of the United States; so that all agencies of Government are under the supervision and surveillance of the Comptroller General of the United States.

Mr. GARY. So is the ECA. Therefore, why have another watchdog committee for it?

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

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

Mr. HOLIFIELD. Is it not true that under the Congressional Reorganization Act every legislative committee is responsible to watch the agencies for which it authorizes the expenditure of money?

Mr. GARY. That is correct.

Mr. Speaker, in the ECA we have one of the most efficient administrations in the Government. They have some of the best technically trained men, and I say to you that we asked the representatives of the "watchdog committee" to appear before us when we considered these appropriations and we got no information worth while from the "watchdog committee." Whereas, the staff of the ECA furnished all of the information that we wanted. They had it at hand at all times and showed far greater familiarity with the foreign situation than did the watchdog committee. I ask you, why appropriate $344,000 to check on men who are better prepared to do this job than the men who are doing the checking?

The SPEAKER. The time of the gentleman from Virginia has expired.

Mr. CANNON. Mr. Speaker, I yield 5 minutes to the gentleman from Pennsylvania [Mr. FULTON].

Mr. FULTON. Mr. Speaker, as a member of the Committee on Foreign Affairs, may I respectfully disagree with my good friend and colleague the gentleman from Ohio [Mr. VORYS] that this is a partisan matter. It is not a partisan matter. And I, too, have been a member of the "watchdog committee," so-called.

I am against the continuation of this extra committee because I think that it is an unnecessary expense. In the first place, under the Reorganization Act, full and complete powers are given to the legislative committees.

I would like to ask my good friend the gentleman from New York [Mr. TABER] what is wrong with the Committee on Appropriations? Are they not "watchdogging" the Treasury? It will be a sudden and a 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 operation like that with the force that the Committee on Appropriations has.

Mr. FULTON. Then, instead of bypassing the Appropriations Committee, I would very much like to implement the Committee on Appropriations of the House to make it effective, because yours is a statement that your Committee on Appropriations is being hamstrung by a lack of sufficient personnel.

One of the basic troubles of the so-called "watchdog committee" is this: It is a committee adrift. It is not under the Committee on Foreign Affairs; it is not under the Committee on Foreign Relations of the Senate. It is not under the Committee on Appropriations of the House nor under the Committee on Appropriations of the Senate.

How many Members of Congress here have read any one of those reports which have been mentioned? I keep up with most of the reports coming to our committee. I have not read all of the reports, but in one of those reports of the "watchdog committee" which I read, I found that there was a list of committees handling our foreign relations headed by the so-called "watchdog committee," then there was the Committee on Foreign Relations of the Senate listed second in order, then the Committee on Foreign Affairs of the House was listed

third, and I do not know where the "watchdog committee" put the Committee on Appropriations of either House. They evidently are so far down the line that such important committees evidently do not count much in the set-up.

Why, without anything more, should we increase the appropriation of this committee 50 percent? There has been no justification submitted for added staff. Some time ago I saw that we were not able to keep the staff from going into places that they should not go. For example, they had once been in touch with the ECA staff, saying to them, "Don't you do that" and "Don't you do this." Now, that is directly interfering with the ECA Administration staff. I do not think that 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 amply staff your Committee 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 gentlemar 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 completely 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 and the responsibilities. 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 has been abolished by the Eighty-first Congress, and I thank the gentleman from Massachusetts for his comment.

There is no reason for a supercommittee that is a so-called "watchdog committee," when, as has been adequately pointed by the gentleman from Wisconsin, Congress has its own agency set up, the Comptroller General of the United States, who is to "watchdog" this and all other things. If Congress goes ahead indefinitely and adds a hodgepodge of committees, a so-called "watchdog" for this and a "watchdog" for that, with no responsibility to anyone, we are arriving at intellectual and legislative chaos in House procedure.

Mr. CANNON. 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 appropriations 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 where it ought to be 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 Senate meant it when it did not amend the bill to include it. We do not need the "watchdog committee" further, because the bipartisan foreign policy certainly is operating, and 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," and on you go.

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 Administrator of 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 should not be subjected to the constant interference which must characterize the operations of a joint committee conceived and established for a purpose which no longer exists. I think we ought to instruct our conferees 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 (demanded by Mr. TABER) there were—ayes 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]

YEAS—210

Abbitt	Dawson	Jones, Ala.
Abernethy	Deane	Jones, Mo.
Addonizio	DeGraffenried	Jones, N. C.
Albert	Delaney	Karst
Andrews	Denton	Karsten
Aspinall	Dollinger	Kearns
Bailey	Donohue	Kelley
Barden	Doughton	Keogh
Baring	Douglas	Kerr
Barrett, Pa.	Doyle	Kilday
Bates, Ky.	Eberharter	King
Battle	Elliott	Kirwan
Beckworth	Engle, Calif.	Klein
Bennett, Fla.	Evins	Kruse
Bentsen	Feighan	Lane
Biemiller	Fernandez	Lanham
Blatnik	Flood	Larcade
Boggs, La.	Fogarty	Lind
Bolling	Forand	Linehan
Bonner	Frazier	Lucas
Bosone	Fulton	Lyle
Boykin	Furcolo	Lynch
Brooks	Gary	McCarthy
Brown, Ga.	Gore	McCormack
Bryson	Gorski, Ill.	McGrath
Buchanan	Gorski, N. Y.	McGuire
Buckley, Ill.	Granahan	McMillan, S. C.
Buckley, N. Y.	Granger	McSweeney
Burke	Grant	Mack, Ill.
Burnside	Green	Madden
Burton	Hardy	Magee
Byrne, N. Y.	Hare	Mahon
Camp	Harris	Mansfield
Cannon	Harrison	Marsalis
Carlyle	Havenner	Marshall
Carnahan	Hays, Ark.	Miles
Carroll	Hays, Ohio	Miller, Calif.
Celler	Hébert	Mills
Chelf	Hedrick	Mitchell
Chesney	Heffernan	Monroney
Chudoff	Heller	Morgan
Clemente	Herlong	Morris
Combs	Hobbs	Moulder
Cooley	Holifield	Multer
Cooper	Howell	Murdock
Crook	Huber	Murphy
Crosser	Irving	Noland
Davenport	Jackson, Wash	Norrell
Davis, Tenn.	Jacobs	O'Brien, Ill.

O'Brien, Mich.	Ribicoff	Trimble
O'Hara, Ill.	Rodino	Underwood
O'Neill	Rogers, Fla.	Wagner
O'Sullivan	Rooney	Walsh
O'Toole	Roosevelt	Walter
Passman	Sasscer	Welch, Mo.
Perkins	Sikes	Wheeler
Peterson	Sims	Whitaker
Philbin	Smathers	Whitten
Pickett	Spence	Whittington
Poage	Stanley	Wickersham
Polk	Steed	Wier
Preston	Stigler	Willis
Price	Sullivan	Wilson, Okla.
Priest	Sutton	Wilson, Tex.
Quinn	Tackett	Winstead
Rabaut	Tauriello	Wood
Rains	Teague	Worley
Ramsay	Thomas, Tex.	Yates
Redden	Thompson	Young
Rhodes	Thornberry	Zablocki

NAYS—164

Allen, Calif.	Hagen	Nicholson
Allen, Ill.	Hale	Nixon
Andersen, H. Carl	Hall, Edwin Arthur	O'Hara, Minn. O'Konski
Anderson, Calif.	Halleck	Patterson
Andresen, August H.	Harden	Pfeiffer, William L.
Angell	Harvey	Phillips, Calif.
Auchincloss	Herter	Phillips, Tenn.
Barrett, Wyo.	Heselton	Potter
Bates, Mass.	Hill	Poulson
Beall	Hoeven	Rankin
Bennett, Mich.	Hoffman, Ill.	Reed, Ill.
Bishop	Hoffman, Mich.	Reed, N. Y.
Blackney	Holmes	Rees
Boggs, Del.	Hope	Richards
Bramblett	Horan	Riehlman
Brehm	Hull	Rivers
Brown, Ohio	Jackson, Calif.	Rogers, Mass.
Burdick	James	Sadlak
Byrnes, Wis.	Javits	Sadowski
Canfield	Jenison	Sanborn
Case, N. J.	Jenkins	Scott, Hardie
Case, S. Dak.	Jennings	Scott, Hugh D., Jr.
Chiperfield	Jensen	Scrivner
Church	Johnson	Scudder
Cole, Kans.	Judd	Secrest
Cole, N. Y.	Kean	Shafer
Colmer	Kearney	Short
Corbett	Keating	Simpson, Ill.
Cotton	Kee	Simpson, Pa.
Coudert	Keefe	Smith, Kans.
Cox	Kilburn	Smith, Wis.
Crawford	Kunkel	Stefan
Cunningham	Latham	Stockman
Curtis	LeCompte	Taber
Davis, Ga.	LeFevre	Talle
Davis, Wis.	Lichtenwalter	Taylor
D'Ewart	Lodge	Towe
Dondero	Lovre	Van Zandt
Durham	McConnell	Velde
Ellsworth	McCulloch	Vorys
Elston	McDonough	Vursell
Engel, Mich.	McMillen, Ill.	Wadsworth
Fenton	Mack, Wash.	Weichel
Fisher	Macy	Werdel
Ford	Marcantonio	White, Idaho
Gamble	Martin, Iowa	Wigglesworth
Gathings	Martin, Mass.	Williams
Gavin	Merrow	Wilson, Ind.
Gillette	Meyer	Withrow
Golden	Michener	Wolcott
Goodwin	Miller, Md.	Wolverton
Gossett	Miller, Nebr.	Woodruff
Graham	Morton	
Gross	Murray, Tenn.	
Gwinn	Murray, Wis.	
	Nelson	

ANSWERED "PRESENT"—2

Allen, La. Hand

NOT VOTING—56

Arends	Gilmer	Pfeifer, Joseph L.
Bland	Gordon	Plumley
Bolton, Md.	Gregory	Powell
Bolton, Ohio	Hall, Leonard W.	Regan
Breen	Hart	Rich
Bulwinkle	Hinshaw	Sabath
Burleson	Jonas	St. George
Cavalcante	Kennedy	Sheppard
Chatham	Lemke	Smith, Ohio
Christopher	Lesinski	Smith, Va.
Clevenger	McGregor	Staggers
Dague	McKinnon	Thomas, N. J.
Davies, N. Y.	Mason	Tollefson
Dingell	Morrison	Vinson
Dolliver	Norblad	Welch, Calif.
Eaton	Norton	White, Calif.
Fallon	Pace	Woodhouse
Fellows	Patman	
Fugate	Patten	
Garmatz		

So the motion was agreed to.

The Clerk announced the following pairs:

On this vote:

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

Mr. Gilmer for, with Mr. Plumley against.

Mr. Joseph L. Pfeifer for, with Mr. Dolliver against.

Mr. Gordon for, with Mr. Jonas against.

Mr. Burleson for, with Mr. Mason against.

Mr. Patman for, with Mr. Hinshaw against.

Mr. Garmatz for, with Mr. Arends against.

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

Mr. Patten for, with Mr. Dague against.

Mr. Morrison for, with Mr. Fellows against.

Mr. Hart for, with Mr. Eaton against.

Until further notice:

Mrs. Woodhouse with Mrs. Bolton of Ohio.

Mr. Breen with Mr. McGregor.

Mr. Cavalcante with Mr. Lemke.

Mr. Staggers with Mr. Rich.

Mr. Pace with Mrs. St. George.

Mr. Vinson with Mr. Tollefson.

Mr. McKinnon with Mr. Smith of Ohio.

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. LANE 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. DONOHUE 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 heretofore entered.

ENROLLED BILL SIGNED

Mrs. 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:

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

ADJOURNMENT

Mr. McCORMACK. 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.

EXECUTIVE COMMUNICATIONS, ETC.

Under clause 2 of rule XXIV, executive communications were taken from the Speaker's table and referred as follows:

842. A letter from the Archivist of the United States, transmitting a report showing records proposed for disposal, and lists or schedules, or parts of lists or schedules covering records proposed for disposal by certain Government agencies; to the Committee on House Administration.

843. A letter from the Acting Attorney General, transmitting copies of orders of the Commissioner of the Immigration and Naturalization Service suspending deportation as well as a list of the persons involved; to the Committee on the Judiciary.

844. A letter from the Secretary of the Army, transmitting a letter from the Chief of Engineers, United States Army, dated February 28, 1949, submitting a report, together with accompanying papers and an illustration on a preliminary examination and survey of Port Bay, N. Y., authorized by the River and Harbor Act approved March 2, 1945 (H. Doc. No. 293); to the Committee on Public Works and ordered to be printed, with an illustration.

845. A letter from the Secretary of the Army, transmitting a letter from the Chief of Engineers, United States Army, dated February 28, 1949, submitting a report, together with accompanying papers and an illustration on a review of reports on the Chicago River, Ill., with a view to improving the channel in the north branch between Addison Street and the lock at Wilmette, requested by a resolution of the Committee on Rivers and Harbors, House of Representatives, adopted February 28, 1945 (H. Doc. No. 294); to the Committee on Public Works and ordered to be printed, with an illustration.

REPORTS OF COMMITTEES ON PUBLIC BILLS AND RESOLUTIONS

Under clause 2 of rule XIII, reports of committees were delivered to the Clerk for printing and reference to the proper calendar, as follows:

Mr. MILES: Committee on Public Lands. H. R. 4942. A bill to regulate the collection and disbursement of moneys realized from leases made by the Seneca Nation of Indians of New York, and for other purposes; without amendment (Rept. No. 1238). Referred to the Committee of the Whole House on the State of the Union.

Mr. MORRIS: Committee on Public Lands. H. R. 5670. A bill authorizing transfer of land to the county of Bernalillo, State of New Mexico, for a hospital site; without amendment (Rept. No. 1239). Referred to the Committee of the Whole House on the State of the Union.

Mr. LYLE: Committee on Rules. House Resolution 320. Resolution providing for the taking from the Speaker's table of the bill, H. R. 4830, to the end that the Senate amendments be and are hereby disagreed to and that the conference requested by the Senate is hereby agreed to; without amendment (Rept. No. 1241). Referred to the House Calendar.

REPORTS OF COMMITTEES ON PRIVATE BILLS AND RESOLUTIONS

Under clause 2 of rule XIII, reports of committees were delivered to the Clerk for printing and reference to the proper calendar, as follows:

Mr. WALTER: Committee on the Judiciary. S. 331. An act for the relief of Ghetel Pollak Kahan, Magdalena Linda Kahan (wife), and Susanna Kahan (daughter, 12 years old); with an amendment (Rept. No. 1216). Referred to the Committee of the Whole House.

Mr. WALTER: Committee on the Judiciary. S. 555. An act for the relief of Eiko Nakamura; without amendment (Rept. No. 1217). Referred to the Committee of the Whole House.

Mr. WALTER: Committee on the Judiciary. S. 787. An act for the relief of William (Vasilios) Kotsakis; without amendment (Rept. No. 1218). Referred to the Committee of the Whole House.

Mr. WALTER: Committee on the Judiciary. S. 1026. An act for the relief of Roman Szymanski and Anastosia Szymanski; without amendment (Rept. No. 1219). Referred to Committee of the Whole House.

Mr. WALTER: Committee on the Judiciary. H. R. 715. A bill for the relief of Manuel Uribe; with an amendment (Rept. No. 1220). Referred to the Committee of the Whole House.

Mr. GOSSETT: Committee on the Judiciary. H. R. 5149. A bill for the relief of Fernando Aboitiz; with an amendment (Rept. No. 1221). Referred to the Committee of the Whole House.

Mr. GRAHAM: Committee on the Judiciary. H. R. 5375. A bill for the relief of Mrs. Hilda De Silva; without amendment (Rept. No. 1222). Referred to the Committee of the Whole House.

Mr. GRAHAM: Committee on the Judiciary. H. R. 5539. A bill for the relief of Mrs. Claudia Weitlanner; without amendment (Rept. No. 1223). Referred to the Committee of the Whole House.

Mr. GRAHAM: Committee on the Judiciary. H. R. 5851. A bill for the relief of Mrs. Toshiko Keyser; without amendment (Rept. No. 1224). Referred to the Committee of the Whole House.

Mr. DENTON: Committee on the Judiciary. H. R. 587. A bill for the relief of Dick Walook and Alfred L. Woods; with an amendment (Rept. No. 1225). Referred to the Committee of the Whole House.

Mr. JENNINGS: Committee on the Judiciary. H. R. 1024. A bill for the relief of Jacob Brown; with an amendment (Rept. No. 1226). Referred to the Committee of the Whole House.

Mr. LANE: Committee on the Judiciary. H. R. 1106. A bill for the relief of King V. Clark; with an amendment (Rept. No. 1227). Referred to the Committee of the Whole House.

Mr. DENTON: Committee on the Judiciary. H. R. 2075. A bill for the relief of Frank G. Moore; without amendment (Rept. No. 1228). Referred to the Committee of the Whole House.

Mr. BYRNE of New York: Committee on the Judiciary. H. R. 2266. A bill for the relief of Morris Tutnauer; with an amendment (Rept. No. 1229). Referred to the Committee of the Whole House.

Mr. LANE: Committee on the Judiciary. H. R. 3769. A bill for the relief of Doris M. Faulkner; with an amendment (Rept. No. 1230). Referred to the Committee of the Whole House.

Mr. JENNINGS: Committee on the Judiciary. H. R. 3810. A bill for the relief of Cecil E. Gordon; without amendment (Rept. No. 1231). Referred to the Committee of the Whole House.

Mr. LANE: Committee on the Judiciary. H. R. 4556. A bill for the relief of the estate of Elmo Sodergren; without amendment (Rept. No. 1232). Referred to the Committee of the Whole House.

Mr. BYRNE of New York: Committee on the Judiciary. H. R. 5353. A bill for the relief of Max Schlederer; without amendment (Rept. No. 1233). Referred to the Committee of the Whole House.

Mr. BYRNE of New York: Committee on the Judiciary. H. R. 4165. A bill for the relief of Katherine H. Clagett; without amendment (Rept. No. 1234). Referred to the Committee of the Whole House.

Mr. DENTON: Committee on the Judiciary. H. R. 3804. A bill for the relief of Fred B. Niswonger; without amendment (Rept. No. 1235). Referred to the Committee of the Whole House.

Mr. BYRNE of New York: Committee on the Judiciary. H. R. 3405. A bill for the relief of Vivian Newell Price; with an amendment (Rept. No. 1236). Referred to the Committee of the Whole House.

Mr. BYRNE of New York: Committee on the Judiciary. H. R. 2758. A bill for the relief of the Fisher Brewing Co.; without amendment (Rept. No. 1237). Referred to the Committee of the Whole House.

Mr. BRYSON: Committee on the Judiciary. H. R. 5319. A bill granting a renewal of patent No. 40,029, relating to the badge of The Holy Name Society; with an amendment (Rept. No. 1240). Referred to the Committee of the Whole House.

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 Air Force Vitalization and Retirement Equalization Act of 1948; 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 liberalized credit to reduce the cost of housing for such families, and for other purposes; to the Committee on Banking and Currency.

By Mr. MURRAY of Tennessee:

H. R. 5931. A bill to establish a standard schedule of rates of basic compensation for certain employees of the Federal Government; to provide an equitable system for fixing and adjusting the rates of basic compensation of individual employees; to repeal the Classification Act of 1923, as amended; and for other purposes; to the Committee on Post Office and Civil Service.

By Mr. RANKIN:

H. R. 5932. A bill to extend pension benefits under the laws reenacted by Public Law 269, Seventy-fourth Congress, August 13, 1935, as now or hereafter amended, to certain persons who served with the United States military or naval forces engaged in hostilities in the Moro Province, including Mindanao, or in the islands of Samar and Leyte, after July 4, 1902, and prior to January 1, 1914, and to their unremarried widows, child, or children; to the Committee on Veterans' Affairs.

By Mr. REED of Illinois:

H. R. 5933. A bill to amend an act entitled "An act to establish a uniform system of bankruptcy throughout the United States," approved July 1, 1898, and acts amendatory thereof and supplementary thereto; to the Committee on the Judiciary.

By Mr. WHITTINGTON:

H. R. 5934. A bill to amend the "Second Supplemental National Defense Appropriation Act, 1943," approved October 26, 1942 (56 Stat. 990, 999), and for other purposes; to the Committee on Public Works.

By Mr. BAILEY:

H. R. 5935. A bill to authorize the Administrator of Veterans' Affairs to sell or lease oil and gas rights in the subsurface of the land on which is situated the Veterans' Administration facility at Clarksburg, W. Va.; to the Committee on Veterans' Affairs.

By Mr. MILES:

H. R. 5936. A bill authorizing an appropriation for the construction, extension, and improvement of a county hospital at Albuquerque, N. Mex., to provide facilities for the treatment of Indians; to the Committee on Public Lands.

By Mr. RANKIN:

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. CHUDOFF:

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. MURDOCK:

H. R. 5943. A bill to provide for the erection of a monument at the grave of Constantino Brumidi; to the Committee on House Administration.

By Mr. CROSSER:

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 Heart; 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 B. Grier; to the Committee on the Judiciary.

By Mr. SABATH:

H. R. 5947. A bill for the relief of Alfio Batelli; to the Committee on the Judiciary.

PETITIONS, ETC.

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

1396. By Mr. TAYLOR: Petition of Earle H. Bogardus, traffic counselor, Menands, N. Y., urging action before the present session of Congress adjourns, on repeal of excise taxes, especially the transportation tax on freight; to the Committee on Ways and Means.

1397. By the SPEAKER: Petition of Catholic State League of Texas, San Antonio, Tex., relative to amending Public Law 774, Eightieth Congress; to the Committee on the Judiciary.