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# Congressional Record

PROCEEDINGS AND DEBATES OF THE 77<sup>th</sup> CONGRESS, FIRST SESSION

## HOUSE OF REPRESENTATIVES

WEDNESDAY, NOVEMBER 26, 1941

The House met at 11 o'clock a. m., and was called to order by the Speaker.

The Chaplain, Rev. James Shera Montgomery, D. D., offered the following prayer:

O Thou who didst manifest divine love to bring us to our Father, in Thy name we pray. Grant that we may have a finer conception of the riches of Thy goodness, so that Thy name may become one of power, of hope, and of inspiration. We pray Thee to enrich us with the spirit of fidelity, of helpfulness, and of gentleness, fulfilling our daily conduct with the spirit of our Elder Brother. How blessed is that life which lives by its higher nature; it reveals and interprets the divine and at last stands in Zion in the presence of God.

Blessed Lord, what a change would come over human society if all the pain-bearing elements should die away and be destroyed by the incoming spirit of Jesus of Nazareth; we pray that all bitterness or resentment whether silent or vocal may be forgotten. By Thy graciousness draw us close to Thee, making us forget our poverty of soul and lead us to forgive the weaknesses and failures of others, arising undismayed to greater effort. In our dear Redeemer's name. Amen.

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

### EXTENSION OF REMARKS

Mr. MARTIN J. KENNEDY. Mr. Speaker, I ask unanimous consent to extend my own remarks in the Record and include therein a resolution adopted by the Association of Motor Vehicle Commissioners concerning certain bills pending in the House; and, second, I ask unanimous consent to insert in the Appendix of the Record an address delivered before the Seventy-seventh Division by former Capt. Vincent Murphy on the subject The Bill of Rights.

The SPEAKER. Without objection, it is so ordered.

There was no objection.

### PRICE-CONTROL LEGISLATION

Mr. MARTIN J. KENNEDY. Mr. Speaker, I ask unanimous consent to address the House for 1 minute.

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The SPEAKER. Without objection, it is so ordered.

There was no objection.

Mr. MARTIN J. KENNEDY. Mr. Speaker, today we are going to consider an amendment to H. R. 5900 entitled "A bill to further the national defense and security by checking speculation and excessive price rises, price dislocations, and inflationary tendencies, and for other purposes."

One of the most objectionable features of this type of legislation is the proposal or tendency to regulate wages. I want it distinctly understood here and now that I am opposed to all legislation which in any way attempts to put a ceiling on the wages to be paid to the American workman.

We recently passed a tax bill which means higher income taxes on every wage earner, and there has been a suggestion from the Secretary of the Treasury that we increase the social-security tax.

If we pass legislation to carry out these proposals, the only thing left for the average person will be his right to work and pay taxes. This is not a bright outlook for the millions of decent, peace-loving men and women of America.

This control legislation and tax legislation is due to the defense program. The persons who will suffer most are those in the lower-salary brackets and are the ones making the supreme sacrifice by giving their sons to the armed forces of the country. We all know that the majority of men in the Army, Navy, and Marine Corps come from the average American home, which homes unfortunately are not blessed with great wealth. The membership of this House should be searching for ways to cut the cost of government to the citizens instead of passing legislation restricting the rights of the people and loading them down with new taxes.

During my 18 years of legislative service I have worked and voted for every measure to improve the standard of living, hours of employment, and for the payment of a living wage. I am going to resist every effort which might in any way impair the gains of labor; and, to my way of thinking, regulation of wages will be the first step toward tearing down the structure of labor legislation of which I am so proud, because of the part that I played in its development and building.

I hope that the House will follow my leadership in this direction.

### EXTENSION OF REMARKS

Mr. COLE of Maryland. Mr. Speaker, I have two requests to extend my remarks: First, to include an address delivered by Mr. Boyd, president of the American Petroleum Institute; and, second, to include an address delivered by Mr. Davies, Federal Petroleum Coordinator.

The SPEAKER. Without objection, it is so ordered.

There was no objection.

Mr. WOODRUFF of Michigan. Mr. Speaker, I ask unanimous consent to extend my own remarks in the Record and to include therein an article by James B. Reston, which appeared in the New York Times of the 18th; and also an article by John S. Knight, publisher of the Detroit Free Press.

The SPEAKER. Without objection, it is so ordered.

There was no objection.

Mr. GEHRMANN. Mr. Speaker, I ask unanimous consent to extend my own remarks in the Record by including a short newspaper article entitled "Want To Help Kill America."

The SPEAKER. Without objection, it is so ordered.

There was no objection.

Mr. BISHOP. Mr. Speaker, I ask unanimous consent to extend my own remarks in the Record by inserting a report from the Office of Production Management relative to the employment situation at the Illinois Ordnance Plant in my congressional district. This report is in reply to my request for an investigation and for the establishing of a definite policy with respect to employment by the executives responsible for the successful operation of the plant.

The SPEAKER. Without objection, it is so ordered.

There was no objection.

Mr. WICKERSHAM. Mr. Speaker, I ask unanimous consent to extend my own remarks in the Record in six instances and include therein a statement and tables showing the work done by the N. Y. A.

The SPEAKER. Without objection, it is so ordered.

There was no objection.

## NATIONAL YOUTH ADMINISTRATION

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

The SPEAKER. Without objection, it is so ordered.

There was no objection.

Mr. WICKERSHAM. Mr. Speaker, the N. Y. A. in Oklahoma, especially, and, in my opinion, throughout the United States, has been doing a splendid job. The Congress appropriated moneys for the N. Y. A., but the Bureau of the Budget through its power is withholding the funds in Oklahoma in particular. Last week 7,000 N. Y. A. workers engaged in defense training were cut off. Last week Oklahoma sent 1,000 trained men to California to be airplane workers in defense plants. Five hundred of these were N. Y. A. trainees. I hope the N. Y. A. work will be continued. [Here the gavel fell.]

## PRICE-CONTROL LEGISLATION

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

The SPEAKER. Without objection, it is so ordered.

There was no objection.

Mr. COX. Mr. Speaker, the time is at hand when this House has an opportunity of demonstrating to the country that it has recaptured its independence and its self-respect. It has the opportunity in its hands to give evidence of the fact that it expects to have something to do with writing legislation from now on.

The Gore amendment, in my opinion, will be beaten down, and, of course, this House is going to throw out the amendment to restore to the committee bill the licensing feature. When that is all over, then this whole question should be re-committed to the committee for them to write a bill in keeping with what is apparently the sentiment of this House and of the country.

## EXTENSION OF REMARKS

Mr. MCGREGOR. Mr. Speaker, I ask unanimous consent to extend my own remarks in the RECORD and to include an article or a chart by the Department of Agriculture, Bureau of Foreign Crops and Commerce.

The SPEAKER. Is there objection to the request of the gentleman from Ohio [Mr. MCGREGOR]?

There was no objection.

## PERMISSION TO ADDRESS THE HOUSE

Mr. WINTER. Mr. Speaker, I ask unanimous consent that on Monday next, December 1, at the conclusion of all business on the Speaker's desk and after all other special orders heretofore entered, I may be permitted to address the House for 30 minutes.

The SPEAKER. Is there objection to the request of the gentleman from Kansas [Mr. WINTER]?

There was no objection.

## EXTENSION OF REMARKS

Mrs. ROGERS of Massachusetts. Mr. Speaker, I ask unanimous consent to revise and extend my own remarks in the RECORD and to include a letter from Russell Fisher and an analysis of the price-

control bill by the Cotton Manufacturers Association.

The SPEAKER. Is there objection to the request of the gentleman from Massachusetts [Mrs. ROGERS]?

There was no objection.

Mr. GORE. Mr. Speaker, I ask unanimous consent to revise and extend my remarks in the RECORD and to include a statement by Mr. Baruch, and also to revise and extend the remarks I expect to make in the Committee of the Whole today.

The SPEAKER. Is there objection to the request of the gentleman from Tennessee [Mr. GORE]?

There was no objection.

## ENEMIES OF OUR GOVERNMENT

Mr. DIES. Mr. Speaker, I ask unanimous consent to proceed for 1 minute.

The SPEAKER. Is there objection to the request of the gentleman from Texas [Mr. DIES]?

There was no objection.

Mr. DIES. Mr. Speaker, yesterday I gave the House a partial record of some of the key figures in the Price Administration, and I asked every Member to read my speech in today's RECORD as well as the evidence submitted in that speech.

The only answer that Mr. Henderson ever gave to that was to state to the Banking and Currency Committee that I was not a responsible Member of Congress. Mr. Speaker, I am sick and tired of the arrogance of the bureaucrats that have infested this Government, and, so far as I am concerned, I am going to vote to recommit this bill because I refuse to put into the hands of the enemies of this country vast powers to strangle our whole economic and political system. [Here the gavel fell.]

## LEON HENDERSON

Mr. VOORHIS of California. Mr. Speaker, I ask unanimous consent to proceed for 1 minute.

The SPEAKER. Is there objection to the request of the gentleman from California [Mr. VOORHIS]?

There was no objection.

Mr. VOORHIS of California. Mr. Speaker, I cannot refrain from saying just one thing at this point. I agree entirely with the gentleman from Texas so far as Communists are concerned. Any one who is a Communist should not be employed any place in our Government. I do not believe that anybody who is a Nazi or Fascist should be employed anywhere in our Government. But so far as Mr. Leon Henderson is concerned, I do not think the gentleman from Texas intended to give a wrong impression. There are a lot of things I do not agree with Mr. Henderson about. He has bawled me out plenty on more than one occasion, because I did not agree with him, but I do not think the gentleman from Texas wants to leave the impression that he thinks Mr. Henderson is an enemy of the United States. Does he?

Mr. DIES. No; and I did not say that. We have submitted certain names to the President and I have stated that if he would act we would submit 50 other names in the Price Administration. I have submitted to the President the names of 1,126 members of subversive

organizations employed by this Government and in addition I am sending to the White House the names of 15,000 Nazis, many of whom hold positions in our defense industries. I am sick and tired of this. I have a responsibility to my country and I am going to carry that responsibility out. As far as I am concerned I am going to use all the power at my command to get the White House to take whatever action is necessary.

Mr. VOORHIS of California. Every Member of this House has a responsibility to his country. We have a responsibility, I believe, first to see that no enemies of the United States, as the gentleman puts it, are in Government employ. But we also have a responsibility to make a distinction between people who are really subservient to foreign governments or to foreign systems and under the discipline of those governments, on the one hand, and people, on the other hand, who, whether we agree with them or not about what they believe or may not believe, we know perfectly well are fundamentally loyal and patriotic to our Nation. I think there has got to be in the picture somewhere a recognition of the distinction between those two kinds of things. [Here the gavel fell.]

## EXTENSION OF REMARKS

Mr. STEFAN. Mr. Speaker, I ask unanimous consent to extend my own remarks in the RECORD and to include a few letters and telegrams on the price-control bill.

The SPEAKER. Is there objection to the request of the gentleman from Nebraska [Mr. STEFAN]?

There was no objection.

## PERMISSION TO ADDRESS THE HOUSE

Mr. RICH. Mr. Speaker, I ask unanimous consent to proceed for 1 minute.

The SPEAKER. Is there objection to the request of the gentleman from Pennsylvania [Mr. RICH]?

There was no objection.

Mr. RICH. Mr. Speaker, thank God we have men in the House of Representatives like the gentleman from Texas, MARTIN DIES, who want to do the real thing to save America. God bless him. If we do not rid this Government of those people who are Communists and desirous of Russianizing America, we will eventually permit them to undermine our Government and it may be overthrown. I am with the gentleman from Texas, MARTIN DIES, in his desire to rid them out of our Government employment. Let anyone in this country who does not like our form of government get out and go to some other land—a land or country he likes better than America. If, for any reason, they do not want to leave our shores, let us put them in concentration camps. All people who stand for the overthrow of our Government, put them on a ship and send them to some other country, or if they would not be acceptable to any other country, then send them to the South Sea islands. Get Communists out of America.

## ENEMIES OF OUR GOVERNMENT

Mr. LELAND M. FORD. 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 California [Mr. LELAND M. FORD]?

There was no objection.

Mr. LELAND M. FORD. Mr. Speaker, I agree with the gentleman from Pennsylvania. Thank God for the gentleman from Texas [Mr. DIES]. This gentleman has repeatedly submitted to this administration names of persons who are undermining our Government, but he does not get to first base with the administration. The arrogance of these bureaucrats is terrific. We cannot get information from them. They try to shut you out. I do not see any reason why these names have not been investigated and those guilty discharged. We handled the case of one man, David Lasser, by cutting out his salary in an appropriation bill. If we have to do that, I would be willing to cut out the salaries of every one of these enemies whose names have been submitted by the gentleman from Texas when we come to consider the appropriation bills, and stop them dead in their tracks. I believe that the enemy from within is being given his greatest help from the administration itself. As far as I am concerned, I do not believe I can vote for any bill like this until we have stopped these subversive interests.

[Here the gavel fell.]

#### EXTENSION OF REMARKS

Mr. GRANT of Indiana. Mr. Speaker, I ask unanimous consent to extend my own remarks in the RECORD and include therein a short resolution I have received.

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

There was no objection.

#### PRICE CONTROL

Mr. STEAGALL. 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. 5990) to further the national defense and security by checking speculative and excessive price rises, price dislocations, and inflationary tendencies, 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. 5990, with Mr. COOPER in the chair.

The Clerk read the title of the bill.

Mr. GORE. Mr. Chairman, I offer an amendment in the nature of a substitute.

The Clerk read as follows:

Amendment offered by Mr. GORE:  
*Be it enacted, etc.,*

#### TITLE I—GENERAL PROVISIONS AND AUTHORITY PURPOSES; TIME LIMIT

SECTION 1. (a) It is hereby declared that it is in the interest of the national defense and security and the purposes of this act are (1) to preserve the value of the national currency against the consequences of price and credit inflation; (2) to stabilize prices and to prevent speculative, unwarranted, and abnormal increases in prices and rents; (3) to prevent economic disturbances, labor disputes, burdens upon interstate and foreign commerce, interference with the effective use

of the Nation's resources for defense, and impairment of national unity and morale, which would result from unwarranted increases in prices, rents, and the cost of living; (4) to eliminate and prevent profiteering, hoarding, manipulation, speculation, and other disruptive practices resulting from abnormal market conditions or scarcities caused by or contributing to the national emergency; (5) to prevent prospects of price rises from encouraging the accumulation and withholding of materials needed for national defense, and from impeding long-term commitments for production; (6) to assure that defense appropriations are not dissipated by excessive prices; (7) to obtain the maximum necessary production without undue profits to low-cost producers; (8) to protect persons with relatively fixed and limited incomes, wage earners, investors, and persons dependent on life insurance, annuities, and pensions, from undue impairment of their standard of living; (9) to prevent a post-emergency collapse of values; (10) to stabilize agricultural prices in the manner provided in section 3; and (11) to provide procedures for administration and review which will fairly protect the interests of those subject to this act, without endangering the dominant public interest in the accomplishment of the foregoing purposes.

(b) The provisions of this act, and all regulations, orders, and requirements thereunder, shall terminate on June 30, 1943, or upon the date of a proclamation by the President that the further continuance of the authority granted by this act is not necessary in the interest of the national defense and security, or upon the date of enactment of an act of Congress terminating such authority, whichever date is the earlier; except that as to offenses committed, or rights or liabilities incurred, prior to such termination date, the provisions of this act and such regulations, orders and requirements shall be treated as still remaining in force for the purpose of sustaining any proper suit, action, or prosecution with respect to any such right, liability, or offense.

(c) The provisions of this act shall be applicable to the United States, its Territories and possessions, the District of Columbia, and the Philippine Islands.

Mr. STEAGALL. Mr. Chairman, may I inquire of the gentleman from Tennessee if the amendment now being read is identical with the last bill introduced by him, H. R. 6086?

Mr. GORE. It is.

Mr. STEAGALL. I ask this for the purpose of making sure that no points of order are waived. That being the case, no point of order will be made. I just wanted to be sure about it.

Mr. GORE. May I say to the gentleman that it is identical with the bill which was sent to the office of every Member yesterday morning. For that reason, Mr. Chairman, I ask unanimous consent that the reading of the amendment be dispensed with and that amendments to the amendment be considered in the order of the sections to which they apply.

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

Mr. PATMAN. Reserving the right to object, Mr. Chairman, I did not hear the last part of the request. I wish the gentleman would restate his unanimous-consent request.

Mr. GORE. I ask unanimous consent that the reading of the amendment be dispensed with and that amendments to

the amendment be considered in the order of the sections to which they apply.

The CHAIRMAN. The Chair feels that he should state that the amendment offered by the gentleman from Tennessee is one amendment. Of course, amendments to the amendment would be in order to any part of the amendment.

Mr. GORE. The request I submitted, Mr. Chairman, was that the amendments to the amendment be considered in the order of the sections of the amendment to which they apply.

Mr. PATMAN. Mr. Chairman, I object to any unanimous-consent request not in conformance with the rules of the House.

Mr. GORE. Mr. Chairman, I withdraw the latter part of my request and ask unanimous consent that the reading of the amendment be dispensed with.

The CHAIRMAN. The gentleman from Tennessee asks unanimous consent that the reading of the amendment offered by him be dispensed with. Is there objection?

Mr. WOLCOTT. Reserving the right to object, Mr. Chairman, as I understand, this amendment is the language contained in the bill, H. R. 6086, introduced by the gentleman from Tennessee the day before yesterday. Several Members have expressed to me an interest in the bill. They have not had time to read it. It presents an entirely different philosophy of price control than that found in the bill reported by the committee. Although I have no desire to delay the proceedings, I think that for the present moment I must insist that the amendment be read.

Mr. LEWIS. Mr. Chairman, a parliamentary inquiry.

The CHAIRMAN. The gentleman will state it.

Mr. LEWIS. Is this the appropriate time to move that the time allotted to the gentleman from Tennessee [Mr. GORE] on his amendment be extended beyond the 5 minutes allowed him under the rule?

The CHAIRMAN. This is not the proper time, under the rules of the House. There must be some debate on the amendment before a motion is in order to limit debate.

Mr. WILLIAM T. PHEIFFER. Mr. Chairman, a parliamentary inquiry.

The CHAIRMAN. The gentleman will state it.

Mr. WILLIAM T. PHEIFFER. I have an amendment to offer to the section of H. R. 5990 which has been read. As I understand, full opportunity will be provided for offering that amendment following the consideration of the Gore amendment, if I am recognized at that time.

The CHAIRMAN. It may be helpful if the Chair at this point invites attention to page 6 of Cannon's Procedure in the House of Representatives, where there appears a diagram showing the order of consideration of amendments and substitute amendments. An amendment may be offered and a substitute may be offered. An amendment to the amendment may be offered and an amendment to the substitute may be offered.

Mr. WILLIAM T. PHEIFFER. The Chair has satisfactorily answered my inquiry.

Mr. BLAND. Mr. Chairman, a parliamentary inquiry.

The CHAIRMAN. The gentleman will state it.

Mr. BLAND. When the first section of the substitute has been read and is open for amendment, suppose the amendment prevails, is it then in order to move to strike out the remainder of the reported bill and offer the other measure, or does it come up for consideration section by section?

The CHAIRMAN. The entire amendment, as offered by the gentleman from Tennessee [Mr. GORE], will have to be reported, and then it is open to amendment.

Mr. BLAND. Suppose it prevails, what is done with the rest of the bill?

The CHAIRMAN. The rest of the bill would have to be read and the succeeding sections stricken out.

The Clerk will report the amendment. The Clerk read as follows:

Amendment offered by Mr. GORE: Page 3, line 18, strike out all of section 1 and insert in lieu thereof the following as a substitute for the bill:

#### TITLE I—SHORT TITLE, PURPOSES OF ACT, DEFINITIONS, AND OFFICE OF INFLATION CONTROL

##### SHORT TITLE

SECTION 1. This act may be cited as the Emergency Inflation Control Act.

##### PURPOSES OF ACT

SEC. 2. It is hereby declared that it is in the interest of the national defense and security and the purposes of this act are (a) to preserve the value of the national currency against the consequences of price and credit inflation; (b) to stabilize prices, wages, rents, and salaries and to prevent speculative, unwarranted, and abnormal increases therein; (c) to prevent economic disturbances, labor disputes, burdens upon interstate and foreign commerce, interference with the effective use of the Nation's resources for defense, and impairment of national unity and morale, which would result from unwarranted increases in prices, wages, rents, salaries, and the cost of living; (d) to eliminate and prevent profiteering, hoarding, manipulation, speculation, and other disruptive practices resulting from abnormal market conditions or scarcities caused by or contributing to the national emergency; (e) to prevent prospects of increases in prices, rents, wages, and salaries from encouraging the accumulation and withholding of materials needed for national defense, and from impeding long-term commitments for production; (f) to assure that defense appropriations are not dissipated by excessive prices, wages, and salaries; (g) to obtain the maximum necessary production without undue profits to low-cost producers; (h) to protect persons with relatively fixed incomes, investors, and persons dependent on life insurance, annuities, and pensions, from undue impairment of their standard of living; (i) to prevent a post-emergency collapse of values, and the reappearance of price and cost disparities for farmers and other primary producers; and (k) to provide procedures for administration and review which will fairly protect the interests of those subject to this act, without endangering the dominant public interest in the accomplishment of the foregoing purposes.

##### DEFINITIONS

SEC. 3. For the purposes of this act—

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

any receiver, trustee, or other legal representative of any of the foregoing, and includes the United States, any State or political subdivision thereof, or any Territory, District, or possession of the United States.

(b) "Article" means any article, product, material, or commodity.

(c) "Services" means any service, operation, or function performed otherwise than as an employee by a person (other than a State or political subdivision thereof) for any other person for compensation.

(d) "Labor" means any function performed by an individual as an employee of a person other than a State or political subdivision thereof.

(e) An article shall be deemed the "same" article as another article if it is identical in every respect with such other article.

(f) An article shall be deemed "similar" to another article if it is not the same article but is an article of the same kind and of the same or substantially the same quality as such other article.

(g) An article shall be deemed a "new" article if neither the same article nor a similar article was sold at wholesale during the base period.

(h) Services shall be deemed the "same" services as other services if they consist of the same or substantially the same operations or functions as such other services.

(i) Services shall be deemed "new" services if the same services were not performed during the base period.

(j) Labor shall be deemed the "same" labor as other labor if it consists of the same or substantially the same functions and duties as such other labor.

(k) Labor shall be deemed "new" labor if the same labor was not performed during the base period.

(l) "Dwelling accommodations" means living quarters rented or leased for the residence of one or more people.

(m) "Sale" means any disposition, exchange, lease, or other transfer, or any contract to do any of the foregoing, and "sell," "selling," "seller," "buy," and "buyer," shall be construed accordingly.

(n) "Sale at wholesale" of an article means (1) any sale of such article for resale by the buyer, or (2) in the case of a sale by the manufacturer, producer, or importer of such article for consumption or use by the buyer, such sale by the manufacturer, producer, or importer; except that wherever specific reference is made to a "sale at wholesale of an agricultural commodity", such sale shall be deemed to refer only to a sale of such commodity by the farmer who produced such commodity.

(o) "Price" means the consideration received or receivable in connection with the sale of an article or for the performance of services.

(p) "Wage" means the rate of consideration received or receivable for the performance of labor, whether in the form of wages, salary, or any other form.

(q) "Rent" means (1) the consideration received or receivable for the lease of dwelling accommodations, or (2) the making of a lease contract for dwelling accommodations.

(r) "Ceiling" means the maximum price for which an article may be sold or which may be received for the performance of services, or the maximum wage which may be paid for labor, or the maximum rent for dwelling accommodations.

(s) "Agricultural commodity" includes only an agricultural commodity in the form in which it is customarily marketed by farmers.

(t) "Base period" means the period November 24, 1941, to November 29, 1941, both inclusive.

(u) "Comparable" means substantially the same real, utility, and neighborhood value.

(v) "Administrator" means the Administrator of the Office of Inflation Control created by section 4 of this act.

#### ADMINISTRATOR OF OFFICE OF INFLATION CONTROL

SEC. 4. (a) There is hereby created in the Executive Office of the President an Office of Inflation Control, which shall be under the direction of an Administrator, to be known as the Administrator of the Office of Inflation Control (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 receive compensation at the rate of \$10,000 a year.

(b) The Administrator may establish and utilize such advisory, regional, local, industry, or other groups or agencies, and utilize such voluntary and uncompensated service, as may from time to time be needed. The Administrator shall give due consideration to the recommendations of such groups, committees, or other agencies appointed under this section, and he shall utilize, insofar as practicable, local agencies to the end that compliance with the act may be effectuated.

(c) The Administrator may, subject to the civil-service laws, appoint such employees as he deems necessary in order 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. Attorneys appointed under this section may appear for and represent the Administrator in any case in any court. In the appointment, selection, classification, and promotion of officers and employees of the Office of Inflation Control 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.

(d) 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.

(e) The Administrator shall submit to Congress a quarterly report covering his activities for the preceding quarter and including such information and data, and recommendations with respect to matters covered by this act, as he may find advisable.

#### TITLE II. PRICE, RENT, AND WAGE CEILINGS

##### PROHIBITED ACTS

SEC. 201. (a) It shall be unlawful, regardless of any contract, agreement, or other obligation, for any person knowingly to sell or deliver, or to buy or accept delivery of, any article at a price in excess of the ceiling applicable to such sale.

(b) It shall be unlawful, regardless of any contract, agreement, or other obligation, for any person knowingly to receive or pay, or to enter into any contract, agreement, or other obligation under which he is entitled or required, or under which he purports to be entitled or required, to receive or pay for the performance of any services a price in excess of the ceiling applicable to such services.

(c) It shall be unlawful, regardless of any contract, agreement, or other obligation, for any person knowingly to pay for any labor a wage in excess of the ceiling applicable in respect of such labor.

(d) It shall be unlawful, regardless of any contract, agreement, or other obligation, for any person knowingly to pay or receive for dwelling accommodations, or enter into contract to pay or by which he is entitled to receive for dwelling accommodations, rent in excess of the ceiling applicable to such rent for such dwelling accommodations.

##### CEILINGS APPLICABLE TO SALES OF ARTICLES

SEC. 202. (a) Except as provided in subsections (b) and (c) and section 206, the ceiling applicable to the sale of an article by any person shall be—

(1) in case the sale is at wholesale and the article is the same article as an article sold at wholesale by such person during the base period, the lowest price at which it was so sold by such person during the base period;



(2) in case the sale is at wholesale and the article is not the same article as an article sold at wholesale by such person during the base period, but is similar to an article so sold by such person during the base period, the lowest price at which such similar article was so sold by such person during the base period;

(3) in case the sale is at wholesale and the article is not the same article as, nor an article similar to, an article sold at wholesale by such person during the base period, the lowest price at which the same article was regularly so sold by any other person during the base period, or if the same article was not regularly so sold by any other person during the base period, the lowest price at which a similar article was regularly so sold by any other person during the base period;

(4) in the case of any article to the sale of which paragraph (1), (2), or (3) is applicable, such ceiling as the Administrator may prescribe pursuant to section 207. Any such ceiling so prescribed shall be in lieu of the ceiling applicable under such paragraph; and

(5) in the case of a new article, and in the case of any article to the sale of which paragraph (1), (2), (3), or (4) is not applicable, such ceiling as the Administrator may prescribe pursuant to section 207.

(b) Wherever reference is made in subsection (a) to the lowest price at which the same article or a similar article was sold during the base period, such price shall in no event be deemed to exceed the ceiling or maximum price, if any, in effect with respect to such same article or similar article under any regulation or order of the Administrator of the Office of Price Administration and Civilian Supply.

(c) The ceiling applicable to the sale at wholesale of an agricultural commodity shall in no case be less than the parity price therefor, as determined and published by the Secretary of Agriculture in accordance with other provisions of law.

#### CEILINGS APPLICABLE TO SERVICES

SEC. 203. (a) Except as provided in subsection (b) and section 206, the ceiling applicable to services performed by any person shall be—

(1) in case such services are the same services as services performed by such person during the base period, the lowest price for which such services were so performed by such person during the base period;

(2) in case such services are not the same services as services performed by such person during the base period (or in case such person did not perform any services during the base period), the lowest price for which the same services were regularly performed by any other person within the same county or parish, or within the same State if there be no such other person within the same county or parish, during the base period;

(3) in the case of any services to which paragraph (1) or (2) is applicable, such ceiling as the Administrator may prescribe pursuant to section 207. The ceiling so prescribed shall be in lieu of the ceiling applicable to such services under such paragraph; and

(4) in the case of new services and in the case of services to which paragraph (1), (2), or (3) is not applicable, such ceiling as the Administrator may prescribe pursuant to section 207.

(b) Wherever reference is made in subsection (2) to the lowest price for which services were performed during the base period, such price shall in no case be deemed to exceed the ceiling or maximum price, if any, in effect with respect to such services under any regulation or order of the Administrator of the Office of Price Administration and Civilian Supply.

#### CEILINGS APPLICABLE TO WAGES AND SALARIES

SEC. 204. (a) Except as provided in subsection (b) and section 206, the ceiling applicable in respect of labor performed by an individual shall be—

(1) in case such labor is the same labor as labor performed, whether or not by him, for his employer during the base period, the highest wage paid by his employer during the base period, at the place of employment where such individual is employed, for the same labor to an employee with the same seniority rights and length of service;

(2) in case the same labor was not performed either by him or any other employee, for his employer during the base period, at the place of employment where such individual is employed, the highest wage paid for the same labor by any other employer within the same county or parish, or within the same State, if there be no such other employer within the same county or parish, during the base period to an employee with the same seniority rights and length of service;

(3) in the case of any labor in respect of which paragraph (1) or (2) is applicable, such ceiling as the Administrator may prescribe pursuant to section 207. Any such ceiling so prescribed shall be in lieu of the ceiling applicable in respect of such labor under such paragraph; and

(4) in case such labor is new labor, and in the case of labor to which paragraph (1), (2), or (3) is not applicable, such ceiling as the Administrator may prescribe pursuant to section 207.

(b) The ceiling applicable in respect of any labor shall in no case be less than the minimum compensation prescribed therefor in or pursuant to any law of the United States, or of any State or political subdivision thereof, or of any Territory, District, or possession of the United States.

#### CEILINGS APPLICABLE TO THE RENT FOR DWELLING ACCOMMODATIONS

SEC. 205. (a) Except as provided in subsection (b) and section 207, the ceiling applicable to the rent for dwelling accommodations by any person shall be—

(1) in case the dwelling accommodations are the same dwelling accommodations as the dwelling accommodations rented or offered for rent by such person during the base period, the lowest rent charged by such person for such dwelling accommodations during the base period;

(2) in case the dwelling accommodations are not the same dwelling accommodations as dwelling accommodations rented or offered for rent by such person during the base period, but are comparable dwelling accommodations to dwelling accommodations rented or offered for rent by such person during the base period, the lowest rent for which such comparable dwelling accommodations were so rented or offered for rent by such person during the base period;

(3) in case the dwelling accommodations are not the same dwelling accommodations, nor dwelling accommodations similar to dwelling accommodations rented or offered for rent by such person during the base period, the lowest rent for which the same or comparable dwelling facilities were rented during the base period by any other person within the same municipality;

(4) in the case of dwelling accommodations to the rent of which paragraph (1), (2), or (3) is applicable, such ceiling as the Administrator may prescribe pursuant to section 207. Any such ceiling so prescribed shall be in lieu of the ceiling applicable under such paragraph; and

(5) in the case of dwelling accommodations to the rent of which paragraph (1), (2), or (3) is not applicable, such ceiling as the Administrator may prescribe pursuant to section 207.

(b) Paragraph (1), (2), and (3) of subsection (a) shall in no case apply to the rent of

dwelling accommodations in rural areas or in municipalities having a population of fewer than 10,000 people according to the Federal census of 1940.

#### EXEMPTIONS

SEC. 206. (a) The Administrator may by regulation or order exempt from the provisions of sections 202, 203, 204, and 205 articles, services, labor, and dwelling accommodations, with respect to which he makes a finding of fact that—

(1) such exemption is necessary to promote the national defense; and

(2) it is unnecessary that ceilings be applicable to such articles, services, labor, or dwelling accommodations in order to preserve the Nation's price structure and to prevent a rise in the cost of living.

(b) No ceiling shall in any case be applicable to any labor performed for a person who regularly employs less than eight individuals.

#### POWERS OF ADMINISTRATOR WITH RESPECT TO CEILINGS

SEC. 207. (a) Whenever in the judgment of the Administrator such action is necessary or proper in order to effectuate the purposes of this act, he shall by regulation or order establish such ceiling or ceilings as in his judgment will be generally fair and equitable to buyers and sellers of the article or articles in question, or to the person or persons performing the services in question and the person or persons for whom they are performed, or to the employees and employer or employers in question, or to the lessor and lessee of dwelling accommodations, as the case may be, and will effectuate the purposes of this act. So far as practicable, in establishing a ceiling for any specified article, services, dwelling accommodations, or labor, the Administrator shall ascertain and give due consideration to the prices prevailing for such article or services, or the wages prevailing for such labor, or the rent prevailing for such dwelling accommodations, as the case may be, during the base period, and shall make adjustments for such relevant factors as he may determine to be of general applicability in respect of such article, services, rents, or wages, including the following: Speculative fluctuations, general increases or decreases in costs of transportation, general increase or decrease in cost of maintenance and operation, general increases or decreases in costs of living, and general increases or decreases in profits earned by sellers of the article, persons performing such services, employers for whom such labor is performed, and lessors of such dwelling accommodations during and subsequent to the year ending October 12, 1941. Every regulation or order establishing any ceiling under this subsection shall be accompanied by a statement of the considerations involved in the issuance of such regulation or order.

(b) Any ceiling or ceilings may be established under this section in such form and manner, may contain such classifications and differentiations, and may provide for such adjustments, as in the judgment of the Administrator are necessary or proper in order to effectuate the purposes of this act. Any such ceiling may be established in terms of price, wages, margins, commissions, fees, charges, allowances, or other terms. Except as provided in section 202 (c) (relating to agricultural commodities) the Administrator may establish a ceiling or ceilings under this section with respect to articles, services, dwelling accommodations below the general market price for the article or articles or services, or the rent for the dwelling accommodations, in effect at the time of the establishment of such ceiling or ceilings.

(c) The Administrator shall exercise his powers under subsections (a) and (b) with respect to agricultural commodities, and with respect to articles derived in whole or in substantial part from agricultural commodities,

in such manner as to support prices to farmers for such agricultural commodities at such levels as may be necessary to enable farmers to receive therefor average year-around prices not less than parity.

#### POWERS OF ADMINISTRATOR WITH RESPECT TO MARKET PRACTICES

SEC. 208. Whenever in the judgment of the Administrator such action is necessary or proper in order to effectuate the purposes of this act, he may, by regulation or order, regulate or prohibit, with respect to any article, speculative or manipulative practices, selling, marketing, or inventory practices (including practices relating to changes in form or quality), hoarding, or other practices which in his judgment are equivalent to or are likely to result in price increases inconsistent with the purposes of this act.

#### PROCEDURE

SEC. 209. (a) Regulations or orders establishing any ceiling or ceilings may be issued after such inquiry as the Administrator deems necessary or proper. Within a period of 60 days after the issuance of any such regulation or order any person subject to the provisions thereof may, in accordance with regulations to be prescribed by the Administrator, file a protest specifically setting forth objections to such regulation or order and affidavits or other written evidence in support of such objections. At any time after the expiration of such 60 days any person subject to the provisions of such regulation or order may file such a protest based solely on grounds arising after the expiration of such 60 days. Within a reasonable time after the filing of any protest under this subsection, but in no event more than 30 days after such filing or 90 days after the issuance of the regulation or order in respect of which the protest is filed, whichever occurs later, the Administrator shall either grant or deny such protest in whole or in part, notice such protest for hearing, or provided an opportunity to present further evidence in connection therewith.

(b) In any proceedings under this act the Administrator may take official notice of economic and other facts, including facts found by him as a result of action taken under section 212, and may limit such proceedings to the filing of affidavits or other written evidence, or the filing of briefs.

#### REVIEW

SEC. 210. (a) Any protestant who is aggrieved by the denial or partial denial of his protest, may, within 30 days after such denial, file a complaint with the emergency court of appeals, created pursuant to subsection (c), praying that the regulation or order protested be set aside in whole or in part. A copy of such complaint shall forthwith be served on the Administrator who shall certify and file with such court a transcript of the proceedings in connection with the protest which shall include a statement of the materials of which the Administrator has taken official notice. Upon the filing of such transcript the court shall have exclusive jurisdiction to affirm or set aside such regulation or order, in whole or in part, or to remand the proceeding, except that the regulation or order may be modified or rescinded by the Administrator at any time notwithstanding the pendency of such complaint. No objection to any regulation or order, and no evidence in support of any objection thereto, shall be considered by the court, unless such objection shall have been set forth by complainant in the protest or such evidence shall be contained in the transcript. If application is made to the court by either party for leave to introduce additional evidence which was either offered to the Administrator and not admitted, or which could not reasonably have been offered to the Administrator, and the court determines that such evidence is material, the court shall order the evidence to be presented to the Administrator.

The Administrator shall promptly receive the same, and such other evidence as he deems necessary or proper, and thereupon he shall certify and file with the court a transcript thereof, and any modification made in the regulation or order as a result thereof, except that on request by the Administrator, any such additional evidence may be presented directly to the court.

(b) No such regulation or order shall be set aside, in whole or in part, unless the complainant establishes to the satisfaction of the court that the regulation or order is not in accordance with law or is arbitrary or capricious. The effectiveness of a judgment of the court setting aside in whole or in part any such regulation or order shall be postponed until the expiration of 30 days from the entry thereof, except that if a petition for a writ of certiorari is filed with the Supreme Court under subsection (d) within such 30 days, the effectiveness of such judgment shall be postponed until an order of the Supreme Court denying such petition becomes final, or until other final disposition of the case by the Supreme Court.

(c) There is hereby created a court of the United States to be known as the emergency court of appeals, which shall consist of three or more judges to be designated by the Chief Justice of the United States from judges of United States district courts and courts of appeals. The Chief Justice of the United States shall designate one of such judges as chief judge of the emergency court of appeals, and may, from time to time, designate additional judges for such court and revoke previous designations. The chief judge may, from time to time, divide the court into divisions of three or more members, and any such division may render judgment as the judgment of the court. The court shall have the powers of a district court with respect to the jurisdiction conferred on it by this act, except that it shall exercise its powers and prescribe rules governing its procedure in such manner as to expedite the determination of cases of which it has jurisdiction under this act. The court shall have a seal, hold sessions at such places as it may specify, and appoint a clerk and such other employees as it deems necessary or proper.

(d) Within 30 days after entry of a judgment, interlocutory or final, by the emergency court of appeals a petition for a writ of certiorari may be filed in the Supreme Court of the United States, and thereupon the judgment shall be subject to review by the Supreme Court in the same manner as a judgment of a circuit court of appeals as provided in section 240 of the Judicial Code, as amended (U. S. C., 1934 ed., title 28, sec. 347). The Supreme Court shall expedite the disposition of all causes filed therein pursuant to this subsection. The emergency court of appeals, and the Supreme Court upon review of judgments of the emergency court of appeals, shall have exclusive jurisdiction to determine the validity of any ceiling under this act and of the provisions of this act authorizing any regulation or order establishing any ceiling. Except as provided in this section, no court—Federal, State, or territorial—shall have power to consider such validity, or to stay, restrain, enjoin, or set aside, in whole or in part, any such provision of this act, or any provision of any such regulation or order.

#### OBTAINING INFORMATION

SEC. 211. (a) The Administrator may make such studies and investigations, and obtain or require the furnishing of such information under oath or affirmation or otherwise, as he deems necessary or proper to assist him in prescribing any regulation or order under this act, and in the administration and enforcement of this act, and regulations and orders thereunder. For such purposes the Administrator may administer oaths and affirmations, may require by subpoena or

otherwise the attendance and testimony of witnesses and the production of documents at any designated place, may require persons to permit the inspection and copying of documents, and the inspection of inventories, and may, by regulation or order, require the making and keeping of records and other documents and the making of reports. No person shall be excused from complying with any requirement under this section because of his privilege against self-incrimination, but the immunity provisions of the Compulsory Testimony Act of February 11, 1893 (U. S. C., 1934 ed., title 49, sec. 46), shall apply with respect to any individual who specifically claims such privilege.

(b) The Administrator shall not publish or disclose any information obtained under this act that he deems confidential unless he determines that the withholding thereof is contrary to the interest of the national defense and security.

#### REGULATIONS AND ORDERS

SEC. 212. The Administrator may, from time to time, issue such regulations and orders as he may deem necessary or proper in order to carry out the purposes and provisions of this act, and to prevent the circumvention or evasion thereof. Any regulation or order issued under this act may be amended or rescinded by the Administrator whenever in his opinion such action is necessary or proper in order to carry out the provisions of this act or to prevent the circumvention or evasion thereof.

#### ENFORCEMENT

SEC. 213. (a) Whenever in the judgment of the Administrator any person has engaged or is about to engage in any acts or practices which constitute or will constitute a violation of this act, or any regulation, order, or requirement thereunder, he may make application to the appropriate court for an order enjoining such acts or practices, or for an order enforcing compliance with this act or such regulation, order, or requirement, and upon a proper showing a permanent or temporary injunction, restraining order, or other order shall be granted without bond. In cases of actual controversy, a like application may be made by any interested person, and upon a proper showing a like order or decree shall be granted.

(b) Any person who willfully violates any provision of this act or any regulation, order, or requirement thereunder, and any person who willfully falsifies in any material respect a document or report required to be kept or filed thereunder, shall, upon conviction thereof, be fined not more than \$5,000, or imprisoned for not more than 1 year, or both. Whenever the Administrator has reason to believe that any person is liable to punishment under this subsection, he may certify the facts to the Attorney General, who may, in his discretion, cause appropriate proceedings to be brought.

(c) The district courts shall have jurisdiction of violations of this act and of regulations, orders, or requirements thereunder, and concurrently with State and Territorial courts, of all civil proceedings to enforce any liability or duty created by, or to enjoin any violation of, this act or any regulation, order, or requirement thereunder. Such civil proceedings and any criminal proceedings may be brought in any district in which any act or transaction constituting the violation occurred. Any such civil proceedings may also be brought in the district in which the defendant resides or transacts business, and process in such cases may be served in any district wherein the defendant resides or transacts business or wherever the defendant may be found. No costs shall be assessed against the United States Government in any proceeding under this act.

(d) No person shall be held liable for damages or penalties in any Federal, State, or Territorial court, on any grounds for or in respect of anything done or omitted to be



done in good faith pursuant to any provision of this act or any regulation, order, or requirement thereunder, notwithstanding that subsequently such provision, regulation, order, or requirement may be modified, rescinded, or determined to be invalid. The Administrator may intervene in any suit or action wherein a party relies for ground of relief or defense upon this act or any regulation, order, or requirement thereunder.

**TITLE III—APPROPRIATIONS, SEPARABILITY, EFFECTIVE DATE, AND TERMINATION DATE**  
APPROPRIATIONS AUTHORIZED

**SEC. 301.** There are authorized to be appropriated such sums as may be necessary to carry out the provisions of this act.

**SEPARABILITY**

**SEC. 302.** If any provision of this act or the application thereof to any person or circumstances is held invalid, the remainder of the act and the application of such provision to other persons and circumstances shall not be affected thereby.

**EFFECTIVE DATE**

**SEC. 303.** This act shall become effective on day following the day on which it is enacted, except that title III shall be effective with respect to all defense contracts completed within taxable years beginning after December 31, 1940.

**TERMINATION DATE**

**SEC. 304.** This act shall cease to be in effect after June 30, 1943.

Mr. ROBINSON of Utah (interrupting the reading of the amendment). Mr. Chairman, I ask unanimous consent that the further reading of the amendment be dispensed with.

Mr. WOLCOTT. I object, Mr. Chairman.

(The Clerk resumed and concluded the reading of the amendment.)

Mr. GORE. Mr. Chairman—

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

Mr. GORE. I yield.

Mr. PACE. Mr. Chairman, I ask unanimous consent that the time of the gentleman from Tennessee be extended 10 additional minutes.

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

Mr. STEAGALL. Mr. Chairman, since the request has been made, and, of course, I do not object, but I rise for the purpose of suggesting that it would be entirely agreeable if the gentleman from Tennessee so desires to arrange for longer debate than will be allowed under the rule, although I have no desire to urge this.

Mr. MARTIN J. KENNEDY. Mr. Chairman, a parliamentary inquiry.

Mr. GORE. Mr. Chairman, is this coming out of my time?

The CHAIRMAN. It comes out of the gentleman's time.

Mr. GORE. Then I must decline to yield.

The CHAIRMAN. The gentleman from Tennessee is recognized for 15 minutes.

Mr. GORE. Mr. Chairman, we are faced with two unwelcome alternatives. It is an unpleasant choice between these two alternatives. They are, one, to risk a wild inflation with all its disastrous consequences or, two, to institute controls sufficient to combat that danger.

It does no good to say that the rise in farm prices has not caused inflation or

to say that wage increases have no bearing on inflation or to say that any element of our economy, whether it be wages, prices, profits, rents, commission, fees, or whatever the element might be, and to say that it is the one guilty culprit. Nobody has said that, and it would do no good to say it. We know that they all contribute.

All of us know that this threat of inflation arises out of our national-defense program itself. In order to have more tanks we must produce fewer automobiles. More and more of our normal civilian productive capacity must be converted to the production of implements of war. That we may have more aluminum for airplanes we must use less in consumer goods. Because we have to have more war machines we can make fewer washing machines. Thus it is that the operations of the law of supply and demand, which in normal times regulates production, is thrown completely askew because, as we thus curtail, and drastically curtail consumer goods, we are greatly adding to purchasing power, which makes up the demand by our unprecedented expenditures. Daily new factories are completed, tooled up, and filled with employees. More and more people have more money in their pockets, yet we are having fewer and fewer, and we must have fewer and fewer, of the durable or consumer goods which people with money in their pockets want to buy.

To risk the danger of runaway inflation is to take a reckless chance of wrecking our whole economy, a reckless chance of impeding national defense, a reckless chance of bringing suffering, deprivation, and want to millions and millions of people in our Nation who use the greater part of their meager income to purchase the necessities of life—food, clothing, and shelter.

Let us turn to the alternative to risking a runaway inflation—the institution of controls which will be necessary. And, mind you, we must substitute the workings of the law of supply and demand with regulation and control if we are to attain the ends of national defense with efficiency and certainty. There is no alternative, because the workings of supply and demand cannot operate normally, and therefore we must consider what kind of controls it is necessary to institute.

If I did not entertain a deep and abiding conviction that it is necessary to inaugurate drastic controls in order to be effective, and that a weak-kneed, piecemeal, half-hearted bill might bring about, well might bring about, more inequities, more disparities, more dislocation, and more suffering than we already unfortunately have with us, I would not be here offering a substitute for a bill which embodies the deliberate judgment of the majority of the great committee on which I have the privilege of serving.

The over-all plan and the selective plan have been presented here for the last 2 days, the two conflicting schools of thought as to the method of price control. The over-all plan I readily admit is not a perfect approach. I do not contend that the proposal which I now submit is a perfect bill, not at all; but I am laboring

under a deep conviction that it is, in comparison with the committee bill, a fairer, a more fundamental approach to the problem. Of course, as is true of the committee bill, as is true of any bill so wide in scope as to affect the economy of an entire nation, this proposal can be subjected to criticism. The chaff of any proposal can be fanned into a straw stack if you use a magnifying glass, but I hope that the strategy of confusion will not be so successful as to becloud the principles and the issues between the over-all and the selective methods of approach. By the selective method, by the committee bill, no ceiling is placed on any price. Authority is conferred upon the Administrator to select prices. Whatever commodity he wants, whatever commodity he thinks should be selected, subject to the restrictions in the bill, he would select, and, with a statement of fact, publicize a regulation that a ceiling had been placed upon the price of that commodity by administrative decree. Nowhere would there be an attempt made to control the general price level, and, mind you, the cost of living runs along with the general price level. By the over-all method we attempt to place a general ceiling by law upon the price of all commodities, and from that point allow the Administrator to make adjustments up or down as necessity might require. There you would call a halt to the rise in general prices. It should be remembered that inflation does not come about because of a rise in the price of a few selected commodities. Inflation is the product of a general price runaway, and if we are to prevent inflation, we must somewhere, somehow, call a halt to general price rises.

The history of every nation which has tried it shows that the selective method does not halt the general price level rise. That has proved true in our own Nation in the last war, and so far in this war. It has proved to be true in Great Britain in two wars. Canada has already discarded the selective method and adopted the over-all. Every nation which has tried it has demonstrated that the selective method is wholly ineffective. To try to halt general price levels by placing a ceiling on selective commodities is like trying to impound the water of a stream by building a dam only halfway across it.

Mr. REED of New York. Mr. Chairman, will the gentleman yield?

Mr. GORE. Yes.

Mr. REED of New York. And in all these cases to which the gentleman refers, they have even gone so far as to put on drastic penalties, even to fine and imprisonment and in some cases death, if you go back in history far enough, and yet it did not stop it.

Mr. GORE. You cannot outlaw the inevitable. I contend that you cannot place a ceiling on a commodity at a price of \$20, and hold it there, and let the cost go to \$25. I do not think you have to be an economist to know that. To try to do that reminds me of a boy who broke his leg trying to spell "Tommy" without a "T."

By the over-all ceiling we effectively call a halt to a general price level, and I believe it is administratively more feasible because of several reasons. For

one, by the selective method, on whom do you place the burden of proof that a ceiling should be applied? You place it upon the Government, and when you go out and place a ceiling upon the product of one man, or of one industry, how does he feel? He feels that he has been discriminated against, and therefore he will try to get around it if he can. By the over-all method we place the burden of proof on the man who wants an adjustment. We call a halt, and from that date we begin to make adjustments.

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

Mr. GORE. No; excuse me, please. A great point has been made as to the date when we should start. My daddy used to tell me, "Son, always start from where you are at," and I propose that the ceiling be applied this week. Of course, inequities will exist, disparities will be shown, but the longer you wait, the worse they will be. The demands upon our economy are uneven, and the longer we wait to institute an over-all control, an effective control, the worse our situation will be.

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

Mr. WILLIAMS. Mr. Chairman, I ask unanimous consent that the gentleman be allowed to proceed for 5 additional minutes.

Mr. MICHENER. Mr. Chairman, reserving the right to object, I ask unanimous consent that the gentleman have 10 additional minutes.

Mr. GORE. Five minutes will be sufficient, I think.

The CHAIRMAN. The gentleman from Missouri asks unanimous consent that the gentleman from Tennessee may proceed for 5 additional minutes. Is there objection?

There was no objection.

Mr. COLE of Maryland. Mr. Chairman, will the gentleman yield?

Mr. GORE. I yield.

Mr. COLE of Maryland. The gentleman at the outset stated that there were two very definite alternatives—one, wild inflation, or second, legislation?

Mr. GORE. Yes, sir.

Mr. COLE of Maryland. I think those of us who are opposed to wild inflation subscribe whole-heartedly to the indictment the gentleman has written as to that alternative. I am wondering, if the proposal which the gentleman presents is voted down, if he feels that the other alternative which you have so severely indicted is better for the country than the proposal which the committee presents to us.

Mr. GORE. I stated at the outset that I entertained a deep conviction that a half-way measure might magnify, a half-way measure might increase the inequities, might only urge on the inflationary spiral, and I will be very glad to explain to the gentleman why I think so. When you once place a ceiling upon one commodity, the pressure is immediately transferred to a substitute, to an allied commodity on which there is no ceiling. Then the speculator comes out and he starts hoarding and cornering the market, and the inflationary psychology is encouraged. The gentleman knows that the psychological element in inflation is one of the great component parts of the spiral.

It is encouraged and augmented as people get into their heads the idea that things are going up next week or next month; and a piecemeal approach, in my opinion, augments and increases the inflationary psychology.

There are more reasons than that I think the committee bill would invite inflation. I think it would encourage prices to rise to the restricted levels, and before those prices get to the restricted levels on agriculture, other prices would be coming up and the parity formula would be changed. The race would be on. The farmer would be trying to catch up with labor and industry, labor trying to catch up with the cost of living, prices rising. We would all catch up with one another over the precipice in the greatest pit and abyss of depression that this country has ever seen.

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

Mr. GORE. I hope the gentleman will excuse me. My time is limited, and I do not want to ask for additional time.

This reminds me of the fellow who has been told by his doctor that unless he has all of his teeth pulled it will wreck his system. But what does he do? He decides he will go along and risk the wrecking of his system, and finally he goes about and looks for another doctor. Mind you, inflation is economic high blood pressure which, unless checked, will eventually wreck our entire system, and it does no good, as committee members have done, to acknowledge that we face a tremendous task, and then say it is too hard to handle. That is defeatism. That indicts the potency of Congress. It is like the child who, when told that he has to take medicine, gets under the table and cries, "It tastes too bad." We must be men. We have conscripted young men all over this country and taken them into the Army, and they are today in South America, in Iceland, in Shanghai, and on the high seas, where the Germans are shooting at us, and we are shooting at them. Call it war? It is a question of definition.

Somebody yesterday wanted to look into the whites of somebody's eyes. I want to look into the whites of the eyes of the man who is willing to vote to take young men into the Army and then vote to keep them there another year and a half, and then is unwilling to vote to require some uniformity of sacrifice from the other groups, rather than go on as we are going now, letting every group seek selfish ends and make a profit out of national defense.

[Here the gavel fell.]

IN OPPOSITION TO THE GORE AMENDMENT

Mr. PATMAN. Mr. Chairman, I rise in opposition to the amendment and I ask unanimous consent that I may proceed for 10 additional minutes.

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

There was no objection.

Mr. PATMAN. Mr. Chairman, I ask that I be not interrupted until I have finished my statement.

The CHAIRMAN. The gentleman declines to yield.

Mr. PATMAN. I agree with what the gentleman from Tennessee [Mr. GORE]

has said about ruinous inflation. It is a question of the best method to use in stopping inflation.

I hate this kind of a bill. Under ordinary circumstances I would not vote for any such proposal, but the emergency necessitates a proposal that will prevent ruinous inflation. This is in effect very much of an economic dictatorship. I concede that. It is only justified in times of great emergency. When we talk about dealing with prices we talk about fixing the prices on 1,800,000 different commodities. Whenever you talk about fixing the wage scale you are talking about fixing the wage level of 3,000,000 different wage scales. So when you talk about a bill that covers all, you talk about establishing someone in authority who can control approximately 5,000,000 different items and wage scales. Can you conceive of any board or group being set up in a reasonable length of time that could intelligently and properly pass upon such big questions and such a large number of questions as would be involved? The N. R. A. would be nothing compared to this proposal.

The committee bill is a well-considered bill. We spent 3 months considering the committee bill. It has not been perfected, because the committee has two amendments it desires to offer that it has agreed to recommend. If the Gore substitute were adopted, it would deprive the committee of its opportunity to perfect its bill, and the House would accept a bill which has not been considered. The logical thing to do would be to send it back to the committee and let the committee go over the administrative features and see if it is sound. Our bill has been passed upon by 25 members of the committee. The substitute has been passed on by 1 member of the committee. To show you that the gentleman from Tennessee—as sincere and enthusiastic as he is—has been changing his mind on this bill all along, on October 6 he introduced a bill, H. R. 5760, in which he said the base period to determine the price level should be October 6 to 12, 1941. Then on November 10 he introduced a bill, H. R. 5997, stating that the base period should be the calendar week within which this bill is enacted. And then on November 24 he introduced another bill, in which he said the base period should be November 24 to November 29, inclusive. And then, to show you that he has changed his mind—just his mind, because it was not considered by the committee—let us see how he dealt with strikes.

On October 6 he said in his bill that nothing in the bill should prevent an organization of workers from striking.

On November 10 he still reserved the right of workers to strike, but on November 24 the bill that he has now offered he has stricken out that provision which would allow the workers to strike. This shows that he has been changing his mind, but it is just one mind. I am not commenting on the merits or demerits of this proposal. I do not know its effect.

The committee spent night and day for weeks, sometimes on Saturdays, going over this bill, word by word, sentence by sentence, paragraph by paragraph, to



make sure that we had a sound, well-considered bill; and I feel that we have.

Now, then, to show you that the bill offered by the gentleman from Tennessee is not well considered, he stated on page 2 of his bill that one of the purposes is to obtain the maximum necessary production without undue profits to low-cost producers. In other words, he copied that part of the committee bill dealing with purposes, but he did not follow it up, as we did in the committee bill, by making provisions for the high-cost producer to be protected. There is only one way to protect the high-cost producer, and that is through buying and selling. Under that, your copper mines in the West, and your zinc mines, and your lead mines, can commence operating under the provisions of buying and selling; but the Gore bill does not have any such provision. So, insofar as that provision is concerned, the bill is sailing under false colors. A purpose is declared but no provisions in the bill are inserted to carry it out.

Permit me to invite your attention also to the fact that it is not an all-over bill. The gentleman has made a very forceful and logical argument to the effect that to control inflation you must put everything in and make it compulsory. I invite your attention to the fact, Mr. Chairman, that the largest item in our economy affecting inflation is retail prices. Our national income now is at the rate of \$92,000,000,000 a year; probably it will be the highest in history; and retail prices this year approximate \$50,000,000,000—more than half the national income. I say that the largest item, several times as big as wages, several times as big as installment buying, is not included in the Gore bill. It cannot, therefore, be an over-all bill; it is not.

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

Mr. PATMAN. I yield to the majority leader.

Mr. McCORMACK. Has the gentleman any opinion as to how many employees will be required to enforce the Gore bill?

Mr. PATMAN. Judging by Canada, the number of people Canada has working on this thing now—and they have not got it started yet—comparing our country with Canada in the matter of population and industrial production and the number of employees compared to Canada, it would take a million men and women in this country, all over the Nation, to enforce this bill if you want to put it into effect.

Mr. COX. Mr. Chairman, has the gentleman reached the point in his discussion where he is willing to yield for questions?

Mr. PATMAN. I have not. If the gentleman will bear with me, I would like to proceed. I have just got started.

Do not forget that retail prices are not included in the compulsory provisions of the Gore bill. The biggest item in America is left out. You will notice that he defines wholesale price, but nowhere in the bill does it require the placing of retail prices; neither does it even contain a definition of retail prices. This is a serious defect in the bill.

Furthermore, if you freeze wages—and do not overlook this fact, Mr. Chairman—where they are today, you might just as well stop your national defense. When you build a plant somewhere in this country you expect to get the workers from some other place, because they are all employed now—I mean the skilled workers and mechanics; they are all employed. Are you going to get them to leave their homes, their firesides, their neighbors, their friends, their schools, where their children are in school to go to some defense plant to work for exactly the same wages they are receiving or have been receiving? They will not do it; you should not expect it. You might just as well stop your national defense when you freeze wages where they are, because you would not have the workers to carry on your national defense.

The point has been raised that this bill is the Baruch idea; and because of Mr. Baruch's experience he naturally demands consideration, and consideration has been given to him. But Mr. Baruch said this, Mr. Chairman, that any bill is insufficient that does not carry with it a provision for the Administrator to buy and sell.

The Gore bill does not have that provision in it. Therefore, Mr. Baruch in effect says this bill is insufficient. Mr. Baruch says that no bill is sufficient that does not include retail prices over-all.

The Gore bill does not include retail prices and, therefore, it cannot be over-all.

Mr. Baruch says that no bill is sufficient that does not carry the licensing provision in it. The Gore bill does not carry the licensing provision in it. There are the three main essentials laid down by Mr. Baruch that are not contained in the substitute bill.

The question is should we put everything under it. Do you want to fix a price on diamonds? Do you want to fix a price on luxuries? No; we want to encourage people to spend money on something that does not come in competition with national-defense items, if they must spend their money. That is one of the objects of the selective bill, but under the substitute you would discourage prices on luxuries going up the same as you would anything else.

Mr. GORE said our bill was a weak-kneed bill. I do not think it is. I think it is as strong a bill as this committee can write unless you want to put wages in and involve 38,000,000 workers, with a set-up of more than a million people to administer it. That, I believe, this House will not do. Furthermore, this Gore bill only permits the farmer to receive parity prices based on 1909 to 1914. The President and the Department of Agriculture have said that was not sufficient, that at least 110 percent should be given; but if you vote for the Gore bill you vote for parity only, not 110, because that is what the bill provides.

The bill further provides for the fixing of commissions and fees for services and labor. Notice the RECORD of day before yesterday, and you will see the hundreds and thousands of different people and different trades, professions, and occupations that would have their wages fixed

under the terms of this bill. Take a bootblack charging 5 cents for a shine during the base period provided in this bill. He would have to come to Washington or get consent from the Price Administrator in Washington to increase his price to 10 cents. Talk about bureaucracy. There would not be room enough here in the District of Columbia to build hotels 20 stories high to house the people who would have to come here in connection with problems involved in an over-all bill.

Mr. COX. Will the gentleman yield?

Mr. PATMAN. I yield to the gentleman from Georgia.

Mr. COX. The gentleman points out that the Gore amendment is weak in that it does not contain the sell-and-buy provision and the licensing clause in the committee bill. Those two provisions were in the original committee bill, is that true?

Mr. PATMAN. That is true.

Mr. COX. The committee voted them out?

Mr. PATMAN. Not both of them.

Mr. COX. They voted out the licensing provision?

Mr. PATMAN. That is right.

Mr. COX. Now they have voted it back?

Mr. PATMAN. They voted it out by reason of a lack of understanding.

Mr. COX. By reason of pressure brought to bear?

Mr. PATMAN. Oh, no.

Mr. COX. So the committee, including the gentleman, has likewise been busy changing its mind?

Mr. PATMAN. I do not like the gentleman to state that pressure was brought to bear on me to change my mind, because it is not a correct statement.

Mr. COX. The gentleman changed his mind, did he not?

Mr. PATMAN. The gentleman means I changed my mind?

Mr. COX. Did you not vote to strike out the licensing clause?

Mr. PATMAN. No. The gentleman's information is incorrect. If all of the gentleman's information is as incorrect as that statement the gentleman does not have a leg to stand on.

Mr. COX. But you did vote to put back the licensing provision under pressure?

Mr. PATMAN. Not me.

Mr. COX. The committee did.

Mr. PATMAN. I deny that.

Mr. COX. It was demanded that you put it back and you did vote to put it back?

Mr. PATMAN. Mr. Chairman, I cannot yield all my time.

Mr. STEAGALL. Mr. Chairman, I ask unanimous consent that the gentleman may have 10 additional minutes.

The CHAIRMAN. Is there objection to the request of the gentleman from Alabama [Mr. STEAGALL]?

Mr. CRAWFORD. Mr. Chairman, reserving the right to object, and I am not going to object, may I inquire if they expect to cut the debate on the Gore substitute to 45 minutes or an hour, or will other Members be permitted to talk on this amendment? Can the Chairman of

the Committee give us information on that?

Mr. CHAIRMAN. The Chair cannot control that. The gentleman might direct his inquiry to the gentleman from Alabama.

Mr. CRAWFORD. Would the chairman of the Committee on Banking and Currency care to make a statement on that?

Mr. PATMAN. Mr. Chairman, this is not coming out of my time, is it?

Mr. STEAGALL. Mr. Chairman, there is no desire to cut the time of debate down.

The CHAIRMAN. Is there objection to the request of the gentleman from Alabama [Mr. STEAGALL]?

There was no objection.

Mr. PATMAN. Mr. Chairman, a question has been asked and it is a very important one. The gentleman from Georgia [Mr. Cox] has prestige and standing in this House and he should have, because he is a man of integrity and ability. I respect his opinions. When he makes a statement I must consider that statement and answer it if I can. He asked me if the committee had pressure brought to bear to put back the licensing provision. First he stated that his information was both the buy-and-sell and licensing provisions were stricken out by the committee, which is not correct. But on a vote in the committee, through lack of understanding by the members of that committee, it eliminated the licensing provision. That is true. But the members came over here and heard the Honorable Barney Baruch, that the gentleman from Georgia had come down here, and he convinced those members that no bill is good that does not have the licensing provision in it. The committee then voted to put it back in.

Mr. COX. Was the gentleman influenced even slightly by the statement of Mr. Baruch?

Mr. PATMAN. No. I was for it anyway. I opposed striking it out in the first place.

Mr. COX. Was any other member of the committee, taking the same position the gentleman is now taking, influenced in the slightest by the Baruch view?

Mr. PATMAN. Since I have shown the gentleman that he is in error, I think that is sufficient.

Mr. COX. But the gentleman concedes that he, too, has been busy changing his mind?

Mr. PATMAN. No; I have not.

Mr. COX. The gentleman is charging the author of the Gore amendment with vacillating. The committee has been shifting, too, has it not?

Mr. PATMAN. No; the committee has not been shifting. The committee has been considering this bill. They have been making up their minds, and when they did they stayed there, except on one point—licensing—and they found out they were in error about that. Mr. Baruch doubtless helped to convince them they were in error, and they put it back in. The Gore bill does not have licensing in it.

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

Mr. PATMAN. I yield to the gentleman from Alabama.

Mr. STEAGALL. I call the attention of the members of the Committee to the CONGRESSIONAL RECORD under date of April 9, 1935, on page 5325. There was pending at that time a bill which passed this House with 15 votes against it, I believe the count shows. The bill was H. R. 5529, a bill designed to take the profits out of war, and so forth. The House passed it without any limitations. There was carried in that bill every provision to which objection has been lodged against the present House bill, without the limitations in the House bill—broad, unlimited powers to control the entire economic life of this Nation, with all the criminal provisions, and no restraints except any authority that the Chief Executive might see fit to set up. There is not an objection that has been lodged against this bill that did not obtain against the bill that was passed by the House at that time. My beloved friend the gentleman from Georgia [Mr. Cox] is on record as voting for that bill in time of peace. I ask the Members of the House to read the RECORD.

Mr. COX. Mr. Chairman, will the gentleman yield for a question?

Mr. PATMAN. Briefly.

Mr. COX. You did not have Leon Henderson in that case, did you?

Mr. PATMAN. The Gore bill fixes the fees of lawyers, doctors, and of ministers. It fixes bonuses. It fixes compensation. You would not be able to give your preacher a Christmas present unless you had orders from Washington. The stockholders of a corporation would not be able to give a bonus to their employees who had been so faithful and diligent and had worked so hard during the past year, regardless of the enormous profits, unless they got an order first from Washington permitting them to do it. Mr. Chairman, this bill goes too far.

Mr. GIFFORD and Mr. BARRY rose.

Mr. PATMAN. In just a moment I will yield.

In connection with the fees, let us take the case of a doctor. Suppose this week he has only charity cases and his fees are very low. Next week he has rich patients and he would like to collect up. He has to fix his fees according to the charity cases. Other doctors in that community would have to do the same thing if they were situated in a position similar to his.

These cases can be multiplied a thousand times, by a thousand different professions. This bill would not work. It would bog down. It would destroy our democratic government, because you cannot enforce such a thing involving 1,800,000 commodities and 3,000,000 wage scales.

Mr. Henderson has fixed prices by the banging-on-the-table method. I will admit that he has a commanding personality and has gotten along with business. I heard the gentleman from Georgia admit that before the Committee on Rules, that the business interests seemed to be pleased with Mr. Henderson.

Mr. COX. Since the gentleman has referred to what I said before the Committee on Rules—

Mr. PATMAN. I withdraw it, if it takes up any time.

Mr. COX. It is a case of "Step into my parlor, said the spider to the fly." In other words, he did not have the power to enforce his demands or his orders, and had to be reasonable to get anything.

Mr. PATMAN. It is strange to me that the gentleman does not want to trust Mr. Henderson with the power we are giving him, yet he is willing to give him a thousand times that much power under the Gore substitute. I cannot understand it.

Mr. GIFFORD. Now will the gentleman yield to me?

Mr. PATMAN. Not just now. I should like to yield to my friend, but I have two more points I must cover. Then I will yield.

[Here the gavel fell.]

Mr. MONRONEY. Mr. Chairman, I ask unanimous consent that the gentleman from Texas may proceed for an additional 5 minutes. He is making a very interesting discussion of this important amendment.

Mr. GIFFORD. Reserving the right to object, Mr. Chairman—

Mr. PATMAN. I will yield to the gentleman before it is over.

Mr. GIFFORD. I am going to stand on my feet until then.

Mr. PATMAN. I will motion to the gentleman.

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

Mr. BOREN. Reserving the right to object, the gentleman has already proceeded for 5 minutes longer than the gentleman from Tennessee [Mr. Gore] was given to discuss this issue.

Mr. PATMAN. We will give him more time if he wants it.

Mr. MONRONEY. The gentleman from Texas has been very kind in yielding to Members on both sides of this question. I believe he is entitled to more time.

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

There was no objection.

Mr. GIFFORD. Now will the gentleman yield?

Mr. PATMAN. I will yield before I am through. I will yield to the gentleman first. That is a promise.

So Mr. Henderson has set out to keep down the cost of national defense. Mr. Henderson has saved this Government billions and billions of dollars by fixing the prices on copper and lead and zinc and steel and aluminum and other strategic and critical materials, and chemicals as well.

Did you know that the first \$60,000,000,000 that we are spending would cost us \$20,000,000,000 more were it not for the price fixing by Leon Henderson? That is an enormous amount of savings through price fixing. Their records will disclose that, but the time has come when he possibly cannot further enforce his orders and suggestions by the banging-on-the-desk methods and keep the prices down without a law passed by the Congress to support him, and that is the object of this bill, and this bill will keep down the cost of national defense. It



includes metals, it includes chemicals, it includes imports, it includes rents in defense areas, it includes everything that is vital to national defense at this time. Are you going to throw it down and pick up a bill that has never been considered by any committee of this House? Have you not heard it said so often here that we cannot legislate on the floor; that we must send a bill to the committee and seriously consider it there and bring it back? That is what we have done, and now you are asked to take a bill that has never been considered by any committee of this House. It would certainly violate a rule of long standing.

I now yield to the gentleman from Massachusetts.

Mr. GIFFORD. I thank the gentleman.

Mr. PATMAN. Wait just one moment—just stand on your feet.

Mr. GIFFORD. I have heard that before.

Mr. PATMAN. I want to make just this one point. Many countries have tried fixing wages and fixing prices, but no country on the face of the earth has put prices and wages in the same bill or under the same administrator, not excepting Canada, not excepting England, not excepting Germany even. No country has ever attempted and will not attempt it, because it is not a practical approach to a difficult problem.

Now I yield to the gentleman from Massachusetts.

Mr. GIFFORD. The gentleman has made a splendid speech. He said we put back the licensing clause because of the testimony of Mr. Baruch. Did we not delete the licensing clause in executive session after Mr. Baruch testified before the committee?

Mr. PATMAN. The gentleman has his own opinion about it. We did restore it after Mr. Baruch impressed upon us how absolutely necessary it was.

Mr. GIFFORD. Did we not delete it afterward?

Mr. PATMAN. My opinion is that Mr. Baruch influenced the members on that licensing provision. And do not overlook this fact. He told the Rules Committee that it is absolutely necessary and that no bill is any good without it, and the Gore bill that you are asked to adopt does not contain it.

Mr. GIFFORD. The gentleman is pretty fairly accurate, but I want the House to know that after listening to Mr. Baruch, the committee, in executive session, deleted the licensing provision of the bill, regardless of the effect of his criticisms on the Rules Committee.

Miss SUMNER of Illinois. Mr. Chairman, will the gentleman yield?

Mr. PATMAN. I yield to the gentleman from Illinois.

Miss SUMNER of Illinois. I can endorse the gentleman's statement 100 percent except for one thing. The gentleman said that parity shall be the price, but as to grain farmers—I do not know with respect to the cotton farmers—this will give our farmers more than parity, only every farmer will get a different price when you buy corn on the market.

Mr. PATMAN. I cannot understand the lady when she says that they will

get more by getting 100 percent of parity on grain instead of 110 percent.

Miss SUMNER of Illinois. Under the Gore bill they will have to pay parity to the farmer—

Mr. PATMAN. And under our bill, too. Miss SUMNER of Illinois. It would throw the whole thing into chaos.

Mr. PATMAN. I understand the gentleman's point, but I cannot agree with her.

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

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

Mr. HEALEY. Is it not true that while the Gore bill purports to be an over-all price-fixing bill it neglects to fix a ceiling on profits?

Mr. PATMAN. It does, and how are you going to justify fixing the wages of a man making 50 cents a day, a dollar a day, or \$400 a year, or \$1,000 a year, and then when you go back home he will say, "Yes; you fixed my wages, but what about this man drawing \$300,000." The Gore bill freezes it just where it is. They cannot reduce that amount at all. He stays exactly where he is now and it is frozen as of that date. Furthermore, they will say, "You fixed my wages, but you let the profits of this concern I am working for go out the roof, and the sky is the limit for them." How are you going to answer that? Consider that for a moment.

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

Mr. PATMAN. I yield to the gentleman from Oklahoma.

Mr. BOREN. First, with reference to the gentleman's remarks that the House should not adopt the Gore bill until it has been considered by a committee. If the bill has not been considered by the committee, it is the committee's fault, because it has been before the gentleman's committee all the time.

Mr. PATMAN. But, listen, we gave Mr. GORE 2 hours' time to explain that bill. We did not afford that courtesy to any other member of the committee. He explained it and we interrogated him about it and after it was all over he only received two votes on the Democratic side and only three on the Republican side. Those men were honest; they were doing what they believed was right. They heard every word he said and he answered every question and only convinced one other man on the Democratic side of the committee besides himself.

Mr. BOREN. Then it has been considered and the House is the proper place to consider it now. Let me finish my statement.

Mr. PATMAN. Go right ahead.

Mr. BOREN. A moment ago the gentleman remarked that this price ought to be fixed. If the price is to be fixed, why did not the committee have the courage to fix all the prices instead of leaving it to an arbitrary individual in a bureau?

Mr. PATMAN. We are doing that in a systematic, intelligent way, a way that will stop inflation, and if people want to spend their money on diamonds, high-class hotels, let them do it. We do not care if they are bound to spend it. All of them will not invest in bonds. We are

not trying to keep down the price of luxuries or of nonessentials. We are dealing with essentials in national defense and inflation.

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

Mr. PATMAN. Yes.

Mr. LEWIS. I think the gentleman should correct his statement, because he said that Mr. GORE's suggestion had not been considered.

Mr. PATMAN. Yes; I said that. I said the only thing the committee considered about Mr. GORE's bill was the matter of wages. That is the only thing we considered. If you want to put wages in the legislation, there is no use of adopting the Gore substitute. Just wait until we reach that provision in the committee bill and move to strike out the exemption of wages. Then you will have the question directly before you in a well-considered bill.

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

Mr. PATMAN. Yes.

Mr. COLMER. The gentleman said in reference to a question that it would cost a hundred million dollars to administer the Gore bill.

Mr. PATMAN. Oh, I did not intend to say that. I intended to say it would take a million people.

Mr. COLMER. I just wanted to get that straightened out. Can the gentleman give us some idea about what it would cost to administer the committee bill?

Mr. PATMAN. There was an estimate made before the committee, but I do not now recall exactly what it was.

Mr. THOMAS F. FORD. Mr. Chairman, will the gentleman yield?

Mr. PATMAN. Yes.

Mr. THOMAS F. FORD. But the Gore bill freezes both profits and profiteering.

Mr. PATMAN. Oh, it does not freeze profits at all. It does not touch profits. That is the point they will have to explain. The question will be, "Why fix my wages and not fix the profits of the concern I am working for that is making millions of dollars a year?"

Mr. THOMAS F. FORD. But the profiteer would profiteer right along and never get stopped.

Mr. PATMAN. That is right. His profiteering will continue. It freezes them exactly where they are. And that is one of the most unfair things about it.

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

Mr. PATMAN. Yes.

Mr. DONDERO. Will the gentleman justify in his committee bill the provision which fixes the price of farm products and at the same time permits the Government to pay farmers \$1,000,000 subsidy?

Mr. PATMAN. Oh, it would take me a longer time than I have to do that, but I just want to say that there is plenty of justification for the present farm program.

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

Mr. PATMAN. Yes; for just one more question, and that is the last.

Mr. BOREN. I ask the gentleman how profits can go up if the price is fixed?

Mr. PATMAN. Oh, through velocity of the turn-over. There are lots of ways that profits can go up. They can save in other ways, and they can have mass production. There are a lot of ways, but you want to fix the wages of the men working in the factories and do nothing about the profits of the concern for whom the men are working, whose wages you fix.

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

Mr. MONRONEY. Mr. Chairman, I move to strike out the last two words.

Mr. GORE. Mr. Chairman, I ask unanimous consent that the time of the gentleman from Oklahoma be extended for 5 minutes.

The CHAIRMAN. The gentleman from Tennessee asks unanimous consent that the gentleman from Oklahoma may proceed for 5 additional minutes. Is there objection?

There was no objection.

Mr. MONRONEY. Mr. Chairman, at the outset I ask the indulgence of the Committee members not to ask me to yield until I have at least completed a discussion of some of the issues that have been raised against the Gore bill by the last speaker. There is no reason for getting hot or bothered, or for implying that any Member of this Congress has a selfish personal interest in legislation. I think we all can admit that we are here to try to get a bill that will do the job and prevent disastrous inflation from wiping out the life savings and, if you please, the wage values of the workers of this country.

To begin with, the gentleman from Texas [Mr. PATMAN] asked the question how any price administrator could regulate 1,800,000 prices. That is the number that he said exists in our price structure, and yet Mr. Henderson, by his own testimony, proposes to do just that thing, to regulate the 1,800,000 prices by working on how many? By working on from 75 to 100 prices. I say that is obviously impossible.

The second point of attack upon the Gore bill is the fact that the Gore bill was ill-considered and hastily written. It is true that the committee had hearings for 2 months, but when the committee got ready to act—and the gentleman from Texas and every member of the committee knows it—we worked for only 2 full days on the rewriting of the bill, changing the bill, discussing the bill—2 whole days. When we finished, what did we find?

#### HENDERSON SALARY

We found that the well-considered committee bill had inadvertently regulated wages that is, had inadvertently regulated the wages of Mr. Henderson, because we had reduced his salary from \$12,000 to \$10,000. We also found that we had in this well-considered committee bill we inadvertently placed under absolute control of Mr. Henderson the Reconstruction Finance Corporation and its kindred defense activities in purchasing defense supplies. We had also put under Mr. Henderson the A. A. A., the Surplus Marketing, and these other valuable farm agencies.

To be fair, I must say the committee is rectifying their mistakes. There will be amendments put in here this afternoon to correct those, and they are good amendments.

But I wanted to say that the Gore bill has not been hastily drawn and ill considered. The basis for the Gore bill, if you please, was the experience in the last war by Mr. Baruch. Mr. Baruch knows the problems even better than Mr. Henderson does.

#### NO BUREAU AID

There is criticism attaching to the Gore bill, a blight that I am afraid may kill it, according to the popular conception on Capitol Hill, and that is that the Gore bill originated in Congress. The Gore bill was drafted by the gentleman from Tennessee [Mr. GORE] with the help of the congressional legislative drafting service, and no other person other than Members of Congress have had a hand in the direction and drafting of that bill. It is a bill designed to meet the situation and the evils of inflation.

The committee is adding two things to the bill—the licensing provisions and the buying-and-selling provision. Personally I do not think they will help the committee bill. The committee insists that those things are necessary if the committee bill is to work. The Gore bill does not require the licensing provisions to be placed in it. Why? Because we trust more to local enforcement, to putting the enforcement back into the States and in the communities, if you please, where these prices are violated so that a man can be taken into his own district court and face his home court on a trial by injunction to prevent violation of these price ceilings.

I do not care for the buying-and-selling provisions that were placed back into the committee bill. Perhaps Mr. Henderson must have the right to buy and sell. They are so broad, however, that it will enable them to institute any kind of merchandising set-up or wholesaling set-up or storing set-up in competition with other well-established Government agencies. I still think we could get along with the excellent job now being done in this regard by Mr. Jesse Jones, the A. A. A., and the other regularly established institutions of our Government.

#### RULES PREVENTED PROFITS CLAUSE

Now, we come to a criticism that is a little humorous, the fact that the profit limitations have been taken out of the Gore bill. I am sure that we all know that the profit limitation was in the Gore bill and that the advocates of the Gore bill have pleaded to get the profits limitation before the Congress. Yet the man who asked the question why the limitations were taken out is a member of the Ways and Means Committee, and he well knows that under the rules of this House his own committee would have made a point of order against the entire Gore bill if the Banking and Currency Committee had tried to violate the sanctity of the taxing prerogatives of the Ways and Means Committee.

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

Mr. MONRONEY. If you will allow me to proceed a little further.

Mr. PATMAN. Did the gentleman make any effort to write an amendment that would be in order on profits?

Mr. MONRONEY. We were told there was no way we can write an amendment on profits. We tried hard to do that in the Gore bill. I will say to the gentleman that the sponsors of the Gore bill will be here, ready, willing, waiting, and urging that the Ways and Means Committee at the earliest possible time, bring in sufficient legislation to curb all war profiteering.

Mr. GORE. Will the gentleman yield?

Mr. MONRONEY. I yield.

Mr. GORE. Does not the gentleman think that probably we will soon get an opportunity to vote for as much profit-tax legislation as our hearts may desire?

Mr. MONRONEY. Yes. I thank the gentleman for that contribution.

Mr. RANKIN of Mississippi. Mr. Chairman, will the gentleman yield? I want to ask the gentleman from Tennessee a question.

Mr. MONRONEY. I yield.

Mr. RANKIN of Mississippi. Will those taxes reach the fixed charges of Barney Baruch and these other Wall Street bankers?

Mr. MONRONEY. I certainly hope they will.

#### ENFORCEMENT IS FAIR

I want to go now into the claim that was made of the vast, vast army that would be required to enforce this Gore over-all bill. I do not see how in the world anyone who heard the testimony in the committee when I asked Mr. Henderson about this can have any doubt as many or more would be required for his bill. I said, "Mr. Henderson, how many employees and officials will be required to enforce your bill?" Mr. Henderson said, "I don't know." I said, "Mr. Henderson, will it require 1,300—that is the number you have now—will it require 13,000, 130,000, or 1,300,000?" He said, "I don't know. I will try to put it in the record." He has not put it in the record.

So when you say the Gore bill will require a great army in every nook and corner of the country to enforce the ceiling you have the admission by the administrator of this act, who says he does not know how many men will be required for his own bill's enforcement.

I personally think the Gore bill will be easier of enforcement than the committee bill, because it is an over-all bill, and it is human nature to respect fair, equitable, over-all treatment. But if you favor one man economically against his neighbor—and that is what the selective price-control bill does—you will invite bootlegging. You will invite evasion of the law, and you will have a difficult time in trying to keep this thing from becoming the worst mockery that the Congress has ever passed.

Mr. RANKIN of Mississippi. Will the gentleman yield further?

Mr. MONRONEY. I yield.

Mr. RANKIN of Mississippi. If you pass either of these bills, then you will have to ration purchases.

Mr. MONRONEY. I do not believe that will be necessary except on the items of scarcity. In those items of scarcity you will have to go to rationing.



Mr. RANKIN of Mississippi. If you go to rationing, the person who goes to the store to buy anything from a pair of shoestrings to an automobile must carry a ration card. Has the gentleman figured how many hundreds of thousands it would take to enforce that kind of program?

Mr. MONRONEY. The rationing would not follow from price control but would follow from our national-defense program that is demanding most of our resources. We have no control over material shortages.

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

Mr. MONRONEY. I yield.

Mr. GORE. What would happen if you had no controls? It would be rationing according to the biggest pocketbook, and the poor people of the country would not be able to get even the necessities of life.

Mr. MONRONEY. I thank the gentleman for his contribution.

Mr. RANKIN of Mississippi. Let me say to the gentleman from Oklahoma that no country yet except a totalitarian state per se has ever attempted to fix prices except where there was a scarcity.

Mr. MONRONEY. Does the gentleman from Mississippi contend that the Henderson bill is less objectionable than the Gore bill?

Mr. RANKIN of Mississippi. I think one is high popularum and the other is low popohirum. They are just as bad as they can be, both of them.

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

Mr. MONRONEY. I yield.

Mr. PATMAN. I have the highest regard and greatest respect for the gentleman. He is one of the most valuable members of our committee. I am glad he is on the committee and glad he is a Member of this House; but I would like to know how he justifies arguing for an over-all and yet not put the biggest item of all—fifty billions of retailing—in the bill.

Mr. MONRONEY. I am glad the gentleman asked that question. The way it was brought out by the gentleman in his earlier discussion I hardly thought was becoming. I happen to be in the retail business and I want to assure every Member here I have no personal financial interest in what kind of price control we get.

Mr. PATMAN. I want the gentleman to know that I was not referring to him. I never thought of it.

Mr. MONRONEY. It was indicated on the floor, but we will let that go.

[Here the gavel fell.]

Mr. PATMAN. Mr. Chairman, I ask unanimous consent that the gentleman may proceed for 5 additional minutes.

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

There was no objection.

#### EXPLAINS CEILING

Mr. MONRONEY. The gentleman from Texas asked the perfectly logical question why the over-all ceiling stops at the wholesale line. The reason for that was because anybody who knows the

trend of prices knows that wholesale prices have already advanced to such a point that retailers are absorbing these advances from inventory they own at lower figures. The retail price-level statistics will show that this is in many cases—in most cases—slightly above today's wholesale level.

Were you to freeze retail prices at today's levels you would lock the door of every retail store in this country. You would throw out of employment these men. They could not pay expenses and still replace their stocks. Instead of doing that, and in order not to let any single item of our economy go untouched, in order to make the over-all ceiling workable, we have had to trust to Mr. Henderson, who is to administer the bill, to limit retail margins to such a point that there would be no profiteering, that only normal, reasonable profits would be maintained in the retail field.

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

Mr. MONRONEY. I yield.

Mr. COOLEY. How does the gentleman propose to protect the consumer unless he controls the retail price the consumer has to pay?

Mr. MONRONEY. We are giving the Administrator the power to control the retail margins against profiteering. Now, if the Administrator cannot be trusted to control the retail margins, how in the world are you going to trust him with a bill that gives him power to control the whole economy of this Nation?

Mr. COOLEY. If he controls retail margins, why is not he by that same method controlling the retail price?

Mr. MONRONEY. He is controlling the retail price, but you cannot freeze the retail price as of today because your wholesale prices in many cases have already gone up to almost today's retail prices.

Mr. COOLEY. The gentleman states, then, that the Gore bill does attempt to control retail prices.

Mr. MONRONEY. The bill certainly does control retail prices.

Mr. BARRY. Will the gentleman yield?

Mr. MONRONEY. I yield.

Mr. BARRY. Both the gentleman from Tennessee [Mr. GORE] and the gentleman from Oklahoma who is now addressing us have stated that this bill provides an over-all ceiling. We discussed it yesterday, when the floor was not so crowded. Will not the gentleman admit that under section 206 the Administrator can lift the ceiling on everything that he does not think necessary for the carrying out of the purposes of this bill? So, in reality, it is a selective price control that the gentleman is advocating.

#### EXPLAINS EXEMPTIONS

Mr. MONRONEY. I am very glad I have the opportunity to talk to the Members today on that subject, because it is the point of greatest confusion. This provision in the Gore bill to permit exceptions from the blanket over-all ceiling that it places on prices is for the purpose: First, of taking care of necessary defense production, and I believe everybody will agree that is a good exception; and, second, it gives him the right to

exempt the nonessential things that have absolutely no influence on inflation. Mr. PATMAN's minister's Christmas present that he was worrying about, Mr. PATMAN's bootblack that he was worrying about; the divorce-case lawyer's fee: Those do not contribute to a rise in the cost of living; I do not think they do.

Mr. BARRY. Can the gentleman tell me one solitary item that Mr. Henderson could not exempt under section 206?

Mr. MONRONEY. If he violates his oath of office, if he disregards the mandate of this Congress, he can disrupt this bill; but if you cannot trust the man you want to administer this Henderson bill to be honest in making proper exemptions, then how in the world is he fitted to have authority to regulate the entire economy of this country that you would place in his hands under the committee bill?

Mr. BARRY. That is not the purpose at all. He believes he can carry out the purposes of this bill by placing a ceiling over a limited number of prices. In carrying out the provisions of this bill he would do the same thing and have no intent of evading his office, but will be carrying out his own ideas.

Mr. MONRONEY. I think the gentleman misstates the safety valve of this bill for the main entrance, and that is the main argument.

[Here the gavel fell.]

Mr. KEAN. Mr. Chairman, I rise in opposition to the pro forma amendment.

Mr. Chairman, I rise in favor of the substitute bill. I am for it because I am against inflation and because I honestly want to keep down the cost of living.

The Gore bill will be effective. The Steagall bill will not be effective.

There has been a great deal of criticism of the labor provisions in the Gore bill. Some who spoke yesterday said that it would interfere with collective bargaining and the rights of labor. This is not at all true.

Read the bill and you will find that what it does is to recognize that there is a public interest in wage negotiations.

The practical effect of the bill, as I study it, is to provide that the Administrator, as representing the Government and the public, will hold a veto power on any wage increases which he feels would injure the public interest by causing an undue price rise.

Labor and industry could bargain as usual, but when an agreement had been arrived at they would have to go to the Administrator and say, "By the process of collective bargaining we have arrived at the following decision. Is there anything in this contract so contrary to the public interest that it would cause an undue price rise?"

And then Mr. Henderson, in accordance with sections 206 and 207 of the Gore bill, would probably in 99 out of 100 cases say, "The new labor contract is satisfactory. Either the company is making a large profit and this wage rise can be absorbed, or a slight rise in the cost of the product is justified. I will interpose no objection."

The one hundredth case might be that referred to by Mr. Henderson in answer to a question by the gentleman from

Texas [Mr. PATMAN] in the hearings, where he stated that "in case an industry granted entirely unjustified wage increases which would make it impossible for them to earn a profit, there was nothing he could do under the Steagall bill except to grant them a rise in price."

The substitute bill would entirely plug up this leak.

It is fair to labor and, what is vitally important, it is an effective bill which will keep down the cost of things which workmen have to buy and so, in the long run, be greatly to their benefit.

And the good effect on the morale of all the people if we pass an over-all bill will be tremendous.

The history of prohibition proved that a law which the public considers unfair cannot be enforced. Only a bill which treats all elements of our population equally and fairly will be accepted wholeheartedly by the American people.

Enforcement of price control will be so difficult that it is only through self-enforcement by public opinion that it can be made effective.

We must have a united people to win this economic war. We must not let a piecemeal, half-hearted bill hamper our defense efforts.

Mr. Chairman, I hope that the substitute bill will be adopted.

Mr. COOLEY. Will the gentleman yield?

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

Mr. COOLEY. Under this definition of services in the Steagall bill, may I ask the gentleman if it is not possible for the Administrator to regulate to the same extent the trades and professions and the incomes of the people so engaged as it is under the Gore bill?

Mr. KEAN. I believe that is quite possible.

Mr. COOLEY. In other words, under both bills they could regulate fees, salaries, and commissions?

Mr. KEAN. Indirectly through the Steagall bill.

Mr. BOGGS. Will the gentleman yield?

Mr. KEAN. I yield to the gentleman from Louisiana.

Mr. BOGGS. How does the gentleman propose to control bootleg and unfair practices without some type of license provision?

Mr. KEAN. If the over-all bill is passed, there are the criminal provisions.

Mr. BOGGS. In other words, the gentleman would favor sending a man to the penitentiary rather than revoking a license?

[Here the gavel fell.]

Mr. SPENCE. Mr. Chairman, I move to strike out the last three words.

Mr. Chairman, I acknowledge it is not pleasant to vote for a bill that puts the economic destiny of the people of America in the hands of one man. We have to grant great and unusual powers if we are going to serve the purpose in view. I am in favor of granting enough power to the Administrator to effectuate the purpose, but I am not in favor of granting him any more power than is necessary. Every power we grant him is a derogation of the usual rights and privi-

leges of the American citizen. It takes away our constitutional rights, it is revolutionary, and it could not be justified except by the emergency that now threatens the very existence of our country and our institutions.

I want to read a section of the bill introduced by the gentleman from Tennessee [Mr. GORE] and give you my interpretation of what it does. Many of my colleagues have said they do not want to delegate power to Mr. Henderson. They criticize him, and they hesitate to grant him the powers under the bill reported by the committee, yet they are willing to grant him powers under the Gore bill which are far greater powers without limitation and definition. Here is the section in the Gore bill I want to read to you, and I want you to consider it:

(b) It shall be unlawful, regardless of any contract, agreement, or other obligation, for any person knowingly to receive or pay, or to enter into any contract, agreement, or other obligation under which he is entitled or required, or under which he purports to be entitled or required, to receive or pay, for the performance of any services a price in excess of the ceiling applicable to such services.

That provision not only applies to the bootblack and to the barber shop and to the beauty parlor but it applies to every public service corporation in the United States. The Administrator under this act could regulate the rates on railroads, he could regulate the rates on interurbans, he could regulate the rates on street railroads, and he could regulate the rates of every light, heat, or power company. He could regulate the rates of every utility of every description in the United States. There is no limitation to the powers that are granted under this section.

If you want to grant this power to a man who will be burdened with the duties of fixing the price of commodities throughout this great land of ours, the greatest Nation in the world, with more diversified industries, with more diversified economic conditions, more diversified conditions of agriculture and of labor, I repeat, if you want to grant this immense power in addition to those already granted, that is your privilege. Do you not think that would be a dangerous power placed in the hands of any one man? I do not think it could be administered intelligently or effectively, and I think the very statement of the proposition makes it ridiculous.

Mr. RICH. Will the gentleman yield?

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

Mr. RICH. Mr. Henderson in his own community, Millville, N. J., where he went to school, where everybody knew him, got the title of "Dub." Anybody who is called a dub in his own community should not be lauded here in the House.

Mr. SPENCE. Mr. Chairman, this is too big a question to approach it with personalities being predominant. It is a question of the greatest moment to the people of America. Irrespective of who the administrator is I do not think we should impose upon him these duties which cannot be administered by him,

and which are highly technical, and which can be administered intelligently only after great study and investigation. There are commissions regulating public service corporation rates in the cities, there are commissions regulating rates in the States, and there are the various Federal regulatory commissions. All those regulatory bodies would be destroyed, they have been developed through the years, under laws which have had constant consideration and development. The lawbooks are full of decisions on the subject. All these things would be destroyed by this one section of the bill, and the judgment, the ipse dixit of one man would take their place.

[Here the gavel fell.]

Mr. WOLCOTT. Mr. Chairman, I rise in opposition to the pro forma amendment.

Mr. Chairman, anyone who is fundamentally opposed to the committee bill because of the fact that the committee bill in its present form establishes an economic czar, anyone who is opposed to the committee bill for the reason that there is no review of the equities of the ceilings established over prices, cannot consistently vote for the Gore bill, regardless of whether or not it provides a different philosophy of price fixing, because there are two fundamental objections—at least two—to the Gore bill which exist in the committee bill:

The first is that there is no check whatever upon the zeal and enthusiasm of the Administrator in respect to the manipulation of price ceilings. There is no check whatever—no remedy whatever—from the mistakes of judgment which he might make under the Gore bill. There is no review provided in the Gore bill whereby a protestant—an aggrieved person—might have the justness and equity of a ceiling reviewed. The only review contemplated in the Gore bill—and I believe this transcends all other subjects—is a review to determine if the Administrator had the authority to set the ceiling, or perhaps whether the Congress in the first instance had the authority to set the ceiling.

It has been commented upon that there is no ceiling on retail prices. I did not want to get into the merits of the Gore bill in that particular, but there is no ceiling on retail prices, and there are many and various items which enter into retail prices other than the wholesale price of the commodity which the retailer sells.

Are we willing in the one instance to vote to turn this broad authority to control the economic destiny of the Nation over to an individual and then in another respect say that we are not willing to? Those of you who feel keenly about this fundamental question by the solution of which today we might determine whether the form of this Government of ours is to be perpetuated must view both of these bills as they presently exist in the same light, that they are both equally bad in that they turn the destiny of 132,000,000 people over to a single individual without any adequate review.

The Gore bill differs in its operation as it is presently set up only in its enforcement. As I understand, no attempt will



be made to write into the Gore bill the licensing provisions.

[Here the gavel fell.]

Mr. WOLCOTT. Mr. Chairman, I ask unanimous consent to proceed for 5 additional minutes.

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

There was no objection.

Mr. WOLCOTT. So after the adjustments have been made by the Administrator, after he has been confirmed, then I say without fear of successful contradiction that the modus operandi of the two bills is almost identical, and in the meantime you embarrass the whole situation by creating millions of individual lawsuits and hearings to the point, probably, where you would so encumber the office of the Administrator with so many demands and protests against the ceilings which the Congress has by fiat set as to at least have per him in the establishment of needed ceilings.

Do you realize that in a Sears, Roebuck catalog alone there are, I have been told, something over 50,000 different products, and they are manufactured by somebody? Sears, Roebuck buys them and retails them. Every manufacturer who is affected by a wholesale price established by the fiat of the Congress is immediately upon the enactment of this bill going to file his protest with the Administrator.

There is an interim period between the effectiveness of this act and the administration of the act. The Gore bill rightfully states that the Senate must confirm the appointment of the administrator. I believe we are dealing with policies and not individuals; but assuming, as we must, that Mr. Henderson is nominated by the President as the Administrator, and assuming that only half the things are true that have been said about him, surely we cannot expect the Senate to confirm him immediately. They will have hearings upon the character of this man, his intentions and his viewpoints, and it will take possibly weeks before they can agree upon an administrator. What happens in the meantime? Wages and prices are frozen right there.

Let me cite one instance wherein you might encourage hundreds of strikes in this Nation to the prejudice of the defense program. The scale of wages in the airplane industry today is lower than it is in the automotive industry, yet we will all agree that the airplane industry is perhaps more important to our national defense than the automotive industry. The scale of wages in the airplane industry is frozen, let us say, as of this date. It does not make any difference whether they go under mass production, it does not make any difference what the profits are, those men cannot disturb the situation.

What is going to happen in this interim period? They are either going to strike for higher wages or they are going to abandon the airplane industry in favor of some other industry which pays a higher scale of wages. You may cripple your whole defense industry by voting for the Gore bill and by fiat of Congress establishing a scale of wages which perhaps

may before the confirmation of the administrator be wholly out of line with the cost of living. Whose fault would it be? It would not be the fault of any administrator. The chaos would result from the action of this Congress without the power in anyone's hands to correct any of the interim inequalities or inequities.

Mr. RANKIN of Mississippi. Mr. Chairman, will the gentleman yield?

Mr. WOLCOTT. I yield to the gentleman from Mississippi.

Mr. RANKIN of Mississippi. Let me ask the gentleman from Michigan if it is not a fact and if it has not been the experience of every country in the world that where you fix prices by law you also have to ration purchases?

Mr. WOLCOTT. I may say to the gentleman that I just read yesterday a very interesting article with respect to the Black Market of Europe, and in the face of the fact that the Nazi or German Government has military control over the occupied areas and can, I guess, if they want to, put men to death for bootlegging supplies and equipment, nevertheless about 40 percent of the trade in the occupied countries today is done through what they call the Black Market, to circumvent the ceilings which have been placed by Germany in the occupied areas. Now, if Germany, under military control, cannot enforce these provisions, how can we expect an administrator in this country to do it under an over-all system of administration?

[Here the gavel fell.]

Mr. LYNCH. Mr. Chairman, I move to strike out the last four words.

Mr. Chairman, it seems to me that in the course of debate probably we have lost, to some extent, the purpose of the bill before us. The purpose is to curb the inflationary trend. It is not the purpose in anywise to interfere with business insofar as a fair profit is concerned where there has been no spiral of prices, where there has been no great increase in price in those commodities that are essential to the life of the people, and therefore we are faced today with the bill that has been proposed by the committee and the amendment suggested by the gentleman from Tennessee. It seems to me it should be the policy of this Congress to retain as far as possible the economic life of the country. It does not seem to me to be reasonable that because there is a spiraling condition today in some of the things that are necessary for the welfare of our country that therefore we should indiscriminately place a ceiling upon the prices of all commodities, upon rents, and upon wages. Therefore it seems to me that the Gore amendment is absolutely unnecessary.

There should be no desire on the part of anyone to impose a ceiling on those things that are luxuries in life or those commodities that are not absolutely necessary for the welfare or defense of our country, and I think if we were to adopt the Gore amendment we should in the first instance put a ceiling on those things that are not necessary, that are luxuries, we would go far beyond what the intent of the Congress and the people of the country desire.

In addition to that we are confronted also, insofar as the Gore amendment is concerned, with a question of commissions for services or pay for services. Let us take a simple case of a man employed by a company who has made during the past year \$3,000 on commissions. What happens under the Gore plan? When the man has made the \$3,000 this year, under the Gore plan, what must he do? He cannot work any more without getting the special permission of the Administrator in Washington as to whether or not he is entitled to more commissions if he continues to work. Is that a sensible way to do business? What happens insofar as the attorneys or professional men are concerned who last year made \$5,000 or \$10,000? This year when they make \$5,000 or \$10,000 and they come up, say, to the month of July 1942, and they have made in those 6 months as much as they made the year before, what must they do under the Gore plan?

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

Mr. LYNCH. In just a moment.

Under the Gore plan, as it stands, he must be excused by the Administrator or on the other hand he must cease to do work and must throw the people in his employ out.

I now yield to the gentleman.

Mr. COOLEY. Does not the Steagall bill or the committee bill contain exactly the same view or the same provision that the gentleman is now discussing?

Mr. LYNCH. Not at all.

Mr. COOLEY. If the gentleman will look on page 21, under the definition of "service," it says that it includes—

services rendered otherwise than as an employee in connection with the processing, distribution, storage, installation, repair, or negotiation of purchases or sales, of a commodity, or in connection with the operation of any service establishment.

Mr. LYNCH. That does not mean, under the interpretation given by Mr. Henderson, the wages of those men who might be employed. It had to do particularly, insofar as that is concerned, as I remember it, with those services that are rendered in connection with processing, marketing, and distribution.

Mr. COOLEY. How about an accountant or bookkeeper?

Mr. LYNCH. I should say, under the Steagall plan, without question there is no question of wages involved one way or another, but under the Gore plan such a situation does develop.

Mr. COOLEY. How about fees and commissions?

Mr. LYNCH. Fees and commissions are not here involved. A careful reading of that provision will demonstrate that.

[Here the gavel fell.]

Mr. WILLIAMS. Mr. Chairman, I ask unanimous consent that the time of the gentleman from New York be extended 5 minutes.

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

There was no objection.

Mr. COOLEY. Now, Mr. Chairman, will the gentleman yield there?

Mr. LYNCH. I want to proceed further now.

With respect to the question of wages let me say this. If we are going to adopt a policy in this House that labor is a commodity and that we are going to tie up labor and the rewards of labor with the cost of a commodity, it seems to me we are abandoning the principle that Congress has in the past repeatedly set forth that labor is not a commodity.

We are faced, then, with a situation where, under the Gore amendment, we consider the question of a ceiling on wages but no ceiling or limitation of any kind on profits. Under the Gore amendment, labor will be limited in its earnings, but industry will have no limitation on its profits. It has been said repeatedly before the Committee that this bill of itself or whatever bill is passed will not curb inflation when inflation once gets started. There must be further bills with respect to territory and more control and the like. If this bill should be passed with the wage element in it, what situation would you have? You would have a situation where all of the wages of all of the people in the country are frozen at a certain level, even though there is no guaranty in the bill that there would not be an increase in the price of commodities. There would be one thing certain under this bill if amended in accordance with the Gore amendment, and that is that the only thing that would be definitely frozen would be wages and nothing else. I say it is palpably unfair to those people working for wages to so fix their wage that when there is no guaranty that inflation will stop they will still have their wages fixed by statute.

Mr. THOMAS F. FORD. Mr. Chairman, will the gentleman yield?

Mr. LYNCH. Yes.

Mr. THOMAS F. FORD. If we freeze the wages of an individual, would we not be freezing the income, and would it not apply to any income?

Mr. LYNCH. No; I would say that wages are not the only income because I imagine that there are many people in this country who get their income from stocks and bonds, and let me tell you with respect to those people, although you would freeze the wages of the working people those people who have other income would in no wise be affected.

Mr. THOMAS F. FORD. I mean the wages of a worker are his income.

Mr. LYNCH. Oh, yes.

Mr. THOMAS F. FORD. And if we freeze that, I do not think there is any warrant of law by which this Congress could pass a bill that would fix the income of an individual.

Mr. LYNCH. I agree with the gentleman perfectly, and also I say that when that wage is fixed under this amendment, there is no guaranty that prices are not going to go higher, nor is there any guaranty that prices will not go higher under any such bill we pass, unless we have a great deal of supplementary legislation.

Mr. BARRY. Mr. Chairman, I move to strike out the last five words. I am going to take only a few minutes to emphasize two points that I raised yesterday in opposition to the Gore bill. I seri-

ously urge the Members of the House to read section 206 of the Gore bill, and they will find that under that section all this talk about a price ceiling is a fiction, and that the only difference is in the method of approach, because under the Steagall bill the Administrator can immediately set a price ceiling over everything. Under the Gore bill the Congress puts a price ceiling over everything. But under the Gore bill the Administrator can exempt the prices all along the line. Just like in the Steagall bill, he can increase the prices; so in little respect does the selective price bill we are now discussing differ very much in operation from the Gore bill. The Gore bill is not the Baruch plan at all, and if the Administrator believes that he can accomplish the curbing of prices by selecting articles, it is inevitable from his point of view that he is finally going to reach the same result and put a ceiling on the same amount of articles as he would under the Steagall bill. So I think, so far as reality is concerned, that it is much ado about nothing. There is not a single article that he cannot exempt under section 206. Insofar as the question of putting a ceiling on labor is concerned, I repeat what I said yesterday, and I want to be frank to say that I am not too much impressed about this business of labor not being a commodity. Of course, it is not a commodity, but that is not necessarily a reason for not placing a ceiling upon it. The drafted boys in the camps only get a certain amount of money, and they are told what to eat and what to wear, and they are not commodities. The thing that perhaps decided me against this proposition is what happened during the election in Kentucky, and other places with the W. P. A. I know what happened in New York, and I know what happens in this Congress or in any other place whenever the administration is in a pinch, and they want votes to swing an election.

I say to you when you give the administration the power to raise the wages of 30,000,000 people you are just putting a noose around your neck if sometime you come into conflict with the administration, because you know as an actual fact if the heat is on, if the pressure is on, the Administrator can turn to these labor leaders and say, "Here, now, if you want a raise of wages, you support this measure or you oppose it." Or, "I want to get rid of John Smith, or Eugene Cox, or Barry, because he opposes my policy." Labor can be told to go out and knock him off in that election. When you grant the power to increase wages, you also grant the power to control the wage earners' votes. Do not forget that.

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

Mr. BARRY. I yield.

Mr. WHITTINGTON. Is it possible or practicable to fix any price or any ceiling on any commodity without giving consideration to the cost of producing that commodity and the labor involved?

Mr. BARRY. Absolutely not. To say that labor does not enter into the cost of the finished product is to just make a silly statement; but I would rather take a gamble on what may happen by not

controlling the wage factor than to put Nazi regimentation over 30,000,000 workers.

The Gore bill will put into the lap of the Administrator the difficult problem of looking over hundreds of thousands of commodities and deciding whether or not to lift the ceiling. When you do that, you will require possibly tens of thousands of workers to examine into every commodity on which a ceiling has been placed.

[Here the gavel fell.]

Mr. BARRY. Mr. Chairman, I ask unanimous consent to proceed for 2 additional minutes.

The CHAIRMAN. Is there objection? There was no objection.

Mr. BARRY. We are now faced with the choice of knowing that if we do nothing a rise of prices is inevitable. I do not believe anyone knows whether or not any bill is going to curb the law of supply and demand and prevent inflation. My opinion is that it will simply put into the hands of the Administrator the power to stop chiselers and grafters, and therefore in certain instances curb price rises. I am reluctant to vote for any bill, because there is no question in my mind, and there should not be any question in the mind of anybody, that it is a vast step in the direction of economic regimentation and dictatorship. I have finally decided to vote for the least obnoxious of all, and that is the Steagall bill. I think it has as much chance of curbing rising prices as any other bill that we should adopt at this time.

Therefore I urge support of the Steagall bill.

[Here the gavel fell.]

Mr. BOGGS. Mr. Chairman, I rise in opposition to the amendment.

Mr. Chairman, in our discussion this morning it occurs to me that two very important matters which came before the committee in the consideration of this legislation have not been discussed. During the course of our long deliberations we took time to study the systems which have been employed and are being employed by other nations throughout the world today to regulate inflation. We made some very interesting discoveries. First we discovered that no nation today, whether it be at peace or at war, is without some type of price-control legislation. Secondly, we discovered that no nation has attempted to regulate both prices and wages under one administration. Third, we discovered that the only nation which has adopted a plan which embodies the principles of the substitute bill is Nazi Germany. Even in Nazi Germany, regulated and regimented as the society there is, there have been over 12,000 exceptions made to the overall bill, in a period of a very few years. As a matter of fact, within the last several years, since the inauguration of the war the plan has been abandoned for another one.

Mr. RANKIN of Mississippi. Mr. Chairman, will the gentleman yield?

Mr. BOGGS. I gladly yield to the gentleman from Mississippi.

Mr. RANKIN of Mississippi. In every one of those totalitarian countries where this price-fixing program is working at



all, they have also fixed the volume of their money, have they not?

Mr. BOGGS. I think generally that is true.

Mr. RANKIN of Mississippi. In this country we can have wild inflation, if they want it, through the Federal Reserve System, without restriction. This bill does not touch the volume of money whatsoever.

Mr. BOGGS. My answer to the gentleman from Mississippi is simply this, and it also is pertinent to the Gore bill: For anyone to stand on this floor and maintain that a price-control bill, standing alone, can control inflation, is to be ridiculous. I may not conform to the monetary ideas of the gentleman from Mississippi [Mr. RANKIN], but it is fundamental that there must be credit control. There must be expansion of supply. There must be control of imports and exports. There must be a system of savings instituted. There must be a program of substitution instituted. There must be a continuation of the program of priorities and allocations for us to effectively control inflation in the United States. Hence to say that the Gore bill, standing alone, will do the job is to be palpably ridiculous.

Mr. RANKIN of Mississippi. In other words, if the Gore bill or the Steagall bill, or both of them, pass, unless there is some method of controlling the volume of our currency it will likely bring disaster to the country?

Mr. BOGGS. I am not going to admit the gentleman's contention. There must be price control plus other measures to control inflation.

Mr. RANKIN of Mississippi. I thought that was the logic of the gentleman's argument.

Mr. BOGGS. I do believe that some credit control must be instituted. Whether it should be the type that you advocate or the type somebody else advocates is another matter to be studied by another committee.

The best evidence of the effectiveness of the selective system is in what has already been accomplished. There has been little discussion of the functions of the Office of Price Administration during the last 10 months. I firmly believe that had it not been for the selective control used by that office recently that the cost of living, in place of having advanced 10 percent, would undoubtedly have advanced 20 or 30 or even 40 percent; but by the voluntary strategic control of approximately 40 commodities, mind you, 40 commodities out of a total of two, three, or four million in this Nation, we have been able to keep the cost of living down to a moderate rise of about 10 percent.

[Here the gavel fell.]

Mr. WILLIAMS. Mr. Chairman, I ask unanimous consent that the gentleman from Louisiana may proceed for 5 additional minutes.

The CHAIRMAN. Without objection, it is so ordered.

There was no objection.

Mr. BOGGS. I think the Members of the House should know a little something about the functioning of the Office of Price Administration to date, and what

commodities have been controlled in such fashion that they have affected the entire price level. There have been a total of 42 ceilings imposed since February 1941. These ceilings represent 22 percent of the aggregate value in exchange of the total of over 900 commodities in the B. L. S. Index of Wholesale Prices. It must stand to reason that if we regulate the price of steel we help to control the price of buildings, of automobiles, of trucks, of all the numerous multitude of commodities which use steel, and on down the line. I say that the selective price-control system intelligently administered in such fashion that it touches at the root of the economic system can do this job without the multitude of administrators that must be required under the other system.

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

Mr. BOGGS. I yield.

Mr. MURDOCK. Without approving or disapproving what has already been done by way of price fixing, I would like to ask the gentleman why either of these bills should be passed? Why not continue as we have during recent months, as we have had some degree of control?

Mr. BOGGS. I am glad the gentleman brought the question up. The reason the Office of Price Control has been able to function heretofore is because it has controlled industries where there have been few producers, few dealers: For instance, the steel industry, the copper industry, the lead industry, the zinc industry. But when they tried to regulate scrap metal which became tremendously important as the shortage of steel developed in the Nation, it was literally impossible because there are tens upon tens of thousands of scrap dealers throughout the Nation and it was impossible to bring them all in a room and ask them voluntarily to conform to a ruling of a Government agency.

Mr. ROBSION of Kentucky. Mr. Chairman, will the gentleman yield?

Mr. BOGGS. I yield.

Mr. ROBSION of Kentucky. I wish to commend the gentleman's very informative statement. How many members are there on the Committee on Banking and Currency which considered this bill?

Mr. BOGGS. Twenty-five.

Mr. ROBSION of Kentucky. The members of that committee had unusual opportunity to get information for a number of weeks from the leading people of this country.

Mr. BOGGS. Three months.

Mr. ROBSION of Kentucky. And from Mr. Henderson, too.

Mr. BOGGS. That is correct.

Mr. ROBSION of Kentucky. How many members of the gentleman's committee voted for the committee bill and how many voted for the Gore bill?

Mr. BOGGS. I believe several members were absent. As I recall, however, 18 members of the committee voted for the committee bill and 5 voted for the Gore bill.

Mr. CANNON of Florida. Mr. Chairman, will the gentleman yield?

Mr. BOGGS. I yield.

Mr. CANNON of Florida. Does the gentleman think there are more scrap iron dealers than there are filling sta-

tions? Mr. Ickes did a good job on regulating the filling stations, and I believe the gentleman will agree that there are more filling stations than there are scrap iron dealers.

Mr. BOGGS. In other words, the point the gentleman is making is that in the case of the filling stations it was a voluntary action and proved fairly successful. I quite agree that there are thousands upon thousands of patriotic people in our Nation who will conform voluntarily to certain regulations in a national emergency. But I say this further, that the experience of all nations is that when you come to the question of price control of the entire structure, in fairness to those who do conform you must have some type of legislative control.

Mr. CANNON of Florida. If the gentleman has some preconceived idea about the danger of scrap-iron dealers not getting together or conforming, perhaps we should pass some criminal bill in this House now.

Mr. BOGGS. This bill carries criminal penalties, if that is what the gentleman is driving at.

Mr. CANNON of Florida. I think we should have a straight criminal bill, then.

Mr. BOGGS. No. That is the reason for the licensing provision in the bill. It is not fair because a man violates one ceiling to send him to the penitentiary. I asked the gentleman from New Jersey [Mr. KEAN], a member of the committee, that question this morning. It is unfair to fine him \$5,000; but it may not be unfair to protect the thousands upon thousands who are conforming to require him to have a license provided you surround that license with certain protective devices, such as we have done.

Mr. CASE of South Dakota. Mr. Chairman, will the gentleman yield?

Mr. BOGGS. Gladly.

Mr. CASE of South Dakota. The gentleman from Louisiana has said that any selective price-control system will work if it is intelligently administered. This, it seems to me, begs the question, because the gentleman also has admitted that in having price control of itself we must have a control of the flow of money, the reserve ratio, control of the flow of credit and these other things. How can you have intelligent administration of a price-control system unless you have a centralized control not merely of prices but these other things that go into the price structure—credit, money, and so forth—and centralize the Treasury, the Federal Reserve, the Department of Agriculture and the Department of Commerce? And then how are you to achieve intelligent administration or find anybody or any group intelligent enough to administer all these functions and insure the harmony that is necessary?

Mr. BOGGS. If the gentleman will bear with me, that question of intelligent administration is simply this: It does not have any effect upon the price structure if certain costs rise; as a matter of fact, it would be a good thing if more people started spending excess purchasing power at resort hotels or on railroad fares, or going to their dentists to have their teeth fixed, or buying expensive

foods, if they can afford them; in other words, as long as they are not competing with the essential articles in the country or with the articles that are required to maintain the standard of living, then it is all right for them to go on a spending spree because this helps to prevent inflation by absorbing excess purchasing power. Intelligent administration means that there must be the proper selection of commodities, and the Gore bill prohibits that type of selection.

[Here the gavel fell.]

Mr. RANKIN of Mississippi. Mr. Chairman, I move to strike out the last word, and I ask unanimous consent to speak for 10 minutes out of order.

The CHAIRMAN. Is there objection to the request of the gentleman from Mississippi [Mr. RANKIN]?

There was no objection.

Mr. RANKIN of Mississippi. Mr. Chairman, in my opinion this so-called price-control bill is one of the most dangerous pieces of legislation that has come before the Congress since I have been a Member of the House and one that carries the greatest threat to our farmers, to our businessmen, to our form of government, to our institutions, and to our way of life. It means dictatorship, totalitarian government. Do not deceive yourselves. This is the pattern that is being followed in both Russia and Germany and in all the other totalitarian countries of the Old World. It means a dying democracy and probably the end of our free institutions.

When you fix prices and make them effective you are bound to ration purchases, so that everyone must have a permit to buy even the smallest article. Whenever you do that, then you have a totalitarian government, and our system of free institutions and free enterprises will probably be gone forever.

As I said on yesterday, the danger in this bill, boiled down to a few words, is that it embraces the philosophy of scarcity and regimentation, which means totalitarianism, which means communism, nazi-ism, or fascism, whichever you desire to call it. They are all symptoms of the same disease. They all create an atmosphere in which free institutions cannot survive. It substitutes this deadly philosophy for the philosophy of abundance that has been preached by wise men from Moses to the present day and forms the basis of liberty and free enterprise throughout the world.

Remember that there is not a single country that has ever adopted a policy of this kind that did not first admit the failure of its free institutions. If we pass this measure we admit our failure to perpetuate our system of liberty and freedom in America. I fear it will mean peonage for the farmers of our country, and especially for the cotton farmers of the South.

The advocates of this measure have already driven the price of cotton down something like 3 cents a pound by their propaganda. That has cost the cotton farmers of the South about \$15 a bale, or around \$150,000,000 on this year's crop. Wheat, corn, cattle, and poultry farmers have suffered accordingly.

According to the prices manufactured articles are bringing and the wages being

paid to industrial labor, cotton should be bringing at least 40 cents a pound, and the prices of other agricultural commodities should advance in proportion.

A cotton farmer makes, on an average, 1 cent an hour for every cent per pound he receives for his lint cotton. Today cotton is selling at 16 cents a pound, which means that the farmer who toils in the hot sun to make and gather his crop gets 16 cents an hour for his work—provided he makes a normal crop.

Now compare that with industrial wages fixed by the Labor Board. The most poorly paid industrial laborer, the Negro charwoman who sweeps the floor of the garment factory in my home town, has her wages fixed by the Labor Board at 40 cents an hour, or two and one-half times as much as the average farmer in the county makes plowing, chopping, and picking cotton in the hot sun. Yet the Wall Street bankers who are demanding this legislation are saying that cotton is too high and have been beating down the price in every conceivable way. But I will get to them in a minute.

I have a telegram from the C. I. O. representing the automobile workers in Detroit, Mich., advocating the passage of this measure, but urging us not to "put any shackles upon wages." In other words, they want us to impose this monstrosity upon the farmers of the Nation but to leave them out of it. I looked up the wages these automobile workers get, and found that they averaged \$1.08½ cents an hour. If the cotton farmer were paid in proportion for his work, he would get more than \$1 a pound for his cotton, or \$500 a bale.

They will tell you that the agricultural program has done so much for the cotton farmers. But the fact remains that it has failed to raise the price. On the other hand, it has increased the production of cotton in other countries. For instance, in 1932 the world produced 24,000,000 bales of cotton, of which we produced 13,000,000 bales. Last year, 1940, the world produced 30,000,000, and we produced only 12,000,000 of it. While the rest of the world was increasing its production by 7,000,000 bales a year we were reducing ours by 1,000,000 bales a year. For the first time in history, the United States failed to lead all the rest of the world in the exportation of cotton. It actually fell to third place, Egypt and British India both going ahead of us.

In 1932 the State of São Paulo in Brazil produced only 99,000 bales of cotton. Last year it produced 1,260,000 bales, or more than the State of Mississippi, which up to that time, was the second cotton-growing State in the world, being surpassed only by the State of Texas.

Instead of curing this situation, this measure would likely make it infinitely worse. We have no assurance that the ones in charge of this program would not be just as ruthless in their treatment of agriculture as the priorities division of the O. P. M. has been toward the R. E. A.

You are going at this thing entirely backward. You are attempting to water the tree at the top. This movement is being inspired by those elements that have their wealth invested in tax-exempt securities or whose incomes are derived

from fixed charges. The more you hold down the price of cotton, wheat, corn, cattle, hogs, land, lumber, and other raw materials, the more purchasing power the dollars of those men, those Wall Street bankers, represented by such men as Mr. Barney Baruch, will have. I have not changed my mind about Mr. Baruch and the Wall Street financiers he represents. Eight years ago, in 1933, when we had this problem before the House, when we were trying to cure the depression by a reasonably controlled expansion of the currency, he came into this capital and lobbied against us. In referring to him then I used these words:

On yesterday there appeared in this Capitol a Wall Street international banker, Mr. Barney Baruch, one of the three wise men from the east.

If the policies of these shylocks of finance were carried out indefinitely, this panic would last for a thousand years. There is absolutely no hope of relief in anything that any one of them advocates, but, on the other hand, the very policies for which they stand are responsible for the present condition of wreck and ruin.

That was in 1933. Today this pressure is being brought by those same financiers—by the same international bankers—who coined their fortunes out of the blood and tears of the suffering men, women, and children of the world during the last war, and who have their money invested in tax-exempt securities, or in such securities as bring them fixed returns. They want to hold down the prices of farm commodities to keep them from advancing to their normal levels.

If this measure passes, the farmers will have no chance to speak from now on. The reason I am speaking now is that I am the only voice the 250,000 people in my district have now, and, after this bill is passed, they might not have any chance at all.

When Antonio was pleading to Shylock to let him settle his debt and not to exact the pound of flesh from nearest his heart, which he had given as security, he was given the same answer these shylocks will give to the farmers of the Nation when Shylock said:

I'll have my bond; I'll not hear thee speak. I'll not be made a soft and dull-eyed fool. To shake the head, relent, and sigh, and yield To Christian intercessors. \* \* \*

I will have my bond.

The mouths of your people will be closed whenever this bill is put into effect, and these financiers will collect the interest on their bonds for generations to come, or until the people rise in revolt.

The trouble is in our monetary system. The prices of commodities are regulated by two things—the volume of a nation's currency multiplied by the velocity of its circulation. Every totalitarian country yet that has fixed prices has also fixed the volume of its money. You do not attempt to do that in this bill but leave the Federal Reserve System unrestrained as to either inflation or deflation.

Mr. BOGGS. Will the gentleman yield?

Mr. RANKIN of Mississippi. I yield to the gentleman from Louisiana.

Mr. BOGGS. Did the gentleman vote for a measure passed by the House in



1935 to regulate everything in our economy, which was more drastic than the bill before the House?

Mr. RANKIN of Mississippi. I am not sure what was in that bill at this late date.

Mr. BOGGS. I have read it. In the CONGRESSIONAL RECORD the gentleman is recorded as voting for it.

Mr. RANKIN of Mississippi. For what?

Mr. BOGGS. For an act that passed this House on Tuesday, April 19, 1935, conferring emergency powers on the President in time of war.

Mr. RANKIN of Mississippi. If we made one mistake, that is no reason for making another one—and especially one as drastic and dangerous as this proposed measure.

Mr. BOGGS. Does the gentleman believe that the farmers of this country gained anything from the inflationary period of the last war?

Mr. RANKIN of Mississippi. The gentleman from Louisiana does not seem to understand just what happened. It was not the inflation that hurt the farmers, but the deflation that followed. In 1920, when cotton, wheat, and corn had risen to the levels justified by the volume of currency and the velocity of its circulation, when cotton was 30 or 35 cents a pound, wheat \$2.50 or \$3 a bushel, and other farm prices had gone up in proportion, these Wall Street bankers went down to the Federal Reserve Board, when Woodrow Wilson was in bed sick, and got W. P. G. Harding, the Governor of the Board, to issue an order raising the rediscount rate and calling in loans in the agricultural States. That drove prices down. That is what broke the farmer. If we had had a law then to prevent them from doing such a thing or making it impossible for them to do so, as we must have if we ever restore normal conditions in this country and guarantee security to the farmers of the Nation we might have avoided the depression of 1920 as well as that of 1929. We might have had prosperity all these years without any relief rolls, without any regimentation, and without piling up a national debt of something like \$65,000,000,000, on which these financiers want to make the American people pay them interest for generations to come. We never can pay this debt; we cannot even pay the interest on it, with the present price levels.

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

Mr. RANKIN of Mississippi. I yield to the gentleman from Michigan.

Mr. CRAWFORD. I think the other side should point out in calling attention to this vote in 1935 that that vote rested on a time of war. There has been no declaration of war by the Congress, and under such conditions that law would not be operative. At no time, however, have they developed that point in these interrogations that have been submitted to the Members who voted for that bill.

Mr. RANKIN of Mississippi. The gentleman from Michigan is right.

Let me tell the gentleman from Louisiana also that if this bill is passed in its present form, or even if you put the Gore

amendment on it, in my opinion, it will result in disaster, and probably in the repudiation of the entire national debt.

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

Mr. RANKIN of Mississippi. I yield for a question.

Mr. GIFFORD. Is this not a step toward socialization of America?

Mr. RANKIN of Mississippi. Certainly.

Mr. GIFFORD. I must finish that question, and I welcome the gentleman's answer. I now ask the gentleman to recant on the T. V. A., the most perfect socialized activity we have.

Mr. RANKIN of Mississippi. I may say to the gentleman from Massachusetts that he needs some light, and I shall give it to him some day, and then he will be for the T. V. A. If the people of Massachusetts had a T. V. A. to guarantee them proper electric light and power rates, they would now be saving more than \$50,000,000 a year on their light and power bills alone.

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

Mr. RANKIN of Mississippi. I yield for a question.

Mr. BOGGS. The gentleman stated that he was unfamiliar with the contents of the bill passed in 1935.

Mr. RANKIN of Mississippi. I said I do not remember all its contents at this moment.

Mr. BOGGS. I should like to read section 2 of that act.

Mr. RANKIN of Mississippi. No, Mr. Chairman; let him read that in his own time. I suggest that he also do some reading on this money question, upon a proper solution of which may depend the destiny of this Republic.

Mr. Chairman, who owns this gold buried in the ground in Kentucky? If you will investigate that proposition I think you will find that some of it, at least, is owned by certain international financiers, who are in favor of fixing the prices on farm commodities and holding them down below the cost of production.

If you want to restore prosperity to this country, let Congress take back the powers vested in it by the Constitution to "coin money and regulate the value thereof." Remonetize gold and silver on a reasonable ratio, and issue currency, instead of borrowing money from these financiers for the American people to pay back with compound interest for the next 50 or the next 100 or the next 500 or the next 1,000 years.

As I said, if you pass this bill, you are going to have to ration purchasing. Then you will have a totalitarian system in full. Then what are we supposed to be fighting for? What are we complaining about totalitarianism and dictatorships for if we are going to adopt the same system by an act of Congress and shut the door of hope in the faces of the people of this Nation, and especially of the farmers, probably for all time to come?

Mr. Chairman, let Congress assert itself, take back its powers, reassume its constitutional duties, prerogatives, and responsibilities, and say to these international financiers, in the words of William Jennings Bryan:

You shall not press down upon the brow of the American farmer this crown of thorns; you shall not crucify this Nation upon a cross of gold.

Mr. REED of New York. Mr. Chairman, I move to strike out the last five words.

Mr. Chairman, this may not shed any particular light on this subject, but sometimes we can learn by going back and considering the experience of others with various phases of fiscal policy and financial policy.

Way back from 1790 to about 1795 there was a great period of inflation in France. They had indulged in many of the schemes that have been promoted in the last few years in connection with our Government. I thought you might be interested to see just what the possibilities of inflation are during a short period of 5 years, so I have here reduced to American currency the change of prices during that 5 years on a few products.

In 1790 in France a bushel of flour was worth 40 cents. In 1795 a bushel of flour was worth \$45. A bushel of oats in 1790 was worth 18 cents, and 5 years later it was worth \$10. A cartload of wood was \$4, and 5 years later it was \$500. A bushel of coal was 7 cents, and 5 years later it was \$2. A pound of sugar was 18 cents, and 5 years later it was \$12.50. A pound of soap was worth 18 cents, and 5 years later it was worth \$8. A pound of candles was worth 18 cents, and 5 years later it was worth \$8. One cabbage was worth 8 cents, and 5 years later it was worth \$5.50. A pair of horseshoes was worth \$1, and 5 years later they were worth \$40. Twenty-five eggs were worth 24 cents, and 5 years later they were worth \$5.

This gives you just a little idea of how far price inflation can go.

Mr. RANKIN of Mississippi. Mr. Chairman, will the gentleman yield?

Mr. REED of New York. I yield to the gentleman.

Mr. RANKIN of Mississippi. Let me make the suggestion that in those countries they were doing just what we are now proposing, in trying to fix the prices of other things without regulating the volume of their money. They had uncontrolled inflation of their money, and there is nothing in this bill that will keep the Federal Reserve banks from issuing \$50,000,000,000 of money if they want to do so.

Mr. REED of New York. What I had in mind is this. I have great confidence in the committee that brought in this bill, but whether it is the Gore amendment or the other measure, it is a piecemeal, political bill. These are times that are so grave that it seems to me this Congress might divorce itself from political considerations. There is not a man on the committee who has not the intelligence and the knowledge, working with his colleagues who are equally intelligent, to bring in a bill here starting at the beginning. You are not going to get anywhere so long as these great powers of inflation are invested in the Executive. Even the Federal Reserve which, of course, is friendly to the administration, has urged this and it has repeatedly urged that these powers be repealed.

I am sure if you really meant business and would come in here with a bill starting at the beginning and going the whole length, while I do not suppose you could check inflation any more than they have in the other countries with their various devices, at the same time you could put on the brakes, you could slow it down, hoping that some time we could get back to a situation of normalcy, if I may use that much-abused word.

Now, what happened over there after this inflation? A complete moral and political demoralization of France resulted. Their industrial structure was absolutely demoralized and it took them from 50 to 75 years to reestablish it. It was simply the result of a lot of dreamers and theorists of that time and continued to devastate France until finally a man rode into Paris on a white horse and took charge of everything, but he had learned his lesson, and he conducted a 20-year war without tampering with the currency, without inflating it, but, instead, he put it upon a sound basis with a metallic base.

I believe in justice to the American people. This committee should take this bill back and settle right down to a study of the matter without political considerations and without pressure from the administration. Such a bill framed by the representatives of the American people may meet the situation without destroying our economic structure.

Mr. HOPE. Mr. Chairman, I move to strike out the last five words.

Mr. Chairman, some things have been said here this afternoon, both in the cloakroom and on the floor, which indicated that some members of this committee from agricultural districts thought that, perhaps, a little inflation might be a good thing. I simply want to take this opportunity to say that, in my opinion, no group or class in this country will suffer as much from inflation as those who are engaged in agriculture. They are not going to suffer right now. We will go right up to the peak of whatever inflationary period we may have, and agricultural prices will probably advance as rapidly as all other prices. This happened in 1920 when we reached the peak of that inflationary period. Agricultural prices were 105 percent of parity. In September of this year agricultural prices were 105 percent of parity. So I do not think we have anything to fear as long as this inflationary progress is going on, but where agriculture gets it is when the inevitable deflation begins. You do not have to refer to any figures. Every one of you can recall the deflation that took place in 1921, when agricultural prices dropped to almost one-half of what they were, but wages did not decline in any considerable degree at that time. The cost of living did not go down nearly as fast as agricultural prices. The same thing happened in 1929.

Mr. RANKIN of Mississippi. Mr. Chairman, will the gentleman yield?

Mr. HOPE. I would rather not yield right now.

Farmers and other producers of raw materials were the ones who took the brunt. I have not much time, but I want just briefly to call your attention to the

fact that in 1920 agricultural prices were 211 percent of what they were during the 1909-14 period. Industrial wages were 222 as compared with the same period.

In 1921, after the deflation, industrial wages were 203, just a slight drop, and agricultural prices had dropped from 211 to 125.

The same thing happened in 1929. Agricultural prices then were 146 and by 1932 they had dropped to 65.

This is what always happens and this is what will happen in this particular case. What we are looking for, as far as agricultural prices are concerned, is parity and stability.

I favor the Gore amendment because I believe it will be more effective in maintaining stability of prices.

I favor it also because I believe it is fairer, and that an over-all control is the only effective and fair way to approach this problem. The higher the price the bigger the drops are going to be, as far as agricultural producers are concerned. Agricultural prices are in a good relationship now, though not perfect. We want some prices to get nearer parity. Unless agriculture is to be again deflated at the end of this period of rising prices, something must be done to keep down the general price level. I do not think the committee bill will effectively do this. Instead, all prices will continue to go up. The farmer's relationship will not be changed while this upward rise is going on, but when the inevitable depression comes, he will suffer as he has at the end of every other inflationary period.

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

Mr. HOPE. Yes.

Mr. COOLEY. Does not the gentleman think that the machinery which is already provided by the farm program is sufficient to prevent inflation of prices of farm commodities?

Mr. HOPE. Yes; I think it will have that effect, to a certain degree, but what I want to do is to keep those prices in line with other prices, or rather, other prices in line with agricultural commodities.

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

Mr. COOLEY. Mr. Chairman, I ask unanimous consent to strike out the last word and ask unanimous consent to proceed for an additional 5 minutes.

The CHAIRMAN. Is there objection?

There was no objection.

Mr. COOLEY. Mr. Chairman, I believe that the American way of life is the real issue involved in this legislation. Our Government may not, in its present form, be a paragon of political purity, but at least we believe that it is worth defending. Long years ago this Government of ours was dedicated to the high and holy ethics of civilization and to the gentle arts of peace which minister to the welfare and progress of mankind. We have dedicated the genius of our generation and the rich resources of our Nation to the gigantic task of defending and preserving our ancient and beloved institutions of freedom. That is a gigantic task. We have heard much in the past 8 years about dictatorship, and the terrible thing about the present situa-

tion and the present hour is the fact that the Congress of the United States is here and now facing the issue of dictatorship on the one hand or the free American way of life on the other. There is not any mistake about that. Strange as it may seem to you and me who have long enjoyed the great heritage which has come down to us, Members of this House stand here and boldly assert that under these bills, or either of them, we will be establishing an economic dictatorship in America. When we establish an economic dictatorship in America, at that moment we establish a social dictatorship, because when you control a man's livelihood, you control his social status. I for one do not believe that the emergencies of this hour require us to surrender, or even to momentarily suspend the free institutions of this Republic. There is no compromise on the issue of dictatorship. You gentlemen on the left for 8 long years have talked about a dictatorship. Bless your souls, you are now face to face with the issue. This bill contemplates a regulation, a regimentation of every phase of American life. It destroys the competitive system, and the system of free enterprise and free commerce and establishes in its stead a controlled, yea, a completely controlled and managed economy. There never has lived a man great enough nor wise enough to administer the powers which these bills seek to confer. We are preparing to defend our institutions with our lives and our resources, and yet here we are asked to surrender by our vote that which we are by armed force preparing to defend, and that which is most dear to the heart of every American. But they say they are asking us to surrender it only for the duration of the emergency. Only God himself in His wisdom knows how long this emergency shall continue; but it occurs to me that if we surrender our rights and privileges under this bill as contemplated by it, we shall have very little left to defend. We will not have a Hitler nor a Stalin, but we will have a Leon Henderson or a Ginsburg. Let us face the issue and bring it to its practical application. The laws of my commonwealth require guardians and administrators and others in fiduciary capacity to rent real property at the high dollar at public auction and to sell personal property at public auction at the high dollar. Think of how this law will clash with the laws of my State and with the laws of other States of the Union.

This legislation has a thousand objectionable features. It is unworkable, unconstitutional, and un-American. It will completely destroy the farm program. I wish that time would permit a detailed discussion of this objection to the pending legislation.

The greatest agricultural crop of my section is sold on public-auction warehouse floors, and is sold as the result of competitive bidding. All of that will pass away with the enactment of this law. There will be no more public auctioning of tobacco. Oh, no. The auctioneer will have sung his last song. Mr. Henderson will say, "This you shall pay for this pile of tobacco. This and no more." Even though the companies may be willing to



pay more, he will by his edict say, "Oh, no." So the auction system goes out.

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

Mr. COOLEY. Briefly.

Mr. BUCK. Would your same observation apply to the public auctioning of fruit?

Mr. COOLEY. I do not know. I am not familiar with the method of selling fruits and vegetables.

Mr. BUCK. Fruits are generally sold in the major cities of the United States at public auction.

Mr. COOLEY. I assume that what I have said would be applicable to that situation.

Mr. BUCK. I should like very much to know that before I vote on this bill.

Mr. COOLEY. The fact remains that if Mr. Henderson fixes the sale price upon any commodity you may put it up at auction, and the minute it reaches that price level the auctioneer's hammer must fall. The sale is consummated, whether it brings a fair price or not.

Now, if we are not satisfied with America, if we are not satisfied with our way of life, if we must remake America, pray God, let us first preserve America, then remake it. This is an important bill. It is the most far-reaching and the most dangerous bill that has ever been introduced in the Congress.

Mr. PATMAN. Mr. Chairman, will the gentleman yield for a question?

Mr. COOLEY. Not now. In just a moment I will yield. The gentleman who just requested me to yield stood here this morning and denounced the Gore bill and admitted frankly that he did not like this type of legislation, and he said to us, "Yes. It is economic dictatorship." The distinguished member of the committee, the gentleman from Missouri [Mr. WILLIAMS], on yesterday, said "Yes. It is economic dictatorship. You cannot have price control without dictatorship."

Now you have the question before you. Are you going back home to your districts and say, "I have embraced dictatorship. I have abandoned the American way of life. I have destroyed the free institutions of America"? I, for one, am not willing to embrace either of these bills.

[Here the gavel fell.]

Mr. AUGUST H. ANDRESEN. Mr. Chairman, I move to strike out the last five words and I ask unanimous consent to proceed for 5 additional minutes.

The CHAIRMAN. The gentleman from Minnesota asks permission to proceed for 5 additional minutes. Is there objection?

There was no objection.

Mr. AUGUST H. ANDRESEN. Mr. Chairman, I was extremely pleased with the expression of my distinguished friend the gentleman from North Carolina [Mr. COOLEY]. He tells us now that we are facing a dictatorship in the United States if this bill is enacted into law. He also reminds us that we have been talking against dictatorship for the past 8 years. I am happy that he has seen the light and that he is now joining with other Americans to keep the American way of life for our people.

I am inclined to go along with the philosophy of our distinguished colleague

the gentleman from Michigan [Mr. CRAWFORD] on this bill. I feel that this legislation does not get at the source of the causes for inflation. If there were no danger of inflation this bill would not be before us, unless it is for the purpose of taking away the power from Congress and giving it to some bureaucrat in the Government service.

The proposed committee bill does not remove the direct cause which may bring inflation. If we fear inflation, and I do, Congress should recommit this bill to the committee. A new bill should be reported removing the causes for inflation. The new bill, to be effective, should contain the following mandatory provisions: First, repeal the authority which gives the President the power to further devalue the dollar; second, repeal the law which gives the President the authority to issue \$3,000,000,000 in greenbacks; and, third, limit the amount of Government obligations held by any bank, thereby limiting the loanable reserves in banks. The full power to fix and regulate the value of money should be definitely restored to Congress, as provided in the Constitution.

In my opinion, the greatest inflationary threat now confronting the country is the power lodged in the President to devalue the dollar to 50 percent of its original value. We now have more than 650,000,000 ounces of gold under control of the administration. By a stroke of the pen the President can clip another 9 cents from the value of the dollar and take a profit of over \$5,000,000,000 by boosting the price of gold. This manipulation at the expense of the American people, plus the silver-purchase fiasco, plus the power to print \$3,000,000,000 in greenbacks, is the main inflationary threat and the real cause for inflation. The repeal of these powers will remove the threat of inflation. The price-control bill before us will be of no value in the stopping of inflation if the action I have suggested is not taken.

I understand that the administration is proposing a licensing system so that every individual engaged in marketing—in buying or selling of commodities, will be placed under Federal license. In my opinion, the power of any official to issue or revoke a license is the power to destroy. The edict of one individual, without any review, can put any businessman or farmer completely out of business.

I am not so much concerned about the men in big business in our country. They will take care of themselves. But I am concerned with 184,000 small businessmen engaged in the manufacture of products for the American people. I am concerned with several hundred thousand small wholesalers and retailers who are trying to eke out an existence from the small business that they do. All of them will be put under a license by a Federal bureau which license may be revoked if they do not do exactly according to the edicts of Mr. Henderson or whoever may administer the law.

It looks to me that some of our bureaucrats who have the idea that they must remake America, are reaching out through this legislation to accomplish their objective. For if they control the

business of an individual and have the power to put him out of business, knowing that he does not have the wherewithal to go to the courts, the recognize that they can absolutely do away with his existence in our society. Possibly the big businessmen would welcome having the small operators go out of business, because then they would become larger and do business on a larger scale. Perhaps that is what the administration wants in this legislation. Perhaps they just want to make this as a part of the priority system, where they are denying materials to small manufacturers who are engaged in civilian production, and putting them out of business, which of course will make the big fellows bigger. They now come with this licensing system and price control, which also place a penalty upon the small businessman who is unable to protect himself. If they want to make the big businessman bigger, which they will do with this legislation and with the priority system, they will have the big businessman just where they want him. Most of the big businessmen have surrendered to the policies of the New Deal, anyway, for selfish or other reasons.

When the time comes to put the screws on, the bureaucrats then will tell the big businessmen, "Now, you do as we tell you or else—or else we will take you over." That is a part of the dictatorial scheme to remake America. All of this power and authority centralized in the bureaucrats down here has been gradually eked out of Congress, not according to the intent of Congress but after laws have been passed by the subservient majority here, these bureaucrats have interpreted the law according to the way they want it, and their decrees have the force and effect of law. Those bureaucrats are now running the affairs of America.

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

Mr. AUGUST H. ANDRESEN. I yield.

Mr. CRAWFORD. In connection with the remark the gentleman just made, I think one of the strongest supports it is possible to find for his contention is in the statement made by Mr. Purcell, a member of the Securities and Exchange Commission, before the Detroit Economic Club only a few days ago. Certainly if they can bring industry within the hands of a few corporations, it will facilitate the entire approach which Mr. Purcell strongly recommended.

Mr. AUGUST H. ANDRESEN. I thank the gentleman.

Our business as Representatives of the people should be to protect our great American middle class, the backbone of our country. If we do not do that now, God pity the future of America.

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

Mr. AUGUST H. ANDRESEN. I yield.

Mr. STEFAN. Is it the gentleman's understanding that under the licensing provision of this bill it would affect the small merchant, the shoemaker, and also the farmer who occasionally goes to the edge of his property to sell some of his produce at the roadside?

Mr. AUGUST H. ANDRESEN. Everybody who deals in a commodity upon which a price ceiling is put by the

Administrator—and that would take in everybody, because they are going to reach out into every part of our economic structure.

For 9 years now this administration has sought to bring about inflation by every conceivable policy. They have reduced the acreage of farm products by more than 50,000,000 acres, and it is not necessary for me to repeat that some 7,000,000 or 8,000,000 pigs were killed in order to bring about a scarcity. This was all done to bring about an inflation, but in spite of this and the unsound monetary policies the administration could not bring about an inflation psychology. The price levels did start up in 1936 and 1937. But you will recall that along in March 1937 the President made a speech and said that the prices of commodities were going too high, and they started to go down. It did not take any legislation in Congress to do that. We went into a recession and the recession stayed with us until we came into this new war era which we are now in and which faces the American people.

There is no scarcity of farm commodities in this country. We have 2 years' supply of wheat on hand, and if the price of wheat goes too far above the parity limit—wheat is selling in Canada for 38 cents under our market—Mr. Morgenthau has threatened to cut the tariff on Canadian wheat from 42 to 21 cents a bushel and throw Canadian wheat on our markets to halt price rises. We have over 20,000,000 bales of cotton. We have plenty of tobacco. We have over 3,000,000 bushels of corn. The beef and pork reserves are the highest in the history of the Nation. The only thing on which there may be a scarcity is dairy products and eggs, because we are called to ship those products to England under the lend-lease program.

[Here the gavel fell.]

Mr. AUGUST H. ANDRESEN. Mr. Chairman, I ask unanimous consent to proceed for 2 additional minutes.

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

There was no objection.

Mr. COFFEE of Nebraska. Mr. Chairman, will the gentleman yield for a correction?

Mr. AUGUST H. ANDRESEN. I yield.

Mr. COFFEE of Nebraska. The gentleman made the statement that beef was higher than at any time in history. I am sure the gentleman did not mean to say that.

Mr. AUGUST H. ANDRESEN. I meant the largest volume of beef and pork in the history of the country.

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

Mr. AUGUST H. ANDRESEN. I am sorry, I have only 2 minutes.

Let me point out another thing, that we have had an inflationary policy in connection with the operation of the Federal Government. There has been no scarcity of Government workers. When the New Deal took over control in March 1933, we had 540,000 employees. In March 1940 we had 949,000. In September of this year we had 1,444,000 as against 540,000 in March 1933. So, in

addition to putting on a large personnel, maybe for governmental purposes—but we are somewhat suspicious about that—there has been a decided inflation in Government personnel as well as in Government expenditures, and today we are operating under the highest expenditures in the history of the country both for nondefense and defense items to make America strong.

It is estimated that we shall have at least 2,000,000 Federal employees before the end of the year. If we are to have inflation and if there is a threat of inflation, one would almost think there should be a scarcity in this country. There is, however, no scarcity of farm products and there is no likelihood of there being a scarcity.

It therefore looks to me that those who are advocating this legislation are doing so to secure additional power and control over the affairs of the American people. This Government of ours does not belong to the Chief Executive or to the bureaucrats; no, it does not belong to them. It belongs to 130,000,000 Americans, and we should save it for them and defeat the plans of those who seek to remake our American way of life into one of regimentation and dictatorship.

Mr. HOOK. Mr. Chairman, I move to strike out the last six words.

Mr. Chairman, I was rather surprised at the remarks of the gentleman from North Carolina [Mr. COOLEY] when he said that he was interested in retaining the American way of life and because of that he was opposed to this method of regimentation. I want to recall the day of August 5, 1941, when he and others placed on the statute books of this Nation a bill which, in my opinion, started us on the way to national socialism. I refer to the property-seizure bill. He did not seem to worry about the American way of life then.

We have gone step by step toward the war, bringing this Nation to the point where we must recognize, if we are reasonable men, that we are to all intents and purposes in this war at the present time. Of course, it puts me in mind of an iceberg—only three-tenths shows above the surface and seven-tenths is below the surface. The three-tenths is actual physical conflict and seven-tenths is economic warfare. You want to remember that there are practically four systems of government.

There is national socialism, fascism, communism, and democracy. For the matter of argument, fascism and national socialism can be placed in the same category. The state controls all, the individual has nothing to say, but they do recognize the right of profit and the capital system. In communism they do not recognize the right of property, they do not recognize the right of capital, but the state controls all and the individual has no standing. But in a democracy we the people are supposed to have something to say.

What brings about national socialism? What brings about fascism? An economy of scarcity. This condition exists and has existed in central and southern Europe for the last century. A democ-

racy can only exist in an economy of abundance, such as we have in America. Our natural resources must be conserved so as to maintain an abundance. I was interested in the statement of the gentleman from Minnesota when he said there was no scarcity of farm products. Well, if there is no scarcity in the necessities of life, then we should, in order to stop these high profits and the high kiting of prices, put something on the books that will hold the prices to within reason. I submit that if there is no scarcity, then there is no reason for the increase in cost of living; therefore the necessity for this bill.

I have fought against this trend toward national socialism, but, as I say, step by step we have come to the point where we must meet the issue, and in order to meet that issue we must realize that in this great national-defense program we are going to be faced with an economy of scarcity, and in an economy of scarcity we must put the brakes on the profiteer. There is only one way to control the prices in this Nation, and that is through drastic measures, and by just the sort of measure that is presented by the Banking and Currency Committee today.

I did not want to see it come. Many of us did not want to see it come. We tried to fight against it, but we are faced with reality today; we are faced with the problem of fighting for and building a national defense; we are faced with the proposition that our Nation must meet that thing which we have stepped into; and there is only one way to meet it, and that is with drastic measures, as is presented by this bill today. I grant that this bill will give the Administrator and his staff the authority to control the economic destiny during this national emergency.

I am not being misled into the thought that this legislation, or the administration of it alone, will effectively control prices, but realize that the people themselves—the wage earner, the consumer, the grocer, and the average American citizen—will be in himself or herself the real policing power which will make it effective. I say that, because the War Industries Board in itself was not so effective, but the people themselves who reported to the officials in charge of the activities of their neighbors whom they thought were, in an un-American way, doing things which were destined to destroy the purposes of the legislation.

We must have this legislation to save the middle class of taxpayers, or the small businessmen, if you please, because if we do not have a control of prices the burden of taxes will be such as will destroy them. What good will it do for us to appropriate money for guns, ammunition, lease-lend, or anything else if the prices and profits go so high that we can get very little for our money?

Oh, some say we must have control of wages. To those let me say if we have control of prices and control of the cost of living, so that the housewife will be able to manage and feed her little flock, we need no control over wages. The laborer and wage earner is not a profiteer, he is not unreasonable, he is patriotic and will not strike if his wages are



such as will give him a decent and honest living. Therefore, if you wish to stop strikes, stop the rise in the cost of living and give the laborer a fair wage for his services. This will mold national morale in the interest of national defense. Let us enact this legislation without wage control and at least give us a start toward solving this high cost of living. I want to warn this House, however, I will not support any legislation which will carry control over wages, which, in my opinion, will take away the right of strike. I favor the committee bill as is. I am opposed to the Gore amendment. The committee bill should be adopted.

[Here the gavel fell.]

Mr. STEAGALL. Mr. Chairman, may we not reach an understanding as to the time to be used in debate on this amendment?

Mr. WOLCOTT. Will the gentleman suggest a time?

Mr. STEAGALL. May I ask the gentleman if we can agree on 30 minutes?

Mr. WOLCOTT. I wonder if we may not find out how many want to speak on the amendment.

Mr. STEAGALL. How much time does the gentleman want on his side?

Mr. WOLCOTT. I have suggested as a guide to that that we have a showing of the hands by those who want to speak on the Gore amendment.

Mr. WILLIAM T. PHEIFFER. I have an amendment to the amendment that I desire to offer. I thought perhaps the gentleman would like to take that into account.

Mr. STEAGALL. Can we say that the debate on this amendment and all amendments thereto close in 40 minutes?

Mr. GORE. Will the gentleman confine the request to this amendment? Somebody might want to offer a very important amendment.

Mr. STEAGALL. I am wondering if we may not have an understanding as to when the debate will end.

Mr. H. CARL ANDERSEN. Can it not be arranged that each of the gentlemen on their feet receive 5 minutes? If there are only eight, I am agreeable to 40 minutes personally.

Mr. RAYBURN. May I suggest to the gentleman that I know of one member of the committee who has not had time on this bill or any amendment thereto. If the gentleman from Alabama feels like it, and it is agreeable to the House, I would like him to include in his request enough time for the gentleman from Arkansas [Mr. MILLS] so that he may have 10 minutes. I would suggest that if we get to a vote on this matter by 4 o'clock it would be satisfactory.

Mr. STEAGALL. May I suggest in that connection that the gentleman from Arkansas have 15 minutes.

Mr. GORE. I believe the gentleman from Arkansas should have it and he will make a wonderful and able contribution. The gentleman from Michigan [Mr. CRAWFORD] has likewise not spoken and he is a member of the committee. Would not the gentleman accord him the same treatment?

Mr. STEAGALL. The gentleman from Massachusetts [Mr. GIFFORD] has spoken and he only wants 5 minutes.

Mr. GORE. He has not spoken on this amendment.

Mr. STEAGALL. He only wants 5 minutes.

Mr. Chairman, I ask unanimous consent that all debate on this amendment and all amendments thereto close in 1 hour.

The CHAIRMAN. Permit the Chair to submit a suggestion to the gentleman. The gentleman asks unanimous consent that all debate on this amendment and all amendments thereto close at 4 o'clock, the last 15 minutes to be allotted to the gentleman from Arkansas [Mr. MILLS].

Mr. STEAGALL. That is satisfactory.

The CHAIRMAN. Is there objection to the request of the gentleman from Alabama [Mr. STEAGALL]?

Mr. CASE of South Dakota. Mr. Chairman, reserving the right to object, with the understanding that the gentleman standing will have the balance of the time among them.

The CHAIRMAN. In reply, the Chair will say that a list is being made of those standing; and if an agreement is reached, the Chair will call the names of those listed. Is there objection to the request of the gentleman from Alabama [Mr. STEAGALL]?

There was no objection.

Mr. WILLIAM T. PHEIFFER. Mr. Chairman, I offer an amendment to the Gore amendment.

The Clerk read as follows:

Amendment offered by Mr. WILLIAM T. PHEIFFER to the amendment offered by Mr. GORE: On page 26, lines 13 and 14, after the word "after", in line 13, strike out "June 30, 1943" and insert "December 31, 1942."

Mr. WILLIAM T. PHEIFFER. Mr. Chairman, this amendment is germane to the Gore amendment to the Steagall bill and also to the Steagall bill. Further, in the event the Gore amendment is not adopted, I will again offer this amendment when the main bill is again taken up for consideration by the House.

At first blush this may appear to be a minor amendment, but there are certain compelling reasons for its adoption. These reasons are such as should be convincing to the gentlemen and gentlewomen on both sides of the aisle, and my appeal is so addressed.

I hope you will not think I am immodest in making the statement that I am injecting one new thought into this debate in connection with the period of time within which this act shall be effective. I have not heard a speaker during the last 2 days of debate who has not vigorously and earnestly decried the necessity of enacting legislation of this sort which in its very nature is diametrically opposed to our free American system of government. Assuming that we all see eye to eye on the premise that such a drastic bill is made necessary by the exigencies of the moment and to cope with the existing emergency and that it is a bitter pill for the American people to swallow, it seems elementary to me that we are charged with the duty of holding a tight rein on the time within which all business transactions of our country are to be regimented—and I pause here to say that both the Steagall bill and the Gore amendment are replete with plain,

stark regimentation. I am convinced that we will rue this day if we provide that the emergency powers embodied in this legislation shall extend to the distant date of June 30, 1943.

We are getting ready to blaze a trail through a virgin forest. In my judgment, we should not vest any administration with such unexampled and dictatorial powers for longer than one calendar year. This particularly applies to an administration like the third New Deal, which has many times given unmistakable evidence of the fact that it has a penchant for making use of a measure like this as a many-seated vehicle for excursions into the field of socialistic experimentation.

The statement was made during debate yesterday that there would be no "blue eagles" fluttering from the windows. Perhaps not, but the purple buzzards or the yellow hawks, or whatever you care to call them will be flapping their wings over every home, shop, and factory of our country when the licensing feature of this price-control measure is placed in operation under a bureaucratic administrator. The small businesses of America are still licking the wounds inflicted by the moribund N. R. A., and here we are preparing to saddle the country with an even more horrendous system of government regulation.

Coming down to the second reason for my amendment, may I point out a fact that may have escaped the attention of the Committee on Banking and Currency in connection with its decision that this legislation should remain in life until the end of the Government fiscal year 1942 instead of the end of the calendar year 1942. This bill is for the regulation and supervision of the small business of this country as well as of the large business. How many small businessmen do you know who keep their books or conduct their affairs on the basis of a fiscal year? In truth and in fact the great majority of them make their contracts, establish their budgets and conduct all their other operations on a calendar-year basis. Why saddle them with the needless burden of having to make their plans to operate under a bill which expires in the very middle of their calendar year?

In the name of common justice and in the name of common sense, it occurs to me that we should, for the purpose of preventing economic dislocation and confusion in the ranks of business, enact this measure for only 1 calendar year. Have it expire at the end of 1942, and then let us make a resurvey of the situation to see whether it should be extended for 1 more calendar year. I anticipate that it will be argued, in opposition to my amendment, that I am conjuring up eventualities which will never eventuate, in view of the fact that the committee, or Steagall bill contains a proviso that the powers thereunder shall terminate prior to June 30, 1943, on proclamation by the President or by action of the Congress. That would no doubt ordinarily be sound reasoning, but I consider it a specious argument in the light of the country's bitter experience that once extraordinary powers are vested in the New Deal

administration, they are never surrendered, despite any change in economic conditions. The feasibility of either of the price-control bills before us this afternoon must necessarily be determined by a process of trial and error. If my amendment is adopted, this Congress will be in position to perfect and refurbish this same legislation in the light of the experience gained during the 12 months of its administration and reenact it in suitable form in ample time before the beginning of the 1943 calendar year, providing the emergency conditions of the present day then still obtain.

[Here the gavel fell.]

The CHAIRMAN. The Chair recognizes the gentleman from California [Mr. BUCK].

Mr. BUCK. Mr. Chairman, I should like both my Democratic and Republican friends to give some attention to what has been proposed, both in the Gore amendment and in the committee bill itself. I have before me at the moment only the committee bill. I am going to discuss the question of what is going to be done to agricultural commodities.

If you have a copy of the bill before you, I ask you to turn to the bottom of page 7 and read the following:

That in the case of any agricultural commodity other than the basic crops—corn, wheat, cotton, rice, and tobacco—the Secretary shall determine and publish a comparable price whenever he finds, after investigation and public hearing, that the production and consumption of such commodity has so changed in extent or character since the base period as to result in a price out of line with parity prices for basic commodities.

You know we went through a period when grapes, which are produced very largely in California, were worth practically nothing because of the prohibition era. This was true in New York, it was true in Michigan, and it was true in other States. Now, let us be honest about it. How is the Secretary going to find any comparable price on a commodity such as that? I am here to tell you today that you cannot by this legislation do justice to the grape grower under any circumstances whatsoever.

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

Mr. BUCK. I will if the gentleman will give me a little more time.

Mr. PATMAN. I have no power to give time. Is grape an agricultural commodity—it is, is it not?

Mr. BUCK. Yes, grapes are an agricultural commodity and so is wine, because there is no commodity that is produced that is more agricultural than wine. You know very well there is not even water added to the grape product. It is an agricultural commodity that has not anything added to it, not even water, as beer has.

Mr. PATMAN. Mr. Chairman, will the gentleman yield further?

Mr. BUCK. Yes.

Mr. PATMAN. The gentleman has three protections under this bill, the price October 1, 1941, parity price, 1909–14, and the average price between 1919 and 1929, and one of those prices should certainly take care of the gentleman's product.

Mr. BUCK. It certainly would not. I have the highest regard for the gentle-

man from Texas; but the gentleman knows very well that the grape products of California, New York, Illinois, and other States have suffered under the effects of prohibition for 15 years. They are just beginning to get back to the place where they can make a little money.

[Here the gavel fell.]

The CHAIRMAN. The gentleman from Minnesota [Mr. H. CARL ANDERSEN] is recognized.

Mr. H. CARL ANDERSEN. Mr. Chairman, 10 months ago there were many of us here in the House who voted against the lend-lease bill. For what reason? Not because we did not want to give all possible aid to democracies fighting aggression but because of the vast power contained in that measure. We felt it delegated to one man the authority to drag this Nation into undeclared warfare. Today we are practically at war. The occupation of Iceland without sanction of Congress was justified because of implied authority delegated to the President under the Lend-Lease Act.

Today we are asked by the administration to place in the hands of one man, later to be appointed by the President, sufficient power and authority to practically kill all private initiative in our Nation. Yes; we are asked to give Leon Henderson this power—power which may well drag our Nation into economic chaos.

The remarks yesterday by the gentleman from Texas [Mr. Dies] relative to the Communists holding high positions in the organization of Leon Henderson should be very carefully weighed here today.

After listening patiently for nearly 3 days to the debate on this proposed legislation, I am absolutely convinced that this one-man dictatorial control of our economy is foreign to the American way of life. It is too much in line with the teachings of Communists and Fascists, hundreds of whom today, unfortunately, work for our Federal Government, while it has been difficult for real Americans to make a living.

This bill, in my opinion, gives to the administration a strangle grip over small business, agriculture, labor, and economy in general in America. It does make one exception, however. The cloak of sacredness is thrown over large industry and the bill does nothing whatsoever to take care of excess profits. I want all business to get a fair return on the investment. I do not want to tax business out of existence. Industry is entitled to 10 percent on its investment just as well as the farmer is entitled to a little profit—yes; even 110 percent of parity. I cannot agree to vote for a ceiling on the farmers and wage earners, as in this Gore amendment, while no provision has been made in this bill to keep industry's profits down to a reasonable level.

Are profits for big business so sacred to this House—to the representatives of the American people—that you fear, my friends, to include a provision here that would clamp the lid on such? Will you, without compunction, see to it that the small fellow is kept penned up while the large hog runs wild?

We have heard here a lot of talk about high prices of agricultural prod-

ucts. The corn I have on our home farm in Minnesota would sell today for 56 cents per bushel. Parity for corn is now at least 82 cents per bushel. Surely you men who claim agriculture today is enjoying high prices are, to say the least, misinformed as to the true facts.

We also have a few hundred bushels of wheat in the granary on that farm. What is our local elevator able to pay me for that wheat today? Not the much talked of 110 percent of parity, or \$1.32 per bushel. No, my fellow Members; that wheat will today sell for 97 cents, which is considerably below parity, let alone 110 percent of parity.

And yet you see editorials without end in the eastern press, editorials written by men who in all probability have never known what it is to try to make a decent living on farms, men who in this particular case know very little about what they are writing, expressing the opinions that farmers today are profiteers and are receiving great, high, speculative prices for what we produce. I have yet to see any editorials in this press suggesting the advisability of holding down the new crop of war millionaires springing up in America today.

I see nothing in this bill that prevents collapse of prices of farm commodities. You talk about a ceiling, but is there any guaranty to agriculture or labor that fair prices will be maintained and fair wages paid? I have heard the assurance that excess profits will be taken care of in later legislation. I heard the same kind of assurance last week concerning legislation designed to prevent strikes in defense industries. I am becoming pessimistic about these promises.

This proposed legislation before us today can very well wait until the great Ways and Means Committee, in my opinion, shows some willingness at least to see to it that excess profits on these billions of war contracts are returned to the United States Treasury. If such a provision were in this bill, I would be willing to go along and say, "Yes; you can also place a limit on wages and farm commodities as long as you are treating all groups alike. We are willing to do our part."

Mr. Chairman, I shall vote against both of these proposals, the Gore amendment and the Steagall bill, because they are both unfair to the wage earner, to the farmer, and to the small businessman, while industry's profits run riot. Furthermore, this is totalitarianism. We in America want no one-man control of our destiny.

The CHAIRMAN. The Chair recognizes the gentleman from Missouri [Mr. PLOESER].

Mr. PLOESER. Mr. Chairman, after listening to 2 days of debate on the subject of which form of price control, either the Steagall or committee bill, or the so-called Gore bill, should be adopted, I am impressed with one outstanding thought. Most proponents of either of these bills are simply assuming that inflation is the most horrible thing that could happen to any nation or society of people. The chairman of the committee took a great deal of time on this floor to speak in generalities and fur-



nished little argument, if any, to justify a movement on the part of this Congress to establish an over-all management of the last free phase of our economy. The gentleman from Tennessee [Mr. GORE] today presents the form of his bill in the form of an amendment to the committee bill. Yet Monday, in his detailed explanation of the reasons for his bill, one was forced to come to the conclusion that his was a situation where a smattering of knowledge proved more dangerous than full comprehension of the subject. I certainly do not want this House to think I am holding myself out as an economist, and I do not. But in seeking a solution for this problem I have first tried to determine what is the problem. The problem is apparently a tremendous fear on the part of the administration of inflation. This fear has been built up in the public mind by the press as though it was the most disastrous thing that could befall any nation.

The facts are that this administration has made move after move to cause inflation before and during the war effort. Controls over our money and credit systems now lodged in the President are inflationary and were intended as such. The absolute disregard for the rapidly increasing debt is inflationary.

It has been the intention of this administration from the beginning to bring about certain forms of inflation. As the gentleman from Illinois [Mr. DEWEY] pointed out on the floor of this House, the administration has spent billions of dollars to bring about inflation. Now, suddenly there is a great popular feeling expressed in certain quarters that the horrible orgy of inflation is about to overtake the economy of this Nation.

There are two economists in America—by citing two I do not mean there are not more—but there are two for whom I have a great deal of respect on this subject. To these two men I have recently addressed an inquiry, as follows:

Do you believe it wise to enact any price-control legislation at the present time?

If any price control—should it, in your opinion, embrace commodities, wages, rents, and services?

These questions were addressed to Dr. Melchior Palyi, of Chicago, Ill., and to Dr. Walter E. Spahr, professor of economics, New York University, and secretary, Economists' National Committee on Monetary Policy. Both of these gentlemen are members of the Economists' National Committee on Monetary Policy and both are recognized as men of intense experience and ability in the field of economy and finance. In the order which these men have been named, I extend their replies to my questions:

Dr. Palyi:

1. Price control is necessary for all articles which are short (and would therefore rise in price) and which are essential from the point of view of consumption or defense.

2. What is short or not is difficult to define. For practical purposes, price control can be avoided in most cases by the appropriate control of inventories. If the Army, the Navy and the large industrial firms would be compelled to relinquish their inventories of raw and similar materials over and above what they need for actual production within, say, 2 or 3 months, we would

not need price control, except in a few fields, for some time to come.

3. Price control, so far as needed at all, is only effective if it is combined with rationing, or systematic allocation of the products among those who deserve receiving them. Either priorities or direct allocation is essential to keep controlled prices from running away—for some time.

4. Price control is definitely disadvantageous in industries in which the production of vitally important articles could be stimulated by higher prices. In such industries, price inflation would help to create more production, and thereby to eliminate shortages and to avoid more inflation. In other words, inflation is sometimes the best medicine against inflation—paradoxical as this may sound. For example, if one permits the copper price to rise, there would be more copper produced, which would eliminate the shortage in a number of industries, which in turn would reduce the fear of shortages, and the inflation trend in general.

5. Price control is absolutely necessary where the Government itself raises prices, such as in the agricultural field. Imposing a ceiling there is the most important thing to be done to prevent much more inflation.

6. As to wages, the situation is somewhat similar to that of farm prices. The trouble is that an absolute ceiling is nonworkable, and that under our political conditions no ceiling would create the risk of unlimited wage raises. The answer is to make wages absolutely dependent on the cost of living, in accordance with the theory that nobody should profit by the war emergency, but that living standards should be approximately maintained.

7. Rents need to be controlled only where there is a shortage of housing. In other words, discretionary powers must be given someone to apply a ceiling on rents in one place and not in another.

In short, some amount of price control is necessary but the bureaucratic method of all-around ceiling as applied in Canada is, in my opinion, just silly.

Prof. Walter E. Spahr:

It is my opinion that it would be wise to enact price-control legislation at this time if the legislation provides for selective price control, and if this control be exercised only where it is clearly established that a rise in prices will not induce greater production. I know of no principle regarding price control that is defensible, even in an emergency, except the one I have stated, and I shall use it to answer your other questions. The basic consideration is greater production, both defense and nondefense; it is not a stable price level.

Wages should not be fixed in those cases in which there are unemployed people who can be drawn into the wage groups where price fixing is contemplated, and in no event should it be applied except in those industries in which the prices of the products have been fixed. I should apply price fixing to rents only in those housing areas where there is no good reason for increasing housing facilities because of the temporary character of the housing shortage and where, consequently, the owners have a monopolistic advantage.

After a careful scrutiny of both the Steagall and Gore bills, I find that neither satisfy the apparent needs without the setting up of evils far more damaging than any of the benefits expected or hoped for.

I came to this sort of a conclusion: With a managed currency, with the establishment of priority control over material supply, the establishment of a price-control system would now bring to

an absolute end the free economy upon which the American prosperity has been built in the past. Productive incentive would naturally come to an end. The over-all plan is most destructive, with priority closing out nondefense industry. We as a nation are playing a game of an over-all war economy, which to me seems to threaten us more than probable injurious results brought about through the reasons for and perils of inflation. It would seem to me that we had better "run the rapids" of inflation with limited controls than to risk the "coma" of over-all management. In this debate the case for price control has been very poorly made. It is not supported by historical precedent. Conversely, history gives us every reason to believe it cannot succeed. Even the arguments presented by our economists throw particular light on a very paradoxical situation. If the sincere purpose of those who have espoused the cause of inflation is now to control inflation, then why not take the A B C steps by repealing the inflationary laws that are on the statute books at the moment:

First. Drastic reduction of nondefense expenditures. I believe firmly that every dollar of nondefense expenditures that is not necessary should be immediately eliminated. The proponents of price fixing in this House have done absolutely nothing in this direction. The proponents of price fixing in the administration have done nothing in this direction.

Second. Every possible encouragement should be given to production in nondefense as well as defense industry. This, in my opinion, calls for a percentage allocation such as I have recently recommended for the Office of Production Management. It should not be forgotten that a rising price index is a very definite encouragement to production.

Third. In the program of heavy taxation which has already begun and which will necessarily follow in greater proportions, we must be careful not to let it either take the form or weight that will prevent an expansion in production. Taxation can be just as destructive as a sharp rise in prices, resulting from a weakening of a currency. Moreover, Prof. Walter Spahr points out, and I believe it to be true, that taxation as a means of fighting inflation may become a destructive obsession, as it already appears to be in this country.

Fourth. We should immediately repeal all of the inflationary monetary laws on the statute books. This has been repeatedly called to the attention of the Congress, the administration, and the people by leading economists and leading business authorities. On September 30, 1941, 54 monetary economists recommended "again the repeal of the greenback law of May 12, 1933, the law authorizing bimetalism, the Silver Purchase Act of 1934, the law providing for the purchase of domestic silver above the market price, and the laws authorizing the devaluation of our metallic currency." In this current year the Congress has been guilty of reenactment of these inflationary statutes. It is certainly strange that a government that cries out in fear of inflation refuses to strike from the statute

books monetary laws which are feeders for inflation.

Fifth. There are instruments of control at the discretion of the Federal Reserve authorities. These instruments should be employed according to conventional principles of good central banking to keep inflation within bounds.

Sixth. The debt. There is no attempt on the part of this administration to hold down the rapid increase of the Federal debt.

In conclusion I again call your attention to the fact that there is no historical background that justifies any modern-day belief in price control legislation for this Nation. On the other hand, there is much to learn from history to teach us that such controls will inevitably result in a chaotic condition.

I have some fear of inflation, but it is minor to my fear of the destruction of our present free economy, once this Nation enters into a full nationalistic course of over-all price control and economic management.

Mr. SHAFER of Michigan. Mr. Chairman, I ask unanimous consent to extend my remarks in the RECORD at this point.

The CHAIRMAN. Is there objection? There was no objection.

Mr. SHAFER of Michigan. Mr. Chairman, during the past 50 years we have witnessed many changes in the political and social economy of the United States. Almost unnoticed, however, has been the encroachment of government upon the rights and liberties of the people guaranteed by the ninth amendment to our Constitution.

The ninth amendment unequivocally provides:

The enumeration in the Constitution of certain rights shall not be construed to deny or disparage others retained by the people.

Mr. Chairman, this amendment is the cornerstone of individual initiative and free enterprise. It is the barrier that stands between a free people and some form of the socialistic state. Yet in spite of this barrier, for over 50 years the people have been losing their liberties by judicial decisions and by legislative enactments.

Today, sir, if "we the people" remain indifferent to the centralization of non-national powers in the National Government, or some one or more bureaucratic agencies of the National Government, we will in truth approach that status which Jefferson and Madison both described as "precisely the definition of despotic government."

Mr. Chairman, in the early days of the New Deal there were men high in the councils of the administration who believed that the American system of free enterprise was outmoded. I remember well how the Government was persuaded to invest \$65,000 a few years ago so that Mr. Tugwell's Resettlement Administration could set up a pants factory in the Westmoreland homestead project at Mount Pleasant, Pa., 30 miles southeast of Pittsburgh.

In those days the social planners wanted the Government to get into the manufacturing business. When all the schemes of this type proved a failure, the "brain trusters" moved to new and per-

haps more fertile fields. Now that it is apparent that the Government has no present intention of going into business, on any appreciable scale, the next step in the socialization of America would be for the Government to control all business. Now it is apparent, too, that there can be no control without price control. Since I am unalterably opposed to any form of either socialism or totalitarianism, I am opposed to price control as now proposed.

#### AN AMERICAN POLICY NEEDED

Mr. Chairman, the great need in this tragic hour is an American economic policy. A policy based upon the natural resources of the Nation and the productive capacity and the inventive genius of the American people.

I distrust and fear these alien ideologies that are creeping into our social and economic system. I have every confidence in the ability of the American people to produce all the food, all the tools, all the guns, and all the ammunition necessary to defend our Nation against any aggressor or combination of aggressors. But, Mr. Chairman, if we are to revamp our whole economic life, if we are to regiment the American farmer and businessman, just to engage in military or social adventures across the oceans, if we are to set up in this Nation a counterpart of the totalitarian system, if we are to bleed the American people white for the benefit of other peoples, then we had better abandon our undeclared war against Herr Hitler and devote our energies to preventing a civil war right here at home.

I do not believe the American people are ready for regimentation, state socialism or any "ism," other than Americanism. We must cling to the Constitution and the Bill of Rights. We must reassure the American people that their liberties are not going to be sacrificed upon the altar of a new imperialism.

In the past 2 days several Members of this House have voiced their confidence in the men who will head this office of price control, should this measure be enacted into law. I am sorry I cannot share in that confidence. After listening to the gentleman from Texas [Mr. DIES], I can say with all candor I have no confidence that this act will be administered in the interests of the American people and the republic, but I fear it will be administered much after the style of Joe Stalin.

There is an old Latin adage, Mr. Chairman, "Obsta principis"—resist the first beginnings. Do not let tyranny of government get a fresh start. Thomas Jefferson recognized the grave dangers which were in store for the Nation when he wrote:

In question of power, then, let no more be heard of confidence in man but bind him down from mischief by the chains of the Constitution.

Mr. Chairman, I have referred to the ninth amendment. I believe, if we cling to the Constitution, to the ninth amendment, we will be wise. I cannot in conscience support this legislation.

Mr. TALLE. Mr. Chairman, I ask unanimous consent to extend my remarks in the RECORD and include a letter having to do with 4-H Clubs.

The CHAIRMAN. Is there objection? There was no objection.

Mr. PATMAN. Mr. Chairman, I make the point of order that there is no quorum present.

The CHAIRMAN. The Chair will count. [After counting.] One hundred and sixty-five Members present, a quorum.

Mr. COFFEE of Nebraska. Mr. Chairman, several weeks ago I made my position clear on this price-control legislation. I fear the arbitrary power that will be delegated under this bill to one man. It will be such dictatorial power that we may lose our system of free enterprise completely. Under this bill I fear we will gradually move into a controlled economy similar to that which they have in Nazi Germany today. None of us wants inflation, but as between the threat of inflation or the threat of a controlled economy, from which we may never extricate ourselves, I will choose the threat of inflation. We know that practically every time this Congress has delegated power to meet an emergency, that power has gone far beyond the intent of Congress.

I fear this legislation. I am against both bills. Let me call to your attention now an example of how this may adversely affect a good many livestock producers and feeders. Seventy percent less cattle are going into the feed lots in the Corn Belt this fall than last fall. Why? Because cattle feeders fear the future market. This fear is influenced by this threat of price control. They are afraid to buy cattle and put them in their feed lots. Many farmers prefer to sell their corn to the Government. Unless we can give those feeders some assurance that they will not be forced to sell their fat cattle or lambs at a loss they are not going to take the chance. Who will be the loser? The public. The Secretary of Agriculture has already indicated that he wants increased marketing of livestock. The parity-price formula does not fit the livestock industry, because it gives no consideration to the cost of the cattle purchased to be fattened and sold. Most of the cattle purchased this fall were at prices above parity price and cannot be sold without loss under the provisions of either of these bills. The Corn Belt feeders are naturally fearful of this legislation. If they lose their shirts this year, the western cattlemen may lose theirs next year. Let us not try to repeal the economic law of demand and supply. There is no particular reason for being afraid of inflation in agricultural products. We have a 2 years' supply of wheat on hand and a 2 years' supply of cotton, and most of the other agricultural products are just beginning to reach a normal price level. Heavy fat cattle are now selling for a third less than they did in 1937. Do you realize that the value of all the farm lands and buildings in the United States today is \$1,000,000,000 less than it was in 1910? What is the situation on the stock market? The stock market is lower than it was last year. The people remember what happened in the disastrous deflation after the last war. That memory of the disastrous effect of deflation that followed the last war is a



thing that will do more to control prices than anything else. I grant you that there are certain strategic metals and certain other articles that may need price control, but such vast powers as delegated under these bills are not only unnecessary but unwise. These bills will regiment our economy but will not control inflation. Let us kill both these bills and protect our American system of free enterprise.

Mr. CRAWFORD. Mr. Chairman, I ask unanimous consent to revise and extend my remarks and include therein certain telegrams which I have just received from the workers in my home town, all brief, and a statement which I made before the Commodity Club of New York City on this question of marketing.

The CHAIRMAN. The Chair suggests to the gentleman that the permission to include the articles referred to should be obtained in the House. The gentleman asks unanimous consent to extend his remarks in the RECORD. Is there objection?

There was no objection.

Mr. CRAWFORD. Mr. Chairman, I wish to ask the party who today speaks for the administration a very specific question. In view of the fact that the gentleman from Texas [Mr. PATMAN] took such an important part in the discussion of this particular amendment, perhaps he can answer this question.

In last evening's Times-Herald there appeared on the front page an article, "Bill To Control Inflationary Wage Rises." It states:

The administration's decision to seek limited wage control as part of its program to combat inflation presumably was made known to congressional leaders at last night's White House conference on labor. Democratic Leader JOHN W. McCORMACK, of Massachusetts, announced after that conference that price control had been discussed.

The statement also says:

It was not immediately decided whether the wage amendment would be sent to the Banking Committee for consideration as a formal committee amendment or would be offered on the floor when a final House vote on the measure approaches late this week. It was seen as an administration bid for farm-bloc support in strengthening the bill, which, in its present form, would exempt farm prices from regulation until they have reached their 1909 to 1929 levels.

Such an amendment was not sent to the committee to be placed in the bill in the form of a committee amendment, and it has not been mentioned on the floor. I wish to ask the gentleman from Texas [Mr. PATMAN] or the gentleman from Missouri [Mr. WILLIAMS] whether or not the administration has committed itself to the effect that it will have the amendment offered to this bill, including a wage-ceiling approach, in the event the Gore amendment is defeated. Would either one of those gentlemen give us that information?

Mr. WILLIAMS. I will say to the gentleman from Michigan, of course I cannot speak for the administration. I have not been in touch with the President and do not know what plan he has. I do not know anything at all about it. I have no knowledge of any such amendment.

Mr. CRAWFORD. If such an agreement has been made with the floor leader, the gentleman from Massachusetts [Mr. McCORMACK], I think this House is entitled to that information before voting on the Gore amendment which has been offered. But, of course, if the leadership does not feel that that information should not be divulged at this time, there is not anything we can do about it perhaps.

In today's issue of the Wall Street Journal, page 1, we also find this information:

Mr. Henderson agreed with the other experts—that is, the nine experts referred to in this article—that he must have outside help in fighting price rises. He said that he wants higher taxes (including a withholding levy), more voluntary savings for defense bonds, tighter credit controls over nondefense borrowing, a labor policy that will permit wage rises only on the basis of a cost-of-living rise, and increased production of consumer goods wherever possible.

With those two showings I am going to assume that the administration, in order to enact H. R. 5479, will later, if the Gore substitute is defeated, offer an amendment to bring wage ceiling control into this bill.

These telegrams which I hold in my hands and which I have received are from organized C. I. O. workers in my home town, of which there are probably 25,000 or 26,000. In every telegram they insist that we defeat H. R. 5479—the Steagall bill—which is about to appear before Congress. They say, "This bill would freeze wage rates at present levels and strangle organized labor." They also take the position that the bill is ineffective, in that it would not control prices and would injure every transmission worker—this is from a particular group—that is engaged in work in that particular locality.

#### TELEGRAMS FROM CONSTITUENTS

Under permission granted by the House, I submit for the RECORD telegrams which I have today received from workers in my home city:

SAGINAW, MICH., November 25, 1941.  
Representative FRED L. CRAWFORD,  
House Office Building,  
Washington, D. C.:

Saginaw Steering Gear, Local 434, United Automobile Workers, Congress of Industrial Organizations, representing 2,500 workers, urges that you vote "no" on bill H. R. 5479 which is about to appear before Congress. This bill would freeze wage rates at present levels and strangle organized labor. We will watch your action in this matter with deep interest.

OMER LEVI,  
Recording Secretary,  
Local No. 434, U. A. W., C. I. O.

SAGINAW, MICH., November 25, 1941.  
Representative FRED L. CRAWFORD,  
House Office Building,  
Washington, D. C.:

Saginaw Amalgamated Local 455, United Automobile Workers, Congress of Industrial Organizations, representing 3,000 workers, requests that you vote "no" on H. R. 5479. This antilabor bill would freeze wages while prices are racing upward and threatens the living standards of our members. We ask your cooperation in defeating this legislation.

CHARLES OSWALD,  
Recording Secretary,  
Local No. 455, U. A. W., C. I. O.

SAGINAW, MICH., November 25, 1941.  
Representative FRED L. CRAWFORD,  
House Office Building,  
Washington, D. C.:

Chevrolet Transmission Local 467, United Automobile Workers, Congress of Industrial Organizations, representing 1,400 workers, asks you to vote "no" on H. R. 5479. This vicious legislation would keep down wages without controlling prices and would injure every transmission worker. We hope you will assist us by voting "no" on this bill.

WILLIAM POWELL,  
Recording Secretary,  
Local No. 467, U. A. W., C. I. O.

#### MARKETS—THE PEOPLE'S PRICE FORUM

And for the record I submit certain observations pertaining to free markets:

In going up a lonely foot trail thousands of feet above sea level in a mountain province of the Philippine Islands 3 years ago, I passed a half-civilized Igorrote walking down the slope with a rooster under his arm. My companion was a man learned in the ways of the natives, and I asked him where the native was going. My friend replied, "He is on his way to market." This reply aroused my curiosity still more, and these questions passed through my mind: Where was the market? What kind of a deal would the native make? On what basis would he bargain, and for what, when he reached the market?

Before all these questions could be answered by my friend, we met other Igorrotes returning from market. I noticed some of them carrying bottled soda pop and chewing gum. I learned that they would walk miles and miles over foot trails, up and down the mountainsides, through rain and heat, for what? Merely to trade a rooster for a package of gum and a bottle or two of pop.

These half-civilized natives knew nothing of the mechanism of markets, the system which brought chewing gum and pop to the little shop at the seaside and would take their fowls in exchange.

This incident gives you a primitive illustration of how markets function, providing the agency through which people all over the world exchange what they produce for something they want and can use.

Of course, the economist might insist that the Igorrote should have traded his rooster for a shirt or some other article classed as a necessity, but the native preferred chewing gum and soda pop. He made his own free choice, and it is just such transactions that keep the world going. The Igorrote by thus exchanging his rooster aided in giving employment to those who produced chewing gum and soda pop, and who, by their wages, could buy the things they also wanted.

\* \* \* Markets, indeed, belong to the people. The people possess them by inalienable right, for it is the people who produce, who consume, and who, whether we like it or not, will exercise their own judgment in buying and selling.

It was just from such simple beginnings as I have described that mankind over the centuries has built the mechanism that operates today throughout the entire civilized world. This mechanism is the commodity market. It has required centuries of toil and study to bring about the degree of market perfection we have witnessed in recent generations. The machinery of the commodity markets today functions so continuously that too many of our people are inclined to assume that the problems involved in the exchange of goods never existed. Others, however, misconstrue those problems and hold that government, instead of tending to its own business in the field of a properly planned money system, must regulate, if not actually operate, the commodity markets.

Now, the industrial revolution has multiplied immeasurably the variety of goods and services which we today accept as mere

commonplaces. The list of necessities and luxuries has expanded by leaps and bounds. Thousands of new occupations have been created. Millions of workers throughout the world today do not use the things they produce in mines and mills and factories. They trade their production for money wages and in turn their wages for things they want. In order to do this they must have a free market.

When you come right down to it, the market is merely the link between the producer and the consumer. It is the mechanism or instrument of exchange, and is just as important as the medium of exchange through which it functions. In spite of its far-flung ramifications, reaching out into every country on the globe, it is a delicate piece of machinery, and any attempt to control its operation or to divert it from its true purpose will prove just as destructive as tossing a monkey wrench into the transmission box of an automobile.

In our specialized productive economy today, with its vast multitude of goods and services seeking a market, we have come to registering our opinion of value of the desirability of consummating an exchange, through the price system.

Price is the vox populi of world economic life. It is the peoples' ballot box, perhaps the only true democracy in the world today. It will tolerate no despot, no autocrat. Price should tell the farmer whether he ought to produce more wheat or cotton, or curtail his production. Price tells the consumer whether he can or should buy. It is automatic in its operation. It is the subconscious response of hundreds of millions of people from London to Shanghai, from New York to Singapore.

All of us, whether we be farmers, miners, manufacturers, merchants, or housewives, all have varying and even conflicting ideas of prices, as to whether they are too low or too high. All these groups are influenced by their own economic self-interest.

But when the final consummation is reached, these antagonisms should normally cancel out, so that the price system that weights all these interests gives paramount place to the general welfare and represents the highest social and economic objective. It is the free-functioning price system that passes goods and services into the channels of trade so that goods may be freely consumed and labor may be fully employed. Nor has civilized man ever been able to attain these objectives except through such a system of free enterprise.

Now, if what I have said appeals to your common sense, it probably is time to ask why we have governments trying to regulate prices and markets through the exercise of a central authority. Why has what we call planned economy stepped into the picture? I think the answer is perfectly clear, and I might say, also, that the intentions and objectives should not be harshly criticized. As I have pointed out, we have a multitude of conflicting interests in our economic life and particularly when it comes to the question of price. Producers all want higher prices. Why shouldn't they? Higher prices mean more buying power, and for the manufacturer they usually mean larger profits. On the other hand, we have the ultimate consumer, and in between the producer and the final consumer we have the merchant, the middleman, the go-between, who wonders when he buys at a high price whether he can pass this increase on to his buyer.

Then it is easy enough to see why government takes a hand; particularly in a country where the laws, with regulations proceeding from these statutes, are made by elected representatives. To put it more bluntly, politics is injected into our economic life.

Government after government, including our own, has tried price fixing, regimentation of production, attempts at marketing control,

promulgating quotas, and what not. Yet, in spite of all these strivings, the desired equilibrium between agricultural and industrial prices evades us like the pot of gold at the end of the rainbow.

It hardly is necessary for me to go into detail about the classic example of price control and market regulation furnished by our neighbor republic, Brazil. What tragedy could have been more colossal? In the 10 years, or thereabouts, over which Brazil tried to control supply by the burning of her coffee, almost 66,000,000 bags have been destroyed. This is equivalent to 2½ years of world consumption, with some countries finding coffee too costly a luxury for general consumption. Yet it is estimated that if Brazil had sold these millions of bags at a price the world would have paid, she could have discharged her external debt.

Another will-o'-the-wisp chased by government is "price stability." This concept also had behind it an appealing motive. Sometimes when markets fluctuate violently, we think we would like to be relieved from these disturbing movements up and down. We feel that it would be a great thing if stability could be obtained through Government decrees.

We forget that prices change for two major reasons: First, because of the activity of the people who produce more or less or consume more or less; and second, because money is not of constant purchasing power. We struggle with the problem of finding a way to eliminate this disturbing monetary influence; but that way is not the way of governmental pegging of prices or meddling with markets. When we get that kind of price stability we find that what we have attained is not a desirable equilibrium, but paralysis. The very hour we begin to fear the mechanics of the market, at that moment the blood stream of trade circulation begins to clog.

Whatever methods may be considered in maintaining free, healthy markets on either the commodity or monetary side, let us weigh well the principle enunciated by our distinguished Assistant Secretary of State, Dr. Adolf Berle, Jr., when he addressed some suggestions to our temporary economic committee last summer, as follows:

"Regulation is always inherently dangerous. Finally there is always the certainty that . . . the regulations will be used for purposes which are either corrupt, political, or doctrinaire. Any of these three may produce violent and extremely unhealthy results."

Government intervention in markets and prices calls forth endless regulations and restrictions. I have before me a copy of the Federal Register, the issue of May 2, 1939. In page after page it lists the regulations pertaining to the cotton-marketing quotas for the current season. If you will look over this puzzling exhibit, you will wonder how the farmer can have the time to answer the questionnaire and conform to the regulations and still produce a cotton crop. Yet, no doubt, if we are to have supervision over markets and prices, we shall have attempts to control farm production and marketing—all of which will continue to prove utterly futile.

If and when legislators favorably act on measures giving a planning board the power to fix quotas, set prices and fiddle with the market, these same legislators will later press the planning board to reduce quotas in order to increase prices or increase quotas to affect prices downward. For factual support to this statement, I cite recent developments in some of our control systems. No capital structure or proprietor, partnership, or privately owned corporation can survive the constant jiggling of quotas and prices operated in slide-rule fashion by an administrator or a planning board. Producers and sellers, consumers and purchasers are too smart to participate in such a game.

Owners and operators of private property should not be compelled to go groping along

in a maze of uncertainty, with a feeling that a planning board is lurking behind every rock and tree, ready, on and in response to impulse, however generated, to put prices up or down to their disadvantage.

The ownership and operation of private property is our greatest institution. It is the very basis of our system of taxation. It is the financial source of Federal and State sovereignty. Its successful operation is the reason for our people enjoying the highest standard of living attained by any race on earth.

To maintain this institution of private property, we must have buyers who will buy, sellers who will sell, lenders who will lend. They must not be afraid.

There must be confidence. I go to my attorney and he tells me what is the law. When the administrator or the planning board is authorized by law to jiggle the price and the quotas, the law becomes inconsequential. What the people then want to know is, What will the administration do? Not knowing what will be the next impulse of the juggler, the market becomes a mere gambling den. Finally, the would-be buyer withdraws from the scene, the equation is broken, goods cease to move, and paralysis prevails.

Through the free market and its mechanisms, the products of specialized labor and capital are given values of time and place which could not otherwise exist. Without such creation of values through unhampered trading, industry finds itself subject to creeping paralysis and cannot fully employ all of our manpower and capital.

In case of war, when the life of the Nation is at stake, and freedom faces catastrophe anyway, government probably is justified in exercising a certain amount of control over prices and markets. In normal times, when the free flow of goods into the channels of trade is vital to the general welfare, such exercise of authority not only is unnecessary and restrictive, but scheduled for failure.

If you want to know why, here is my answer: Government planners who issue regulations and control decrees make the mistake of believing they are dealing with things. They are not. They are dealing with human beings, and those human beings are dealing with the stern realities of their existence and their environment. Those realities are planned, not by men, but by infinite Nature herself in ways which, however mysterious, cannot be changed by majority mandates or by bureaucrats.

Market prices are not governed solely by the statistics of supply and demand. After all, what is supply and what is demand, except the reaction of the people themselves to the conditions of their existence? Human behaviorism is the deciding factor. The market belongs to the people. It is in the market place that they express their judgment on values. The market degenerates into a mere Charlie McCarthy when it gets into the hands of government. Its imperative requirement is freedom. Nowhere else is liberty more precious. The people will submit to conscription of their youth for war, to taxes amounting to confiscation, but they will take a final stand on their judgment of prices, for when they speak it is not as individuals but as the people—all the people over the whole of our mechanized, monetary world of trade.

The CHAIRMAN. The gentlewoman from Illinois [Miss SUMNER] is recognized for 5 minutes.

Miss SUMNER of Illinois. Mr. Chairman, I did not wish to speak against the bill offered by my friend and did not intend to do so until now that I have noticed that so many on our side intend to vote for this bill as a gesture, with the idea of voting against it when it comes up in the House, or else voting to re-



commit it. The Gore bill is not very different from the Henderson bill, because it omits retail control. A large portion of the consumers of the United States buy at retail.

In respect to the wage scale, it gives Administrator Henderson the right to release wages immediately after the bill is passed, and if he is consistent with his testimony before our committee, he cannot do anything but release wages, because he has already said he could not administer them as a practical matter in connection with price control and that this is not the way to control wages.

The reason I do not want to see a large vote for the Gore bill is that the Gore bill has been advertised on this floor, on the radio, and in the press as an over-all price dictatorship, covering everything. I am against it, not because the administration is against it, but because I think the administration intends within 18 months to bring before this Congress an over-all price dictatorship, covering everything in the United States.

After the last war we had, as the result of the war, communism in Germany, communism in Russia, and belief in communism in France, in England, and in strategic groups in America. Today our worst fight, in my opinion, is not so much against one dictator abroad who cannot even speak English, as it is against the idea of communism and dictatorship, the idea which has penetrated so deeply among our people that every wage, every salary, every enterprise should be regulated from a central authority in Washington.

I have tried to approach the problem of price control from the point of view of the Constitution. It has seemed to me that under our Constitution we have power to take away certain normal rights of citizens in wartime or in preparation for wartime.

We have the right to draft men if it is necessary to have an effective army; but a proper Supreme Court would, I am sure, throw out any universal draft of all men, old and young, in the United States, because such a universal destruction of rights would not be necessary to raise an effective army. Again, we have a right to commandeer private property. We would have the right to take possession of strategic buildings or factories in New York and wherever necessary to defend the country; but we would certainly not have the right under our Constitution to commandeer all the businesses, all the farms, all the lumber mills in the United States. And so with price control. I believe we have the right to control and limit the prices of those things, such as food and clothing, that are necessary to maintain the health of the people through the emergency, but we have not the right, as I interpret the Constitution, to make an over-all price-control dictatorship exactly like Russia, exactly like Germany; and from a practical point of view it is well that we are so limited, because the prices of luxuries, such as diamonds, furs, penthouses, liquors, and other luxuries should be permitted to rise and pay taxes in the traditional American way to help pay for the war effort.

In the Gore bill there is no dictatorship over retailing, and so this Gore bill is not a straight-across-the-board control, but because this has been advertised as an over-all dictatorship, as the sort of thing that we all need and ought to have to check inflation, I believe that a substantial vote on the part of the membership would encourage the introduction of the to the country that we here in Congress believe in such a dictatorship, and this would encourage the introduction of a dictatorship bill which, I believe, the New Deal planners wish and expect to foist upon the country as soon as public sentiment becomes ripe for it. Those of you who vote for this Gore bill when the bill comes in demanding more powers, which Mr. Henderson may and, I believe, will demand in the course of a few months, will be in a position of having said that you want it, and I hope you will not do that.

The CHAIRMAN. The gentleman from Massachusetts [Mr. McCORMACK] is recognized for 5 minutes.

Mr. McCORMACK. Mr. Chairman, there are certain facts that appear to me to be beyond dispute in the consideration of legislation of this kind at this time. The first fact that appeals to me is that we must have legislation. There is the further fact that no matter what kind of price control, or anti-inflation legislation, is passed it is unpopular when we consider it in terms of normal times. There is the further fact that the legislation is necessary, based upon the exigencies and the necessities of the existing conditions. There is the further fact that the defeat of the bill or the recommendation of the bill is not going to be the end. That would not mean that we would not have to consider this legislation at a later date.

This committee has worked very hard, held hearings for months and months, and made studies over that time on price-control legislation. There are some features of the bill with which I am not personally satisfied, but I know that any bill that is reported out of committee cannot satisfy me or satisfy any Member of this House so far as the bill in its entirety is concerned.

We are legislating in an emergency. We are legislating to try to prevent serious conditions arising that will be extremely harmful to our Nation and to our people. This legislation is based upon expediency and necessity, and we have got to approach, as intellectually honest men and women, the consideration of the legislation from that angle. The Gore bill is offered as a substitute. While I profoundly respect the distinguished gentleman from Tennessee [Mr. GORE], who is a very valuable Member of the House, he has offered his bill as a substitute for the bill that has been reported out after the committee has given weeks and months of profound and deep consideration to it.

In my opinion, the Gore bill would produce an economic strait jacket if it were enacted into law. In my opinion, the bill would defeat its very purposes at the very outset, if enacted into law. The various members of the committee have

very pointedly, on both sides of the aisle, presented to the membership of the House the weakness of the Gore bill.

We have got to pass legislation; whether it is today or tomorrow, we have got to pass legislation. The American consuming public have got to be protected. Production for the national defense and for the purpose to which our country is committed in this emergency must be continued. We know that unless we have price-control legislation, it is going to affect seriously our national-defense program. It is only the matter of a few weeks or a few months when the public will catch up with the sharp increase in prices, and then we are going to feel the full effect of a thoroughly aroused public opinion.

Let me speak briefly, if I may, to my friends who represent agricultural districts. I have no farm in my district, but I have stood on this floor and spoken for parity payments and voted for parity payments when it went through by only four or six majority. I have consistently taken the floor and voted to support farm legislation because I think it is a national problem, as I have said repeatedly. I am not viewing the problems of other sections of the country from the limited geographical area of New England wherein I reside, but I like to look at them from the national angle. The problem of the people of other sections of the country are the problems of the Nation. That should be the angle of our approach to this bill. This bill, the bill reported out of the committee, is eminently fair to agriculture. Hysteria and fear should not influence those who represent agricultural districts, but it may be well to consider that if the committee bill is defeated the bill that will come out in future will probably be more drastic in its operations with reference to agriculture. To those who represent agricultural districts I can say—I will say firmly, although I was going to say without contradiction, but that is a strong term for anyone to use—I say firmly that it is my opinion that the committee bill, having in mind the nature of a price-control bill, adequately, properly, and reasonably protects the agricultural interests of this country.

Price-control legislation is necessary. We have to pass it. It must be arbitrary to some extent in order to obtain its objectives. We are considering a price-control bill within the constitutional setup of our Government, based upon an exigency, based upon necessity.

Our national-defense program also demands the passage of it. If we delay it today it will only be a matter of a few weeks. The bill reported by the committee, with the amendment suggested by it, is a fair bill, it is the best that can be accomplished, and to send this bill back to the committee or to substitute the Gore bill, in my opinion, would be a fatal mistake, not only for the best interests of the country as a whole, not only for the best interests of the American consuming public, not only for the best interests of our national-defense program, but the failure to pass the bill would be very harmful, in my opinion, to the agricultural interests of this country.

Mr. SPENCE. Will the gentleman yield?

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

Mr. SPENCE. May I suggest to the gentleman that the great powers that are vested in the Administrator under the bill expire in one and a half years. On June 30, 1943, the powers expire, by the terms of the bill itself.

Mr. McCORMACK. Exactly, and I appreciate the gentleman's contribution.

This legislation is not going to end today. If the Gore bill is substituted you know what is going to happen. You know it is unworkable. We admire and respect the high character of the gentleman from Tennessee, and his fine motives, but we are considering a bill, not the gentleman. If the committee bill is defeated or recommitted, we will have to consider legislation in the near future. We have to face the issue because the American public and American public opinion will demand it within the next few months.

[Here the gavel fell.]

The CHAIRMAN. The Chair recognizes the gentleman from Arkansas [Mr. MILLS] for the remainder of the time.

Mr. WHITTINGTON. Will the gentleman yield?

Mr. MILLS of Arkansas. I yield to the gentleman from Mississippi.

Mr. WHITTINGTON. Mr. Chairman, I offer a perfecting amendment.

The CHAIRMAN. There is one amendment already pending to the pending amendment.

Mr. WHITTINGTON. Well, I offer it, anyway, as a perfecting amendment.

The CHAIRMAN. After the other is disposed of, it will be in order to offer that one.

Mr. MILLS of Arkansas. Mr. Chairman, does the gentleman from North Carolina [Mr. DOUGHTON] desire that I yield to him?

Mr. DOUGHTON. No.

Mr. CRAWFORD. Will the gentleman yield so that I may propound a question to the floor leader?

Mr. MILLS of Arkansas. Let me make my statement. I am sure I will have some time left, and I will be glad to yield.

Mr. Chairman, I have been very, very reluctant during the course of this debate to take issue with my beloved friends the gentleman from Tennessee and the gentleman from Oklahoma about the matter of controlling prices as a means of avoiding inflation, but because of some of the statements, because of some of the ideas that have been conveyed by some who have addressed the committee, I cannot longer refrain from pointing out to the committee the reasons that prompted me, as a member of the Banking and Currency Committee, to determine that our effort to control prices should utilize the method of the selective Henderson plan.

We three on the committee were amazed, along with other members of the committee, when our beloved chairman, the gentleman from Alabama [Mr. STEAGALL], introduced in the House a bill to temporarily destroy the American way of doing business as usual. Yes; we were all against the proposal. We conducted

some hearings. The issue developed in the course of those hearings as to the method that should be adopted by the committee and recommended to the House as the means to be used to control prices.

Mr. Baruch came to our committee as the second witness. He advocated legislation freezing, as he called it, our economy into a status quo for a temporary period or, at least, for the duration of the emergency through which we are passing.

Mr. Henderson, the first witness, came to our committee and said that theoretically it might be preferable to freeze an economy into a status quo, that when he first approached the subject he instructed those working on his staff to proceed to develop legislation which would bring about a freezing or status quo of prices, profits, and wages. I think everyone on the committee will admit that there has never been a witness who appeared before our committee, and very few who ever appeared before any other committees of Congress, who displayed such an enormous amount of information and ability as that gentleman displayed. Mr. Henderson said it was impossible for him and his staff to write into legislative form a bill freezing the economy of this country as Mr. Baruch desired that was capable of administration.

During the course of the hearings my good friend from Tennessee informed the members of the committee that it was his desire to perfect such legislation and present it to the committee for its consideration. He did that. The committee members analyzed his bill, analyzed it with the greatest amount of concern because we all desired to go along with him if we could do so. We began to compare section after section of his bill with the sections in the Henderson bill introduced by Mr. STEAGALL.

We found first of all that the bill which we propose provided in its inception that the price of agricultural commodities should never be placed by ceiling at below 110 percent of parity. The committee agreed to that after consultation with all the advisers we could get in the Department of Agriculture, and aside from the Government, because they convinced us it was necessary that agricultural prices remain at 110 percent of parity or at least not below that figure if a farmer was to receive a seasonal average of 100 percent of parity.

The gentleman from Tennessee [Mr. GORE] came along in his bill to do what he considers to be the right thing, and he is to be commended for his sincerity. He said that agricultural commodity ceilings should be placed at 100 percent of parity. He makes an effort in his bill to authorize, to permit, and to instruct the Administrator or the price-control authority to support parity to the farmers. It is a noble gesture, but the limitations placed in the bill will not get farmers parity, in my opinion.

We found out that there was a circumstance, and I would like to call this to the attention of those from the West who may be interested, whereby the passing of legislation enabling prices to be

fixed upon critical, essential, strategic, or other minerals, might prevent the production of minerals if other provisions were not included in the bill. Therefore, we put into our bill a provision that the Administrator may, if it becomes necessary, buy from the marginal or high-cost producers the products of such mines or such industry, so that the Nation may obtain those products and they may continue in business.

There is no such provision as that in my friend's bill. You who are interested in labor, see how the two bills treat you. Much to my regret, our bill specifically excludes control of compensation paid by an employer to an employee. Ours is a price bill and not a price-and-wage-control bill. As you know, the bill of my good friend would permit the freezing, as I like to call it, if he does not quite call it that, of wage scales and rates of pay. Yes; it permits the Administrator to come along after we have done something that we should not have done in the beginning and undo what we have done. It provides for that, an exception. But do you not recognize, Mr. Chairman, that when wages are frozen, that then the Administrator must go into all the separate parts of the country answering pleas from those who feel that injustices have been placed upon them, to remove them from the restrictions, and that as a practical matter the Administrator is not going to be doing anything in the world but trying to take out from under the ceiling the wages that we placed under it by the passage of the bill.

I do not believe that my friend can say that this substitute which he has offered today constitutes what he would like to have in the bill. I know my friend well enough to know that it was his original desire not only to freeze prices and wages but to freeze profits. Profits are not frozen. It is not his fault, perhaps. The rule is such that he cannot offer that particular section.

Mr. REED of New York. Mr. Chairman, will the gentleman yield?

Mr. MILLS of Arkansas. I yield to the gentleman from New York.

Mr. REED of New York. There is one other ceiling that is not fixed; that is, the ceiling on taxes and on debt.

Mr. MILLS of Arkansas. I was referring, though, to the provision that the gentleman from Tennessee originally introduced, which provided for the freezing of all three—prices, wages, and profits.

Mr. REED of New York. When the tax ceiling is not fixed and cannot be fixed, where is the standard of living?

Mr. MILLS of Arkansas. I say again, I am sure my friend would like to have profits included in the bill. Profits should be in the bill if we are going to freeze everything in this economy outside of profits.

Let us place ourselves in the position of a man in an industrial plant. I do not have any of them in my district. However, I desire to be reasonable with him. Are we going to say to that man that irrespective of his desires and irrespective of the merit of his case, that his wage as of November 24 to November 29



will be frozen? What will he answer to the American Congress? He will say that the industrialist for whom he works is continuing to make a large profit on what he has and that he is not permitted to obtain a share in that increased profit.

I cannot see the justification; I cannot see the fairness of this and, therefore, I do not believe this House for 1 minute would place those in my district dependent upon agriculture, and those in the district of my friend from Ohio dependent upon wages, in an economic strait jacket, and leave the other segment in our economy subject only to taxation.

Mr. CRAWFORD. Mr. Chairman, will the gentleman permit me to ask a question of the gentleman from Massachusetts [Mr. McCORMACK]?

Mr. MILLS of Arkansas. If it is not too long.

Mr. CRAWFORD. Can the gentleman from Massachusetts inform the House whether it is the intention of the administration to have an amendment offered to the Steagall bill, in the event the Gore substitute is defeated, putting a ceiling on wages to any degree whatever?

Mr. MILLS of Arkansas. Let me answer the gentleman's question.

Mr. CRAWFORD. If the gentleman will permit, let us let the leader answer that. He is in a position to answer it.

Mr. McCORMACK. The gentleman is reading from a newspaper item, is he not?

Mr. CRAWFORD. No; I am submitting a question to the floor leader as to whether or not the administration intends to have offered to the Steagall bill an amendment placing a ceiling on wages. The farm people of this country are very much interested in that question.

Mr. McCORMACK. The gentleman had better ask that question of the chairman of the committee.

With the adoption of the proposed committee amendment to section 2 (e) of the Steagall bill, that bill will be considerably strengthened and made even more preferable to the Gore bill, which has no such language.

I trust, for these reasons, that the proposal made by the gentleman from Tennessee will be defeated.

The CHAIRMAN. All time has expired.

The question is on the amendment offered by the gentleman from New York [Mr. WILLIAM T. PHEIFFER] to the amendment offered by the gentleman from Tennessee [Mr. GORE].

The amendment to the amendment was rejected.

Mr. WHITTINGTON. Mr. Chairman, I offer an amendment. This is merely a perfecting amendment, in view of the fact that the tax feature of the Gore amendment has been eliminated.

The Clerk read as follows:

Amendment offered by Mr. WHITTINGTON to the amendment offered by Mr. GORE: On page 26, strike out, in section 303, line 9, the comma and all the remainder of lines 9, 10, and 11, being all of said section after the comma in line 9, not including the period.

The amendment was rejected.

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The CHAIRMAN. The question recurs on the amendment offered by the gentleman from Tennessee [Mr. GORE].

The question was taken; and on a division (demanded by Mr. GORE) there were—ayes 63, noes 218.

So the amendment was rejected.

Mr. WILLIAM T. PHEIFFER. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. WILLIAM T. PHEIFFER: On page 3, lines 4 and 5, after the word "on" in line 4, strike out "June 30, 1943" and insert "December 31, 1942."

Mr. WILLIAM T. PHEIFFER. Mr. Chairman, this amendment is identical with the amendment which I offered earlier this afternoon to the Gore amendment to the Steagall bill. It in effect makes the life of this measure only 1 calendar year instead of at least 18 months, as the bill is now written. My arguments in connection with the previous amendment apply with equal force to this amendment.

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

Mr. WILLIAM T. PHEIFFER. I yield for a question.

Mr. PATMAN. Does the gentleman really believe that the Price Administrator could get started by the time the law would expire under his amendment?

Mr. WILLIAM T. PHEIFFER. I will state to the gentleman from Texas that we are dealing with a drastic emergency measure here and we should hold a tight rein on the Administrator and the administration. It matters little if the Administrator never gets started if the emergency ceases to exist. In my judgment, we are giving him too loose a rein in extending his authority until the end of the 1942 fiscal year, because, as I view the situation, there are certain compelling reasons for curtailing the life of this bill, entirely aside from any misgivings or any fear we might have about the abuse of power under this great grant of authority that is being given to the administrator. In the brief time at my disposal I can give you only a capsule review of those reasons, but I shall do my best. They boil down to plain, common horse sense.

This is a bill for the regulation of every small and large business in the country, every landlord and tenant, every professional and nonprofessional man. Ninety percent of the American people transact their business and keep their records on a calendar-year basis instead of a fiscal-year basis. I presume, without having been in on the committee sessions, that the date of June 30, 1943, was fixed by virtue of the fact that that is the end of the Government's fiscal year, but why should there be any magic in that particular date in dealing with a measure that does not have anything to do in any way with Government bookkeeping or with adherence to the principles of the fiscal year? We are dealing with a measure here that is to be applied to 130,000,000 people. Let us get down to concrete examples of the hardships and economic dislocations that might result from asking the American people to so shape their affairs and business as to conform with

the fiscal year at the end of which this bill would expire.

The gentleman from Michigan [Mr. Wolcott] this afternoon said that there are 50,000 different items in the current Sears, Roebuck catalog. That catalog goes out to a multitude of small merchants and homes throughout the country, and it is compiled and its prices are quoted on a calendar-year basis. How in the name of high heaven are the people of this country going to adjust themselves to a price change in commodities, in staples, in household essentials, in rents, or in any one of the many categories covered by this bill if they have to contract on the basis of a certain price level for the first 6 months of the calendar year 1943 without knowing what that price level will be for the remaining 6 months?

Again, let me say I believe it will have a salutary effect upon the administration of this measure and will be beneficial to all the American people if this Congress—the Seventy-seventh Congress—can at about this time next year go over this bill in the light of the experience gained in its administration. Frankly, I am fearful of some of the evils, some of the injustices that are going to be spawned by this measure. I fear it is going to be a super N. R. A. I think we are going to have the blue eagle or its counterpart spreading its wings all over the country. It is not unlikely that we will once again view the sad spectacle of domineering and officious local subagencies putting the thumb-screws on small business and on the man of limited means. It seems to me only fair and right that we should before the end of the next calendar year be given the opportunity to thoroughly investigate the manner and the results of the administration of price control. At that time, if prevailing conditions so warrant, we can then reenact this legislation with an eye to the correction of proven errors and the alleviating of injustices.

[Here the gavel fell.]

The CHAIRMAN. The question is on the amendment offered by the gentleman from New York [Mr. WILLIAM T. PHEIFFER].

The amendment was rejected.

Mr. VOORHIS of California. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. VOORHIS of California: Page 3, line 19, insert a new section 2, as follows:

"(a) The President shall designate as civilian-defense products basic commodities and services necessary to feed, clothe, house, and preserve the health and well-being of the civilian population. In designating such products, the President shall select commodities and services which, while suitable to meet civilian needs, can be produced with the least possible use of materials, facilities, and labor needed for national defense and with the least possible disturbance of existing methods of production and consumption. The President may from time to time designate additional civilian defense products and revoke such designations previously made.

"(b) The President shall have power to designate and from time to time to modify the minimum specifications to which each such civilian-defense product shall conform. Such designation shall not prevent any commodity or service from qualifying as a civilian-defense product if such commodity or service is equal to or superior to the minimum specification

for such product; and the President shall have power to determine whether any commodity or service is equal or superior or inferior in quality to such minimum specification.

"(c) The President shall determine and publicly announce and may from time to time redetermine the quantity of each civilian-defense product necessary to meet the needs of the civilian population during the ensuing year or other appropriate period of time.

"(d) When the President finds that there is danger that any civilian-defense product will be available to the civilian population in insufficient quantity or inadequate quality or that the price of such product will be increased abnormally or that any substantial part of the civilian population will experience increased difficulty in obtaining such product because of the increased price thereof, the President may enter into civilian priority contracts with producers and/or distributors of such product to promote the production and distribution of an adequate supply of such product of adequate quality for sale to the civilian population at reasonable prices. For purposes of this section availability of less than the quantity of such product designated by the President as necessary shall be availability of an insufficient quantity, and quality below the minimum specification designated by the President shall be inadequate quality. The President may, in his discretion, announce his finding that a designated price for any civilian-defense product will involve an abnormal increase in price or an increased difficulty in obtaining such product within the meaning of this section.

"(e) Before entering into any civilian priority contract for a civilian-defense product the President shall, after reasonable notice, receive from prospective producers and/or distributors of such product commitments as to the amount of such product which each will undertake to produce or distribute during a designated future period of time and as to the prices and terms of sale upon which such products will be sold or distributed. If such product will vary from any appropriate minimum specification designated by the President, such commitment shall include the minimum specification to which such product will conform, and shall be received only if the President shall find that such minimum specification is equal to or superior to such minimum specification designated by him for such product. In the President's discretion he may receive commitments as to quantity to be produced or distributed which make exception for designated circumstances tending to interfere with such production or distribution and commitments as to prices which provide for adjustment of such prices upward or downward with variation in the price of a designated means of production.

"(f) After receiving such commitments, the President may enter into civilian priority contracts with producers and/or distributors who have submitted such commitments by which the President undertakes to grant to such producers and/or distributors priorities of materials and other facilities for production, distribution, and transportation sufficient to provide for the production and/or distribution of the quantity of such product designated in such civilian priority contract and by which such producers and/or distributors undertake to produce and/or distribute for civilian use designated quantities of such product for sale at prices and upon terms not less favorable to the buyer than the prices and terms designated in such contract. Such civilian priority contracts for any civilian-defense product shall not cover a total quantity of such product which exceeds by more than 5 percent the quantity of such product found by the President to be necessary to meet the needs of the civilian population.

"(g) In entering into such contracts the President shall give preference to those producers and/or distributors who will undertake to sell such product upon prices and terms most favorable to the buyer: *Provided, however*, That the President shall not contract with a single producer or distributor for the production or distribution of more than one-third of the total quantity of such product to be covered by such contracts except to the extent that the total quantity offered for contract by other producers or distributors falls below the quantity found by the President to be necessary to meet the needs of the civilian population: *And provided further*, That the President shall limit the quantity of any such product covered by any such contract or shall give preference to a commitment which involves a higher price and/or terms of sale less favorable to the buyer when he finds that such action is necessary to prevent the establishment of a monopoly or the breach of any law of the United States: *And provided further*, That the President shall have power to establish similar limitations upon quantity and similar preference as to commitments when he finds that such action is necessary to prevent the payment of less than prevailing wages to labor or of lower prices to farmers for any agricultural product than are provided elsewhere in this act.

"(h) If the President finds that the commitments received for any defense product are insufficient to permit contracts for the quantity of such product necessary to meet civilian needs at prices which will accomplish the purposes of this act, he may enter into such contracts covering a portion of such quantity or may refrain from entering into contracts covering such product.

"(i) No producer or distributor submitting a commitment for a civilian-defense product shall be discriminated against in the acceptance of any such contract because such producer or distributor has offered to supply only a limited quantity of such product.

"(j) The President shall have power to require by regulation or order any producer or distributor or class thereof of any service or material or capital equipment necessary for the production of a civilian-defense product to give preference to producers or distributors of civilian-defense products in selling or leasing such service or material or capital equipment, in accord with the priorities established in such civilian-priority contracts: *Provided*, That the term 'service' as used in this paragraph shall not include work for wages.

"(k) If the President finds that any producer or distributor of any product for civilian use or any class of such producers or distributors is buying, storing, or using any material, inventory, capital equipment, or labor which is necessary to the production of any product essential to national defense or of any civilian-defense product, the President may by regulation or order require such producer or distributor or class thereof to discontinue the purchase or use of any such material or labor, to dispose of any such inventory at reasonable prices designated by the President, and to lease any such capital equipment to any producer or distributor of any product necessary to national defense or of any civilian-defense product.

"(l) Except as specified in paragraph (k) above, nothing in any civilian-priority contract nor in this act shall prevent any producer or distributor not party to such contract from producing or distributing any product for civilian use nor from selling such product, subject to the terms of any price ceilings established in accord with the provisions of this act and of any regulations or orders pursuant to paragraph (j) above, at such prices and upon such terms as he chooses.

"(m) Any service, material, or means of production other than labor which is necessary to produce or distribute a civilian-defense product may, in the discretion of the President, be designated a civilian-defense product

and while so designated shall be a civilian-defense product for all purposes of this act."

Mr. STEAGALL. Mr. Chairman, I reserve all points of order against the amendment.

The CHAIRMAN. The gentleman from Alabama reserves all points of order against the amendment. The gentleman from California is recognized for 5 minutes.

Mr. VOORHIS of California. Mr. Chairman, the text of this amendment is printed in the RECORD of yesterday on page 9133 as a part of the remarks which I made yesterday. I tried very hard on two occasions to be heard, to explain the purposes of this amendment, once before the committee and the other time in general debate. But neither time was I able to get an adequate chance to do that. I realize that it is most difficult to present an amendment as comprehensive as this and expect Members to be able to grasp its full significance in a short 5 minutes. For this is an all-important matter. And the reason that I am taking time now is to make clear what I think the record needs to have on this legislation.

There is only one basic reason why we have this bill here. I do not think there is a Member of the House but agrees fundamentally with the statements made today, urging the preservation of the American way of life and pointing out the dangers in this type of legislation. But we have undertaken to devote about 30 or 40 percent of the productive efforts of America to the production of armament, and as soon as we undertook to do that we created a situation where the supply of certain civilian goods is in danger of being cut down a' the same time that the purchasing power for those goods will be larger than heretofore available. Under those circumstances and in order to prevent a runaway rise in certain prices, where monopolists or speculators are in the position to artificially force them upward, some machinery must be made available to control such prices.

My own view of the matter is that it will be better for us not to go any further with this sort of thing any more than we need to, and I know there are two fundamental things to combat inflation that are more important than price control and that ought to come first. The first of these should be an attempt to increase production of goods for sale to our people, and the second one is monetary control, in order that we might have the right amount of money in circulation and not a runaway creation of private bank credit, though I shall not speak about that now.

In a few words, this amendment proposes to do approximately this. It provides that we shall pick out certain essential commodities and that the President shall have power to determine the specifications for these basic necessities for our people like clothing, essential food products, simple housing, health needs, and things like that; that as to those goods he may enter into what are called priority contracts with producers, who agree to produce not less than a certain quantity of such goods at a fair price,



In other words, the program would be to encourage production at fair prices, and to make contracts with producers, assuring them that they could get the materials they needed to produce these things. This would give us a constructive approach to the problem of inflation on the side of increased production instead of making a regulatory approach exclusively by means of price control. I agree with gentlemen who say that they do not like this sort of legislation. I do not like it myself, but I think if we are going to try to approach the problem of preventing inflation, that certainly consideration should be given to a constructive effort to increase production of goods rather than to just letting it go along to the proposition of trying to control prices by governmental fiat. I am personally of the opinion that it may well be that a sufficient effort along this line, together with a sound monetary program, might be sufficient to prevent any serious inflation, though I see the necessity for, at present, for some authority in the Government controlling prices where either speculation or monopoly is in a position to artificially increase the price. I agree with the selective feature of the committee bill, with these differences, because it makes possible the selection of such prices and their control instead of imposing them upon our whole economy. But neither this price-control bill nor any other price-control bill can solve the fundamental problem of the relationship between goods for sale on the one hand and money to buy them with, on the other. My amendment is far more constructive, far more salutary, far more fundamental than is price control as such.

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

Mr. COX. Mr. Chairman, I rise in opposition to the amendment.

Mr. Chairman, as brilliant as is our friend from California [Mr. VOORHIS], and as much entitled as he is to a respectful hearing, I know he is not going to get anywhere with his proposal.

It is about another matter that I wish to speak. The Gore amendment fell by the wayside, as was expected, but the effort of our young and brilliant friend has done two things: First, it has firmly established him in the esteem and confidence of his colleagues and of the country as being a young man of perfect integrity and of very great ability. The second thing he has done, the information he has brought to bear upon the question, is to kill the committee bill unless three things are done. The first is to abandon the licensing provision of the bill. Second, to include over-all control; and, third, set up an independent board or commission—not stooges, but people of independent minds—with power to override and to throw out anything the Administrator might do.

You might just as well understand the fact, and it is a fact, that Leon Henderson given unrestrained powers that are set up in this bill, defeats the committee's measure.

[Here the gavel fell.]

The CHAIRMAN. Does the gentleman withdraw the reservation of his point of order?

Mr. STEAGALL. I withdraw the reservation of the point of order, Mr. Chairman.

The CHAIRMAN. The question is on the amendment offered by the gentleman from California [Mr. VOORHIS].

The amendment was rejected.

The Clerk read as follows:

#### PRICES, RENTS, AND MARKET AND RENTING PRACTICES

SEC. 2. (a) Whenever in the judgment of the Price Administrator (provided for in section 201) the price or prices of a commodity or commodities have risen or threaten to rise to an extent or in a manner inconsistent with the purposes of this act, he shall by regulation or order establish such ceiling or ceilings as in his judgment will be generally fair and equitable and will effectuate the purposes of this act. So far as practicable, in establishing any ceiling, the Administrator shall ascertain and give due consideration to the prices prevailing for the commodity or commodities included under such ceiling on or about October 1, 1941, and shall make adjustments for such relevant factors as he may determine and deem to be of general applicability, including the following: Speculative fluctuations, general increases or decreases in costs of production and transportation, and general increases or decreases in profits earned by sellers of the commodity or commodities, during and subsequent to the year ended October 1, 1941. Every regulation or order establishing any ceiling under this subsection shall be accompanied by a statement of the considerations involved in the issuance of such regulation or order.

(b) Whenever in the judgment of the Administrator such action is necessary or proper in order to effectuate the purposes of this act, he shall issue declarations setting forth the necessity for, and recommendations with reference to, the stabilization or reduction of rents for defense-area housing accommodations within defense-rental areas. If within 60 days after the issuance of any such recommendations rents for any such accommodations have not in the judgment of the Administrator been stabilized or reduced by State or local regulation, or otherwise, in accordance with the recommendations, the Administrator shall by regulation or order establish such ceiling or ceilings for such accommodations as in his judgment will effectuate the purposes of this act. So far as practicable, in establishing any ceiling for any defense-area housing accommodations, the Administrator shall ascertain and give due consideration to the rents prevailing for the accommodations, or comparable accommodations, on or about April 1, 1940, and shall make adjustments for such relevant factors as he may determine and deem to be of general applicability in respect of the accommodations, including increases or decreases in property taxes and other costs, during and subsequent to the year ended April 1, 1940. In designating defense-rental areas, in prescribing ceilings for such accommodations, and in selecting persons to administer such ceilings, the Administrator shall, to such extent as he determines to be practicable, consider any recommendations which may be made by State and local officials concerned with housing or rental conditions in any defense-rental area.

(c) Any ceiling or ceilings may be established in such form and manner, may contain such classifications and differentiations, and may provide for such adjustments, as in the judgment of the Administrator are necessary or proper in order to effectuate the purposes of this act. The Administrator may establish a ceiling or ceilings below the prices prevailing for the commodity or commodities, or be-

low the rent or rents, in effect at the time of the establishment of such ceiling or ceilings.

(d) Whenever in the judgment of the Administrator such action is necessary or proper in order to effectuate the purposes of this act, he may, by regulation or order, regulate or prohibit speculative or manipulative practices (including practices relating to changes in form or quality) or hoarding in connection with any commodity, and speculative or manipulative practices or renting or leasing practices (including practices relating to recovery of the possession), in connection with any defense-area housing accommodations, which in his judgment are equivalent to or are likely to result in price or rent increases, as the case may be, inconsistent with the purposes of this act.

(e) Whenever in the judgment of the Administrator it is necessary, in order to effectuate the purposes of this act, to obtain the production of marginal or high-cost producers, he may, on behalf of the United States, without regard to the provisions of law requiring competitive bidding, buy, store, or use, or sell at private or public sale, any commodity produced in the United States by any such producer, upon such terms as he deems necessary.

(f) No power conferred by this section shall be construed to authorize any action contrary to the provisions and purposes of section 3.

(g) The powers granted in this section shall not be used or made to operate to compel changes in the business practices or cost practices or methods, means or aids to distribution established in any industry, except to prevent circumvention or evasion of any ceiling established under this act.

(h) Regulations and orders issued under this section may contain such provisions as the Administrator deems necessary to prevent the circumvention or evasion of such regulations and orders.

Mr. CASE of South Dakota (interrupting the reading of the bill). Mr. Chairman, I ask unanimous consent that the reading of the balance of the section may be dispensed with, and that it be considered as read and printed in the RECORD.

The CHAIRMAN. Is there objection?

Mr. WOLCOTT. Mr. Chairman, reserving the right to object, I cannot see where any time is to be gained by not reading the bill. Surely this bill is of sufficient importance that every Member should pay very careful attention as every word of it is read. I am in the same position as I was with respect to the Gore amendment, so I am reluctantly forced to object.

The Clerk concluded the reading of the section.

Mr. STEAGALL. Mr. Chairman, I offer a committee amendment.

Committee amendment: On page 6, strike out lines 16 to 23, inclusive, and insert:

"(e) Whenever in the judgment of the Administrator such action is necessary or proper in order to effectuate the purposes of this act, he may, on behalf of the United States, without regard to any provision of law requiring competitive bidding, buy, store, or use, or sell at public or private sale, any commodity, upon such terms as he shall deem necessary to obtain the maximum necessary production of marginal or high-cost producers, or to prevent price increases inconsistent with the purposes of this act. The proceeds of any sale under this subsection shall be used as a revolving fund for carrying out the provisions of this subsection: *Provided*, That any materials which have been heretofore or may hereafter be defined

as strategic and critical by the President pursuant to section 5d of the Reconstruction Finance Corporation Act, as amended, may be bought in order to carry out the purposes of this act only by corporations created or organized pursuant to said section 5d, upon such terms and conditions as they may determine, and only with the approval of the President and the Federal Loan Administrator: *Provided further*, That nothing in this section shall be deemed to modify, suspend, amend, or supersede any provision of the Tariff Act of 1930, as amended: *Provided further*, That nothing in this section, or any existing law, shall be construed to authorize any sale or other disposition of any agricultural commodity contrary to the provision of the Agricultural Adjustment Act of 1938, as amended."

Mr. STEAGALL. Mr. Chairman, the purpose of this amendment is to add language that would permit the use of the powers conferred to prevent increases in prices inconsistent with the purposes of the act.

Another provision of the amendment would preserve to the Reconstruction Finance Corporation and other Government agencies the powers conferred upon those agencies to purchase commodities and strategic and critical materials necessary in connection with the defense program.

Another provision of the amendment would prevent any interference with nullification of legislation embodied in the Tariff Act of 1930 as amended.

The amendment would preserve existing law for protection of agricultural products. It would prevent the sale of agricultural commodities except as provided in the Agricultural Adjustment Act of 1938, as amended. These, in short, are the purposes of the substitute.

Mr. WOLCOTT. Mr. Chairman, I rise in opposition to the amendment. I may say also that this is one of the most controversial sections of the bill, and I hope the Chair will not put the question until we have had adequate debate.

The CHAIRMAN. The Chair is pleased to recognize the gentleman from Michigan.

Mr. WOLCOTT. Mr. Chairman, this is a very fundamental question. I listened with a great deal of interest to the explanation of it by the chairman of the committee, and he indicates that the amendment is made necessary to protect agriculture and to protect domestic producers against any temporary setting aside of any tariff laws.

The amendment does just what the gentleman says it does, but there surely would be no need of the committee amendment if that is all they want to do, because if you will read the language of the bill as it was reported out of the committee you will find that we adequately protected producers in that respect.

What is there behind this amendment? When the bill was originally introduced it authorized the Administrator to go into the open market and buy any product for the purpose of keeping prices down or putting them up, as he saw fit. He told us the reason why he wanted that authority. He wanted the authority to buy products of the high-cost producers and sell them at a lower ceiling which had been placed, in order to encourage production of necessary defense articles.

The example which was used frequently was this: We will say that copper can be produced by the hydraulic method and sold profitably at 10 cents a pound. Hand-mined copper, however, cannot be produced at 10 cents. In order to keep the copper mines open and producing copper for national defense, it might become necessary to pay the hand-mined producers 14 cents, and in order that we might keep our mines working and in full production he wanted authority to buy the high-cost copper at 14 cents and sell it to the consumers at 10 cents. That is perfectly all right with everybody on the committee because we wanted to get all the copper we possibly could even though it resulted in the Government's having to subsidize the difference between selling at what we had to pay the high-cost producer to keep the mines running and defense industry running, and the lower price. That is what he wanted that for; that is what he said. He did not want it for any other reason. So the committee, in its judgment, provided for just that thing as appears from the language of subsection (e) on page 6:

(e) Whenever in the judgment of the Administrator it is necessary, in order to effectuate the purposes of this act, to obtain the production of marginal or high-cost producers, he may, on behalf of the United States, without regard to the provisions of law requiring competitive bidding, buy, store, or use, or sell at private or public sale, any commodity produced in the United States by any such producer, upon such terms as he deems necessary.

That is what he wanted. That is what we gave him. He was not consulted after he testified. We were, however, called into session yesterday and the committee reported out the committee amendment which has been read.

[Here the gavel fell.]

Mr. WOLCOTT. Mr. Chairman, I ask unanimous consent to proceed for 5 additional minutes.

The CHAIRMAN. Without objection, it is so ordered.

There was no objection.

Mr. WOLCOTT. We were told we had not provided any revolving fund. They wanted a revolving fund so they could take the money they received when they sold these things and use it to buy others. We thought that should be within the province of Congress, but we find in this committee amendment, which was written by the Administrator, the following language:

Or to prevent price increases inconsistent with the purposes of the act.

Mr. Chairman, this is the most undemocratic thing that was ever suggested to an intelligent Congress of the United States: To allow any administrative agency of the Government to go into the open market in competition with not one industry, or two, or three, or a hundred, but into competition with all of our industry and all of our business, to buy and sell any goods it sees fit. That is a fundamental question, and I do not see how Democrats, allegedly solicitous of the preservation of democratic principles, can go along with anything like that. Surely anyone who believes in the perpetuation of free enterprise and representative government could not go along

with any amendment to this bill which authorizes the administration to go into the open market and buy and sell any commodity under the guise that it is being done to keep prices down.

What of agriculture? What of dairy products? What of Michigan beans? What of the citrus fruit? What of wheat? What of anything? He must take into consideration, of course, the Agricultural Adjustment Act; he must pay the tariff. When he pays the tariff, of course, the money comes right back into the Treasury of the United States. If it should develop that the meat producers of this country were getting a little higher price for their beef than the Administrator thought they should, he could flood the American market with Argentine beef or any other kind of beef. If it developed that the Michigan bean producers were getting more for their beans than the Administrator thought they should get, he could authorize the use of beans as was formerly done, as ballast in boats coming over here from China and flood the market with Chinese beans for the purpose of forcing this market down. Now, the Members, Mr. Chairman, who are solicitous of private business and small business, and agriculture, and, yes, labor, should analyze this bill and see what they are doing if they authorize him to buy and sell competitively in the open market for the purpose of stabilizing prices.

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

Mr. WOLCOTT. I yield.

Mr. FOLGER. I see in the committee amendment the following words were omitted:

Purchased in the United States.

Is there any significance in that?

Mr. WOLCOTT. Yes. We put in the words "produced in the United States" to take care of these domestic marginal producers. The committee purposely left out "domestically produced things or not produced in the United States" to allow him to buy in the foreign markets and flood the domestic market to force prices down.

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

Mr. WOLCOTT. I yield.

Mr. CRAWFORD. In other words, none of us should have an objection to the Administrator's operating in such manner as to preserve the marginal producers in the United States; but to reach out into the other parts of the world and bring in goods to sell in the open markets against our own producers and destroy their existence, you might say, to me, is a diabolical scheme, and I do not think we should permit it.

Mr. WOLCOTT. The gentleman is absolutely correct. The purpose under this is to open the domestic market to every country of the world. It is reprehensible that the Committee on Banking and Currency so belittles itself and its dignity to reach out in such way and offer that to a democratic Congress living under a Constitution which preserves to us the principles of freedom.

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

Mr. WOLCOTT. I yield.



Mr. GIFFORD. Does not the gentleman believe it would be sufficient simply to grant subsidies to high-cost producers and allow the product to go on the market to sellers and consumers?

[Here the gavel fell.]

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

Mr. Chairman, the distinguished and able gentleman from Michigan stated that this was an undemocratic provision because it would permit the Price Administrator to go into the open market and make certain purchases. May I suggest that we have an open market for Government bonds, and I have never heard of it being questioned as being undemocratic.

Mr. CASE of South Dakota. Will the gentleman yield?

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

Mr. CASE of South Dakota. When the Government goes into the market and purchases securities, whatever the results of that may be apply universally throughout the country; but here it is proposed to give selective power to purchase certain articles, and it applies unequally.

Mr. PATMAN. The open market operations of the Federal Reserve Banks, I presume, are similar to the open market operations that will be carried on by the Price Administrator. But sometimes open market operations are necessary.

Let me tell you why this is in here. It is to help the high-cost producer. It is possible that we will have to go to South America to get certain strategic, critical, and other needed materials. It is possible that we will have to go there to get materials not needed in national defense for the purpose of keeping these small industries continuing in business.

Mr. DEWEY. Will the gentleman yield?

Mr. PATMAN. For a question.

Mr. DEWEY. I would like to answer the gentleman.

Mr. PATMAN. No; I yield for a question.

Mr. DEWEY. The gentleman says there are no agencies permitted to buy critical and strategic materials now?

Mr. PATMAN. No; I did not say that.

Mr. DEWEY. Did the gentleman not say that we may have to go down to South America?

Mr. PATMAN. I said it is possible that the time will come when we will have to go to South America to obtain strategic, critical, and other materials that are needed in the national defense, and also needed not in national defense but to keep our small industries going in the United States.

Mr. DEWEY. Has the gentleman ever heard of the Defense Supplies Corporation?

Mr. PATMAN. Yes; it may do that.

Mr. DEWEY. Which may get these materials.

Mr. PATMAN. I concede that the R. F. C. has the right to purchase strategic and critical materials and that right is specifically reserved in this amendment. That was one of the objections made to it in the committee and that correction has been made. The R. F. C. has reserved to it all the rights, powers,

and privileges it has under existing law in this amendment.

The point I wish to make is that we need other materials beside strategic and critical to keep the 100,000 or 200,000 small industries in this country continuing in business, and it is possible that we will have to go to South America or other countries friendly to us, and even develop their mines and encourage their mining, in order to get these valuable materials. How are you going to do that if the Administrator does not have the power to buy and sell?

Mr. Baruch said this power was indispensable.

Let us take copper, for instance. Here is the way it will work. We want extra copper. The price has been fixed at 12 cents. Well, there are certain copper mines that cannot operate on 12-cent copper. It will take 24-cent copper, it will take 30-cent copper, it may take 40-cent copper in order for those mines to operate at a profit. So this provision will allow the Administrator to give that high-cost producer this extra profit. It is better to give him that money than to raise the whole copper price that much, which would cost national defense billions of dollars more. So this will not only help the high-cost producer in the mining of copper, aluminum, lead, zinc, steel, and everything else, but it will help in many other substantial ways.

Let us consider the question of imports. Imports cannot be controlled in any other way unless you give the Administrator the power to buy and sell, with a revolving fund. I agree that this is an enormous power, but this power is insignificant, it is nothing, when compared to the other powers that are granted in this bill. I do not like these powers but they are necessary.

[Here the gavel fell.]

Mr. PATMAN. Mr. Chairman, I ask unanimous consent to proceed for 5 additional minutes.

The CHAIRMAN. Is there objection to the request of the gentleman from Texas [Mr. PATMAN]?

There was no objection.

Mr. PATMAN. Mr. Chairman, I do not like these powers, I dislike to vote to give anybody such power, but we have a national emergency that exists today that requires it. The question is, Are we behind national defense or are we against national defense? If we are against national defense we ought to do everything we can to block such efforts as this which is designed to cause an increase in production. This amendment will cause increased production in materials needed for national defense and to keep small businesses going.

Mr. TABER. Will the gentleman yield?

Mr. PATMAN. For a question.

Mr. TABER. The gentleman has not suggested how this will help national defense. I wonder if he will try to make that clear.

Mr. PATMAN. I am sure the gentleman was not listening to me.

Mr. TABER. Oh yes, I was.

Mr. PATMAN. This helps national defense to get materials that are needed here in the United States of America by small manufacturers and by people who

are engaged in the production of planes, tanks, guns, and ammunition.

Mr. TABER. That is already provided for in the language you have now. The language we have now does not give the power to buy and sell.

Mr. WOLCOTT rose.

Mr. PATMAN. I know the gentleman's point, and I appreciate his standing up, because it recalls to mind that we have the power to sell; but the revolving fund is not there, and it is absolutely essential and necessary in order to carry on the functions that are contemplated by the terms of this provision. We cannot carry it on otherwise.

If you are against the whole program, if you are against the administration, if you are against national defense, if you are against helping small business men, you should be opposed to this amendment; but if you are in favor of national defense, if you are in favor of encouraging production, if you are in favor of supporting the administration's foreign policy, you should be in favor of this amendment.

I know that the minority have a certain duty and obligation, and I commend them for assuming that obligation by pointing out anything that is critical and criticizing any legislation we propose. That is all right. I think it is helpful; I think it is constructive. I know that we have good, sensible men and women on the Republican side who are capable of doing that, and it is in the public interest. But, remember this, they have no responsibility. The responsibility is not on them in this. The responsibility is upon the majority party, the party that is sitting on this side of the aisle. There is where the responsibility is. We may expect them to suggest and propose any kind of an amendment that will be critical or destructive or crippling to a bill that the majority party presents.

Remember this, we are in an emergency now; we are in a situation where everyone is going to be called on to sacrifice. I shudder to think of the millions of good men and women who on next March 15 will be assessed a large amount of income taxes and will not have the money to pay them. The people are behind us in this defense program. They expect us to spend money, and they are willing to pay it; but they want us to do what is necessary to speed this program as rapidly as possible.

I insist that this provision is necessary in the interest of our domestic policy, and especially in the interest of national defense. I hope the amendment is adopted.

[Here the gavel fell.]

Mr. GIFFORD. Mr. Chairman, I move to strike out the last two words.

Mr. Chairman, we questioned Mr. Henderson rather carefully in the hearings in regard to this buying and selling provision. I will refer to what he said. As a speaker has told us, he used copper as an example, and attempted to reassure us with statements that there were but few such items expected to be dealt with.

Said Mr. Henderson:

I was referring to copper. There may be many companies today that would be glad to buy copper at 15 cents.

That some purchasers would be willing to pay much more than the ceiling price. He implied that he would be willing to let them pay more after the low-priced copper had been exhausted on the market.

We inquired of him whether, although willing to pay a higher price, they could not still sue for the ceiling price. He said, "Yes, it would be possible." He admitted that he must have this power to buy outright from the high-cost producer because we must have the production and protect the seller, both as to reasonable profit and legal entanglements. "We must build storehouses," he said. He suggested that such operations would be on a very large scale.

It is another great venture in putting Government in business. The picture was presented that only copper and few, if any other materials, would be involved. Today an amendment is contemplated to buy and sell anything the Administrator may think necessary to make his ceiling price stick and keep production going. How insignificant will appear Sears Roebuck. Let us pay subsidies if this bill forces such necessity but keep out of business.

Let us consider putting the Government into the business of buying, selling, finding customers, and deliberately selling at a loss and taking the usual credit chances. The producer has his organization and his customers. Let him do the best he can, and then, if by this act of his own Government he suffers losses, we should subsidize those losses. Do not take away his own customers and undertake all his hazards as well. Let us not open this door of a huge merchandising business. Let us not advance the capital and permit a vast revolving fund for pure storekeeping business by our Government. Subsidies, hateful enough to contemplate, are for a lesser evil. Peruse page 387 in the hearings and then consider the amendment to be offered by the committee. Some members voted against section (e) in the committee, yet that now seems very mild compared to the broad power they ask for today. Of course, it would create many more jobs, and that seems a paramount goal in this administration.

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

Mr. GIFFORD. I yield to the gentleman from Kansas.

Mr. CARLSON. Is there anything in this amendment that would prohibit the Administrator from using these funds to operate in the futures markets to raise and lower markets?

Mr. GIFFORD. It does seem so.

By this bill we attempt to give power enough to put out fires that have or may be started, but not appropriate a fire engine to every door, lest a fire might be kindled.

I desire a price-control bill. We should validate what is being or might be done. Business must be protected after acting in good faith in obedience to ceiling prices. But let us not plunge the Nation into a vast storekeeping proposition and supplant the present private activities of store, sales, delivery, and collection.

I repeat, pay subsidies if this bill forces us to do so, but keep out of business. I think my friend the gentleman from Illinois [Mr. DEWEY] has some clear arguments and I trust he will follow me in this discussion.

Mr. CRAWFORD. Mr. Chairman, will the gentleman yield for a question?

Mr. GIFFORD. Yes.

Mr. CRAWFORD. Does not the gentleman believe, in all sincerity and without any camouflage whatsoever, that under this provision the Administrator could set up vast storehouses in every large industrial city in this country, which takes in all of them, and perform a merchandising business just the same as a corner groceryman or anyone else?

Mr. GIFFORD. That is what I am trying to make clear. The Government would be forced to buy in great quantities and store and display goods over the entire Nation.

[Here the gavel fell.]

Mr. DEWEY. Mr. Chairman, I move to strike out the last three words, and ask unanimous consent to proceed for an additional 5 minutes.

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

There was no objection.

Mr. DEWEY. Mr. Chairman, I listened to my distinguished colleague from Texas and his statement that we on the minority side had a position as a watch dog, and I agree with him, and we generally have to maintain that position, but it is not our disposition at this time in any way to upset this bill or take away certain necessary powers from the Price Administrator. The main point that was under discussion in our recent meeting when this amendment was offered as a committee amendment was that it was not necessary to have a revolving fund. No one wished to take away from the Administrator his powers to buy high-cost production materials that were necessary to stimulate production; but, as the Congress well knows, we have various agencies of the Government that are equipped by experience and by unlimited borrowing facilities already given to them by this Congress to do these things, and that in the past month the Price Administrator has been using them and it was the wish of almost a majority of the committee that he continue that function.

There is no doubt that there is necessity to subsidize certain high-cost producers. It was brought out that during the first World War they had a different system of subsidy. The ceilings were applied on what was known as a bulk-line basis. The ceilings were placed at such a point that the highest-cost producers might produce, but what did that do to the low-cost producers? It caused them to make tremendously large profits, and the Government had to pay more for the material. So now, not wishing to follow the old bulk-line theory, it is the idea to give to the administration the right to buy at a higher price from high-cost producers, but that differential between the ceiling and the higher price will be subsidized by the Government; but by the same token we do not want

to have the Price Administrator with his numerous other duties have to set up a little R. F. C. or a little Defense Supplies Corporation parallel to those now existing.

In a statement that was sent out by the Price Control Office one paragraph said in commenting upon the taking out of this paragraph from the original bill which is now again under consideration as a committee amendment or as a substitute amendment which I hope to offer later:

Why these changes are made is difficult to understand. Perhaps, the committee felt that the adequate powers to buy and sell imported products existed in other agencies of the Government, but existing legislation is limited to only strategic or critical materials.

This is not correct because I have here the Government Manual and I have before me the purposes of the Defense Supplies Corporation, one of the corporations of the Federal Loan Agency, and the purpose of this Corporation is to produce, acquire, carry, sell, or otherwise deal in strategic and critical materials and supplies, and further on—

to take such further action as the President and the Federal Loan Administrator deem necessary to expedite the national-defense program.

Mr. Chairman, every such power is now held in the Federal Loan Administration. I am in favor—and I think many other members of the minority are in favor—of the Price Administrator having the power to buy high-cost production material, but they are not in favor of having him setting up another little agency similar to the ones already existing and buying and selling at will. This would be an additional burden on the taxpayers and I think would cause utter confusion in the Federal Loan Administration and in other similar agencies.

Mr. COFFEE of Nebraska. Mr. Chairman, will the gentleman yield?

Mr. DEWEY. I yield to the gentleman.

Mr. COFFEE of Nebraska. Is it not a fact that power was granted under the Lend-Lease Act to the President to buy any defense article and was not any defense article defined so broadly as to include almost anything?

Mr. DEWEY. That is quite correct and I thank the gentleman for his contribution.

Miss SUMNER of Illinois. Mr. Chairman, will the gentleman yield?

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

Miss SUMNER of Illinois. What makes the gentleman think that the organization will be little? If they treat all people the same and buy all high-cost producers' materials in the same way, it would cost billions of dollars, it seems to me.

Mr. DEWEY. It would set up another large agency and the limits of it would be quite in the hands of the Price Administrator.

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

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

Mr. CRAWFORD. I think earlier in the day the gentleman from Texas [Mr.



PATMAN] left the impression on the House that Mr. Henderson might run the Price Control Administration machinery with \$100,000 a year as the total expense.

Mr. DEWEY. I think it was 100,000 men.

Mr. CRAWFORD. Does not the gentleman believe that this one new division, if it is created, will cost more than \$100,000 a year from the standpoint of personnel alone?

Mr. DEWEY. I think there is no doubt of that.

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

Mr. DEWEY. Yes, sir.

Mr. PATMAN. The gentleman does not seriously contend that it will take \$100,000 to administer this feature, when the R. F. C. will continue their functions. This will not supplement what the R. F. C. does.

Mr. DEWEY. The gentleman well knows that when any body of the Government secures the appropriation of a revolving fund, it is going to make that fund revolve.

Mr. PATMAN. But the gentleman does not know how much it will be.

Mr. DEWEY. No; but I know how much has already been appropriated for national-defense commissions and bureaus, and I am taking my figures from those.

Mr. COFFEE of Nebraska. Mr. Chairman, will the gentleman yield?

Mr. DEWEY. Yes, sir.

Mr. COFFEE of Nebraska. I believe the gentleman from Texas [Mr. PATMAN] mentioned \$100,000 as the sum to administer this bill. Further on, he indicated there were 1,300 men at present in O. P. A. C. That would take at least two or three million dollars right there, without any additional men.

Mr. DEWEY. I think \$100,000 in such an organization would be very small.

Mr. PATMAN. I must have been referring to something else. I think \$100,000 would be too little.

Mr. DEWEY. I think it would be entirely too little. I think 100,000 men would be a more likely figure.

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

Mr. DEWEY. Yes.

Mr. GIFFORD. I trust the gentleman recalls that Mr. Henderson said that the people who wanted to buy copper would be glad to pay much more than the ceiling price, and when he was questioned he said that they would be glad to pay much more than the ceiling price, and if they paid it, then they would turn around and sue because they had not lived up to the ceiling price, and he finally decided that he could have only one ceiling price, and in order to prevent profits accruing to the low-cost producer, "we must buy and sell." The gentleman and I thought it meant simply a substitute on a few materials.

Mr. DEWEY. That was the general impression then, but I have changed my mind considerably since that time.

Mr. GIFFORD. Why did they come in here yesterday and upset this bill? Why did the committee come in? Does the gentleman know what happened?

What happened that they should come in and ask for this?

Mr. DEWEY. I cannot conceive. The vote was brought up so quickly that I was confused.

Mr. GIFFORD. I was out of the committee room at the moment. I tried to get back in a minute. I was there practically all the morning. Did not the committee assign any reason?

Mr. DEWEY. I think the only reason was that it was 5 minutes to 12 o'clock.

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

Mr. DEWEY. Mr. Chairman, I shall rise later to propose the following substitute amendment:

SEC. 2 (e), page 6, strike all of the paragraph (e) commencing on line 16, and insert:

"(e) Whenever in the judgment of the Administrator it is necessary, in order to effectuate the purposes of this act, to obtain the production of marginal or high-cost producers, he may so notify the President, and the President may direct any existing agency or agencies of the United States to exercise, and any such agency or agencies shall exercise in accordance with such directions, any authority heretofore or hereafter conferred on them by law to buy, sell, store, or use any commodity produced in the United States by any such producer: *Provided*, That any materials which have been heretofore or may hereafter be defined as strategic and critical materials and supplies by the President pursuant to section 5d of the Reconstruction Finance Corporation Act, as amended, may be bought in order to carry out the purposes of this act only by corporations created or organized pursuant to said section 5d, upon such terms and conditions as they may determine, and only with the approval of the President and the Federal Loan Administrator; *Provided further*, That nothing in this section shall be deemed to modify, suspend, amend, or supersede any provision of the Tariff Act of 1930, as amended: *Provided further*, That nothing in this section, or any existing law, shall be construed to authorize any sale or other disposition of any agricultural commodity contrary to the provision of the Agricultural Adjustment Act of 1938, as amended."

Mr. CRAWFORD. Mr. Chairman, I rise in opposition to the pro forma amendment and ask unanimous consent to revise and extend my remarks in the Record.

The CHAIRMAN. Is there objection? There was no objection.

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

Mr. CRAWFORD. Yes.

Mr. TABER. Can the gentleman imagine anything that would be more apt to promote inflation than the adoption of this amendment?

Mr. CRAWFORD. I think it would be a great contribution to it. Furthermore, I want to point out that the markets of this country belong to the people of this country. The people possess them by inalienable right, because it is the people who produce, who consume, but who, whether we like it or not, will exercise their own judgment in buying and selling. That will be the situation unless we convert the people to going along with so-called emergency control.

Price is the vox populi of world economic life. It is the people's ballot box, perhaps the only true democracy in the world today. It will tolerate no despot,

no autocrat. Price should tell the farmer whether he ought to produce more wheat or cotton or curtail his production. Price tells the consumer whether he can or should buy. It is automatic in its operation.

Government after government, including our own, has tried price fixing, regimentation of production, attempts at marketing control, promulgating quotas, and what not. Yet inspite of all these strivings, the desired equilibrium between agricultural and industrial prices evades us like the pot of gold at the end of the rainbow; and we come in here with this proposal to put the Government in business against every producer, every merchandiser in the United States.

The committee first provided that this operation might be brought into form only insofar as domestic products are concerned; but now this amendment comes in as a recommendation of the committee and proposes to extend the powers to reach to all parts of the world; to contact all producers and all consumers.

I cannot imagine anything that is any more destructive or any more confusing to our people than for us to approve an amendment such as is here recommended by the chairman of our committee. I cannot understand why Mr. Henderson and Mr. Ginsburg would promote such an amendment at this time and thus further create disunity in this House and among the people of this country. It is highly un-American. It is undemocratic. It is vicious because it serves notice on everybody that he must compete with the United States Government insofar as the administration of the price-control machinery is concerned. We should defeat this amendment. Certainly we should restrict it to products made in the United States if you do not defeat the amendment in its entirety.

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

Mr. CRAWFORD. I yield.

Mr. STEFAN. In the gentleman's opinion, is this the beginning of the end of the American market for the American farmer?

Mr. CRAWFORD. I believe that. Owners and operators of private property should not be compelled to go groping along in a maze of uncertainty, with a feeling that a planning board is lurking behind every rock and tree, ready, on and in response to impulse, however generated, to put prices up or down to their disadvantage.

That is exactly the substance and purpose of this amendment, and therefore we should defeat it, and I hope that will be the vote of the Committee.

For after all what is supply and what is demand except the reaction of the people themselves to the conditions of their existence? Human behaviorism is the deciding factor. The market belongs to the people. It is in the market place that they express their judgment on values. The market degenerates into a mere Charlie McCarthy when it gets into the hands of government. Its imperative requirement is freedom. Nowhere else is liberty more precious. The people will submit to conscription of their youth

for war, to taxes amounting to confiscation, but they will take a final stand on their judgment of prices, for when they speak it is not as individuals but as the people—all the people over the whole of our mechanized, monetary world of trade.

Mr. CASE of South Dakota. Mr. Chairman, I move to strike out the last four words.

Mr. STEAGALL. Will the gentleman permit me to make an inquiry?

Mr. CASE of South Dakota. Yes; if it is not taken out of my time.

Mr. STEAGALL. I wonder how many Members desire to be heard on this provision.

Mr. WOLCOTT. I may say there are two amendments on this side which will be offered. I do not know how many there are in addition to that who will want to speak.

The CHAIRMAN. If the Chair may be indulged a moment, there are three other amendments on the desk to this section. There are two amendments on the desk to the committee amendment.

Mr. STEAGALL. Mr. Chairman, it is manifest that it will inconvenience quite a number of Members if we have to sit here much longer tonight. If it is agreeable to the gentleman to withhold his recognition until Friday—

Mr. CASE of South Dakota. If the gentleman will pardon me, I yielded back my time at 3 o'clock and deferred to the gentleman's side then. I would like to proceed at this time.

Mr. STEAGALL. I will not interrupt the gentleman further.

"THE MUSIC GOES ROUND AND ROUND AND COMES OUT HERE"—SO DOES PURCHASING POWER

Mr. CASE of South Dakota. Mr. Chairman, the committee bill proposes selective price control. The committee amendment, now pending, proposes to implement selective price control by selective purchasing and sale—bucket-shop operations in commodities by the Government. That is selective price control in its worst form.

To dress the amendment up a bit, to tone down the bad odor, much has been made of a provision in the amendment to preserve the functions of the R. F. C. and the operations of the Tariff Act. Now the simple fact is that if the bill is defeated there is no need for adopting this amendment. If we do not take on this pain in the neck, we will not need the pain killer, which would introduce the worst wallop in the bill.

The gentleman from Texas [Mr. PATMAN], in speaking in behalf of the pending committee amendment, tried to find consolation in the fact that at the present time the Government goes into the market in security operations, in the purchase and sale of bonds and Government securities.

I want to emphasize the point I brought out in my interrogation of the gentleman, that there is a vast difference between proposing that the Government go into the market to deal in commodities, and going into the market as it does at present, to deal in its own securities. The difference involves a fiscal question which I thought the gentleman himself would have been the first to

appreciate. In times past, he has not been any too complimentary of the Government's discount operations. Yet when the Government is dealing in its own securities, the effects of that dealing, whatever they may be, are diffused impartially to all branches of commerce. But when the Government goes into the market for selective purchasing and sale of commodities the results are not diffused. They strike in spots. And you have given to some administrator and his underlings the power of reward and penalty.

The Government will make or break a market in any commodity at the sweet whim of someone who never made a pay roll in his whole life. That illustrates the evil in the whole principle of selective price control and its most vicious form in selective purchasing.

Mr. PATMAN. Will the gentleman yield?

Mr. CASE of South Dakota. I yield.

Mr. PATMAN. If you want to increase your copper production 10 percent, is it not better to pay two or three times as much for that high-cost production than it is to raise the whole copper price structure on the whole 100 percent?

Mr. CASE of South Dakota. Yes; but you can meet that situation in strategic or essential materials for the Army and Navy under the Buy American Act now on the statute books.

Furthermore, the amendment proposed by the committee does not limit this premium buying and penalty selling to items of that kind. It is all-embracing. It gives to the Administrator the power to go wherever he or his underlings want to go.

Now certainly the committee had its own doubts on this score. They reported the bill without this selective-purchasing and sale provision. The expected administrator, we understand, said the bill would not work without it. So now they offer it and say it is essential. That is the fundamental weakness of this committee bill; it has an appetite for power. Each grant of power given requires another.

The truth is that selective price control cannot work. It cannot work because in the terms of the old song, "The music goes round and round and comes out here."

That is the fundamental weakness of selective price control. They tell us we have more dollars and fewer goods. Dollars compete for goods and the price of wanted goods goes up. So selective price control says we will put a ceiling on those prices. What happens? You have purchasing power and you hold it down here, and what does it do? It seeks an outlet. It wants to buy goods. It breaks out somewhere else.

Either you must provide goods for the money to buy or you must provide some other place for that purchasing power to go.

That is why the suggestion of the gentleman from California that we provide goods has some merit. Another answer that has been suggested is that of deferred income payments or defense-savings bonds.

Effective price control must take into consideration all of the factors that go to make up prices.

A false hope is being held out here in the suggestion that we can have price control and not affect wages. When I was home along in September I said to some of my audiences: "We have a price-control bill introduced down there, and it proposes to control everything except wages." I stopped, and invariably the people laughed, because they knew you could not control prices unless you controlled wages.

You cannot control the prices of raw materials unless you control wages. You cannot control transportation unless you control wages.

Nor can you control these things unless you control the flow of money, unless you control the extension of credit, unless you have an all-embracing proposition involving the rediscount rate, reserve ratios, and all the factors that go into determining prices. Without something of that sort price control cannot work.

Selective price control—there is no such thing. Prices are relationships.

The day the President's price-control message came before the House I had the privilege of offering for the RECORD a letter from my college teacher in economics in which he suggested that Congress should first set up a study for integrating fiscal and monetary policies. He pointed out that if we are going to have any effective price control, we must do two things: First, we must find some outlet for purchasing power when there is a diminished supply of goods; second, we must find some way of integrating the various controls on money with controls on prices.

I hope you will look up that letter. It was put in the July 30 RECORD, 2 days before the committee got its bill, 5 days before hearings began. In fact, I think when we go back into the House I will ask permission to reinsert that letter in my remarks. I hope before we vote on this bill you will read that letter by Dr. Hahne, because it suggests the fundamental principles we should keep in mind.

Among other things Dr. Hahne points out that it would take 35 years of the Defense Tax Act to pay the principal of existing governmental debts on the basis of the present national income. We have added to that debt since July, and soon will add several billions more.

Dr. Hahne raises the question—

Is it better to allow some inflation and the normal economic method of defraying acute indebtedness, or is it better to fix price controls that interfere with the normal workings of the price system?

His letter points out that—

The conscious effort of the past decade to raise prices is now being supplemented by the normal workings of the economic system, and this disturbs those who feel that the situation is getting out of hand because it is no longer subject to their theories of conscious control.

He concludes:

Before conceding control over prices to any single agency, which by virtue of the great



burden must assign details to less and less competent assistants, it is desirable to weigh these relative values.

I am sure you will find the letter of value in your thinking on this problem. I have seen the fundamental principles it states coming up again and again in this debate. I especially urge that you note the sequence of steps taken in Germany and the constructive suggestions with which the letter closes. If we are to have price control, let it be a coordinated system that will preserve and not destroy the capacity of the country to finance the tremendous effort in which it is now engaged.

The letter referred to follows:

NORTHWESTERN UNIVERSITY,  
COLLEGE OF LIBERAL ARTS,  
Evanston, Ill., July 28, 1941.

HON. FRANCIS H. CASE,  
New House Office Building,  
Washington, D. C.

DEAR MR. CASE: The current discussion of price control for the purpose of preventing inflationary tendencies prompts the following letter, which I hope may assist you in formulating a sound judgment with respect to this extremely important issue.

I am assuming that it is necessary to maintain capitalistic democracy with both sound military and economic measures, and that military measures alone are inadequate.

#### THE EUROPEAN PATTERN

The experience in European countries where price controls have been used most extensively now shows a vaguely defined pattern or stages of historical development. Those stages have been set forth by eminent German economists as follows:

1. Spot control: Originally intended as temporary price controls for particular prices, but subsequently proving to have been the beginning of a permanent program.

2. Key-price controls: Maximum prices for selected commodities or industries, usually those which have been well cartelized during peacetimes.

3. Antiprofitteering laws: Primarily excess-profits taxes followed shortly by penalty taxes and/or administrative "price-discouragement methods" aimed to discourage evasions and violations of maximum price decrees.

4. Wage and price freezing decrees (Italy, 1927; Germany, 1936; Japan, 1939): Intended to apply generally to the whole economic order, somewhat along the lines of the Baruch plan as outlined by C. O. Hardy in his War-time Control of Prices.

5. Rationing: Beginning with priorities and supplemented with noneconomic sanctions.

6. Centralization and the use of equalization funds: Centralized control for both wholesale and retail prices through buying and selling agencies supplemented with offices which supervise interdependent prices.

Such price-control developments could be followed here in the United States, provided there is an agreement to modify the economic order, and to abandon sound economic principles, and to adopt the policy of conscious control by a few power-using agencies.

It is very desirable that the proposals now being made which look toward the abandonment of sound economic principles be branded and recognized for what they are worth. It is unwise for regulatory agencies, as well as legislative groups to adopt price-control systems that are founded upon fallacies that can be proved to be unsound in advance of opportunistic experimentation.

#### FALLACY NO. 1

One commonly accepted fallacy is that output can be restricted as a part of the program for preventing inflation.

Take, for example, the proposal to restrict the production of automobiles. Suppose that for purposes of price controls the administration has been able to fix absolutely the total quantity of purchasing power, which, to say the least is a questionable assumption, and that at any given time there is a totality of \$200,000,000 that may be spent as purchasing power. All other things remaining the same, a reduction in cars will raise prices; thus if 1,000,000 cars are made then they will sell for \$200 each, if 500,000 cars are produced they will sell for \$400 each, while 100,000 cars would sell for \$2,000 each.

Of course, this is absurdly simple, but not clearly understood, because it is reported in the press that O. P. A. C. S. desires to avoid price increases, and the dangers of inflation, while at the same time they recommend curtailment in the output of cars. The purpose and policy are contradictory.

Unless restriction of output is simultaneously accompanied by similar, or greater, restriction of total purchasing power, price rises will take place. The abnormal war demands automatically disturb industry and inevitably lead to curtailment of output of normal consumer goods. The conscious effort of the past decade to raise prices is now being supplemented by the normal workings of the economic system, and this disturbs those who feel that the situation is getting out of hand because it is no longer subject to their theories of conscious control.

The efforts to raise prices during the thirties were approved by the people at the polls, therefore, a repudiation of that policy today is politically dangerous, at the same time that it is economically unsound.

#### FALLACY NO. 2

A second common fallacy is that prices can be regulated without regulating incomes.

Initial proposals for price controls always assume that there will be no regulation of wages, except in countries where there is a definite attempt to redistribute incomes and wealth. This fallacy is founded upon a failure to recognize the close relationships between incomes, costs, and prices. To wage earners higher wages are desirable because they are incomes; to management higher wages are undesirable because they constitute higher costs; in short, costs are incomes.

Prices are related not to past but to prospective costs, and if prices are controlled by administrative fiat, there must be regard for costs, one of the most important of which is wages.

Whenever Congress grants price-control powers to the administration it impliedly grants powers to control wages, plus interest, plus rents.

Congress cannot separate incomes and costs, neither can any administrator.

But from a tactical viewpoint it is always emphasized that prices are controlled for the sake of the wage earners, while in the long run wages must be fixed if prices are fixed.

Will Congress, after these years of cooperating with the trade-unions of America in securing the rights and recognition of collective bargaining, want to deprive those same trade-unions of their very purpose of existence by taking from them their powers of collective bargaining with respect to wages, hours, and conditions of labor? I doubt if trade-unions want to freeze wages, and especially if that power is lodged in the hands of an administrator that might find it difficult to separate incomes and costs.

A congressional vote to grant price control is a vote to hand wage control over to the administration, perhaps not at once, but insidiously and invidiously.

#### FALLACY NO. 3

A third common fallacy is that it is possible to check the threat of inflation by controlling particular prices, and that this automatically involves control over the price level.

Unless control over particular prices is accompanied by control over the general level of prices, conflicting economic forces will be set in motion that would lead to the defeat of price controls. That there is a general level of prices different in 1932 than in 1940 cannot be denied, nor can it be denied that the value of money is different than the value of goods.

To regulate the value of money, the general price level, it is necessary to manipulate the rediscount rate, the reserve ratios, the open-market operations, the flow of specie, the extension of bank credit, and these controls must move in harmony with those over particular prices.

This calls for a centralization of powers that is now diffused in the hands of the Federal Reserve Board, the Treasury, the Departments of Agriculture and Commerce, and placing these powers in the hands of that central agency which establishes control over particular prices.

To assume perfect harmony, say between the Department of Agriculture with respect to the fair price of farm products and the price administrator, who fixes the prices of the things the farmer buys, requires considerable faith in human nature. Harmony can be best established when the centralized powers of the price administrator include that of fixing all prices.

Moreover, if those now exercising powers over the extension of bank credit should make a move that would upset the apple cart of the interdependent prices fixed by the price administrator, it would be eventually necessary to divest the Federal Reserve Board and Treasury of their controls over credit and lodge such powers in the hands of the Price Administrator.

Do you think that under the American economic system there is anyone, or any group of men, sufficiently omniscient to exercise such control over the economic order?

#### FALLACY NO. 4

A fourth fallacy now current is that the proposed taxes under the revenue revision of 1941 will prove a sufficiently powerful check upon spending as to prevent inflation.

From 1933 to 1939 taxes and loans were used to finance spending and raise prices; now, with substantially the same taxes, the theory has changed and taxes will lower prices. Since the taxes are the same, the taxpayers the same, the tax incidence the same, it necessarily follows that the effects will be the same. The only variable factor in the situation is the willingness of the people to spend. Thus taxes were used during the great depression to pry people loose from their money, get it into circulation, and assure spending, whereas today it is assumed people are willing to spend and should be prevented from spending.

The funds collected by the 1941 taxes and Treasury loans will be used to buy war needs; then the laborers, managers, and industries supplying these needs get the funds; they will spend the money raised by these taxes. Hence the only difference is found in the time when the spending takes place.

To prevent inflation it is necessary that the taxes be accompanied by some method of absorbing the funds after they accomplish war purchases. Should this be left to the Price Administrator? My suggestion is that it could be much better accomplished through a deferred income plan.

#### FALLACY NO. 5

In the fifth place, a common current fallacy is that all inflationary measures are undesirable.

The fact is that the problem of price control involves a judgment as to the merits of relative values. Thus on July 24 the House was told that appropriations and contract authorizations for defense purposes would reach \$52,000,000,000. We now know that the State and local debts reach about

\$19,000,000,000, that the Federal direct and guaranteed debt is about \$56,000,000,000, or a total governmental load of \$121,000,000,000.

Assuming that the present tax load of \$3,500,000,000 proposed in the pending revenue legislation is continued simply to pay the principal of this existing governmental debt, it would take 35 years to pay the principal, let alone the added interest loads that must be borne.

The relative question, then, is this: Is it better to allow some inflation and the normal economic method of defraying acute indebtedness, or is it better to fix price controls that interfere with the normal workings of the price system?

Some reputable economists now regard inflation as a kind of tax, a creditors' tax, a tax on fixed-income receivers. If this view is sound, the issue then centers on the question as to the most desirable form of taxation. Before conceding control over prices to any single agency, which by virtue of the great burden must assign details to less and less competent assistants, it is desirable to weigh these relative values.

#### TWO SUGGESTIONS

May I offer two suggestions?

First, Congress should give further consideration to the deferred-income plan.

Thus by mopping up the tax and loan funds after they have been used to buy war materials, through the sale of bonds the limit placed on purchasing power becomes direct and effective. Such bonds should not be used as collateral for bank loans, nor should they carry conversion privileges, nor should they be cashed before the end of the military emergency, and then they should be used to buy the peacetime goods which will have experienced a curtailment in demand because of the war program.

England steered away from the deferred-income plan until it became apparent that price controls were breaking down, when the plan was finally adopted. Many sound and reputable economists favor this plan for America.

Second, Congress should at once set up a special committee to investigate and report a program designed to integrate fiscal and monetary policy.

Perhaps this could be done through some of the proposed committees already proposed by several Congressmen. Any intelligent citizen familiar with the overwhelming load imposed upon a diligent Congressman knows that he has neither the time, human endurance, nor inclination to master the complexities surrounding the predicament now caused by depression financing, defense financing, and prospective war financing.

Just as Great Britain called for the Colwyn Debt Committee to help solve the national-debt problem and the Macmillan committee to help solve the monetary problem, so, too, Congress might call for assistance from the reserves of the legal, statistical, accounting, and economic professions. This store of information is equal to that to be found in the different departments and agencies in the administrative branch, and would doubtless be welcomed by many in the different bureaus.

The responsibility belongs to Congress alone; aid can be secured from many untapped sources. Time is of the very essence of the price-control problem and such a committee should be established by Congress immediately.

Very truly yours,

ERNEST H. HAHNE,  
Professor of Economics.

[Here the gavel fell.]

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

The motion was agreed to.

Accordingly the Committee rose; and Mr. COOPER, 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. 5990, the Emergency Price Control Act of 1941, had come to no resolution thereon.

#### EXTENSION OF REMARKS

Mr. TABER. Mr. Speaker, I ask unanimous consent to revise and extend my remarks in the Appendix of the RECORD and to insert an article from Time magazine of November 24, 1941.

The SPEAKER. Without objection, it is so ordered.

There was no objection.

Mr. MUNDT. Mr. Speaker, I ask unanimous consent to extend my remarks in the RECORD and to include therein a newspaper editorial on propaganda in the motion-picture industry.

The SPEAKER. Without objection, it is so ordered.

There was no objection.

Mr. JOHNSON of West Virginia. Mr. Speaker, I ask unanimous consent to revise and extend my remarks and to include therein a letter addressed by Senator McKellar to Senator CARTER GLASS on the development of the Tennessee Valley Authority.

The SPEAKER. Without objection, it is so ordered.

There was no objection.

Mr. DEWEY. Mr. Speaker, I ask unanimous consent to revise and extend the remarks I made today in the committee and to include therein a proposed substitute amendment.

The SPEAKER. Is there objection to the request of the gentleman from Illinois [Mr. DEWEY]?

There was no objection.

Mr. PATMAN. Mr. Speaker, I make the same request.

The SPEAKER. Is there objection to the request of the gentleman from Texas [Mr. PATMAN]?

There was no objection.

Mr. CASE of South Dakota. Mr. Speaker, I ask unanimous consent to revise and extend the remarks I made in committee this afternoon and to include therein a letter to which I referred.

The SPEAKER. Is there objection to the request of the gentleman from South Dakota [Mr. CASE]?

There was no objection.

Mr. CANNON of Missouri. Mr. Speaker, I ask unanimous consent to extend my own remarks in the RECORD and to include therein a statement and a letter from General Gregory of the War Department.

The SPEAKER. Is there objection to the request of the gentleman from Missouri [Mr. CANNON]?

There was no objection.

Mr. VOORHIS of California. Mr. Speaker, I ask unanimous consent to extend my own remarks in the RECORD and to include a resolution of the Board of Supervisors of Los Angeles County.

The SPEAKER. Is there objection to the request of the gentleman from California [Mr. VOORHIS]?

There was no objection.

Mr. WOLCOTT. Mr. Speaker, I ask unanimous consent to extend my own remarks in the Appendix of the RECORD and to include a proposed amendment to

the price-fixing bill which has to do with the establishment of a price-control administrator and an administrative board of review, which I will offer as an amendment to the bill when the committee considers it again Friday.

The SPEAKER. Is there objection to the request of the gentleman from Michigan [Mr. WOLCOTT]?

There was no objection.

Mr. CRAWFORD. Mr. Speaker, I ask unanimous consent to extend the remarks I made this afternoon and include as a part thereof four short telegrams from organized workers in my home town, as well as a statement I prepared on markets.

The SPEAKER. Is there objection to the request of the gentleman from Michigan [Mr. CRAWFORD]?

There was no objection.

#### ADJOURNMENT

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

The motion was agreed to; accordingly (at 5 o'clock and 30 minutes p. m.), under its previous order, the House adjourned until Friday, November 28, 1941, at 11 o'clock a. m.

#### COMMITTEE HEARINGS

##### COMMITTEE ON INTERSTATE AND FOREIGN COMMERCE

There will be a meeting of the Committee on Interstate and Foreign Commerce at 10 a. m., Thursday, November 27, 1941.

Business to be considered: Resume hearings on the Securities Act of 1933 and the Securities Exchange Act of 1934.

##### COMMITTEE ON THE JUDICIARY

Subcommittee No. 4 of the Committee on the Judiciary will hold hearings on H. R. 6045, to amend the act entitled "An act to require the registration of persons employed by agencies to disseminate propaganda in the United States, and for other purposes," approved June 8, 1938, as amended, on Friday, November 28, 1941, at 10 a. m., room 346, House Office Building.

Subcommittee No. 4 of the Committee on the Judiciary will hold hearings on H. R. 6056, to regulate in the United States Court of Claims suits for payment for the use of inventions by or for the Government, on Wednesday, December 3, 1941, at 10 a. m., room 346, House Office Building.

##### COMMITTEE ON INSULAR AFFAIRS

There will be a meeting of the Committee on Insular Affairs at 10:30 a. m., on Friday, November 28, 1941, for the consideration of amendments to S. 1623 and H. R. 5925.

##### COMMITTEE ON INTERSTATE AND FOREIGN COMMERCE

There will be a meeting of the Subcommittee on Aviation of the Committee on Interstate and Foreign Commerce at 10 a. m., Monday, December 8, 1941.

Business to be considered: Hearings on H. R. 5695, a bill to amend the Civilian Pilot Training Act of 1939 so as to provide for the training of civilian aviation mechanics.



## EXECUTIVE COMMUNICATIONS, ETC.

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

1099. A letter from the Secretary of War, transmitting a letter from the Chief of Engineers, United States Army, dated September 3, 1941, submitting a report, together with accompanying papers, on reexamination of St. Petersburg Harbor, Fla., requested by resolution of the Committee on Rivers and Harbors of the House of Representatives, adopted April 17, 1940; to the Committee on Rivers and Harbors.

1100. A letter from the Secretary of War, transmitting a letter from the Chief of Engineers, United States Army, dated September 5, 1941, submitting a report, together with accompanying papers, on reexamination of Ohio River in the vicinity of Bridgeport, Ohio, and Wheeling Island, W. Va., requested by resolutions of the Committee on Flood Control, House of Representatives, adopted August 2, 1939, and the Committee on Commerce, United States Senate, adopted July 18, 1939; to the Committee on Flood Control.

1101. A letter from the Acting Secretary of the Treasury, transmitting a report of payments made under the act of August 22, 1911 (37 Stat. 32; U. S. C., title 34, sec. 582), entitled "An act authorizing the Secretary of the Navy to make partial payments for work already done under public contracts; to the Committee on Naval Affairs.

1102. A letter from the Secretary of War, transmitting a letter from the Chief of Engineers, United States Army, dated July 16, 1941, submitting a report, together with accompanying papers and illustrations, on reexamination of Manchester Harbor, Mass., requested by resolution of the Committee on Rivers and Harbors, House of Representatives, adopted December 22, 1938 (H. Doc. No. 447); to the Committee on Rivers and Harbors and ordered to be printed, with three illustrations.

1103. A letter from the Secretary of War, transmitting a letter from the Chief of Engineers, United States Army, dated September 3, 1941, submitting a report, together with accompanying papers, on reexamination of Rouses Point Harbor, Lake Champlain, N. Y., requested by resolution of the Committee on Rivers and Harbors, House of Representatives, adopted October 18, 1940; to the Committee on Rivers and Harbors and ordered to be printed with illustrations.

## 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. MAY: Committee on Military Affairs. H. R. 5727. A bill to provide protection of persons and property from bombing attacks in the United States, its Territories and possessions, to authorize the procurement of materials and supplies, and for other purposes; with amendment (Rept. No. 1452). Referred to the Committee of the Whole House on the state of the Union.

## 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. LESINSKI: Committee on Immigration and Naturalization. H. R. 3295. A bill for the relief of Kurt G. Stern; without amendment (Rept. No. 1450). Referred to the Committee of the Whole House.

Mr. LESINSKI: Committee on Immigration and Naturalization. S. 456. An act

to record the lawful admission to the United States for permanent residence of Chalm Wakeman, known as Hyman Wakeman; without amendment (Rept. No. 1451). Referred to the Committee of the Whole House.

## PUBLIC BILLS AND RESOLUTIONS

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

By Mr. COLLINS:

H. R. 6108. A bill to amend the Social Security Act, as amended, to provide for the payment to States of an average of \$20 per month per capita for all recipients of old-age assistance under the several State plans who are 65 years of age or older and not inmates of a public institution; to the Committee on Ways and Means.

By Mr. DICKSTEIN:

H. R. 6109. A bill to amend the Nationality Act of 1940, approved October 14, 1940, to provide for the clarification of the dual nationality of certain persons, and for other purposes; to the Committee on Immigration and Naturalization.

By Mr. DIMOND:

H. R. 6110. A bill to extend the Federal Juvenile Delinquency Act to the Territory of Alaska; to the Committee on the Judiciary.

By Mr. TIBBOTT:

H. R. 6111. A bill to amend section 2500 of the Internal Revenue Code; to the Committee on Ways and Means.

By Mr. CLAYPOOL:

H. R. 6112. A bill to increase to \$50 per month the amount of compensation otherwise payable to widows of deceased World War veterans who at time of death were suffering from service-connected disabilities; to the Committee on World War Veterans' Legislation.

H. R. 6113. A bill to restore payment of full compensation to hospitalized veterans, and for other purposes; to the Committee on World War Veterans' Legislation.

By Mr. WICKERSHAM:

H. R. 6114. A bill to reduce the interest on loans on United States Government life (converted) insurance; to the Committee on Ways and Means.

H. R. 6115. A bill to change the definition of permanent total disability for pension purposes as to World War veterans so as to base it upon an individual rather than an average basis; to the Committee on World War Veterans' Legislation.

By Mr. VAN ZANDT:

H. R. 6116. A bill to provide payment of national service life insurance benefits based upon permanent total disability; to the Committee on Ways and Means.

By Mr. ALLEN of Louisiana:

H. R. 6117. A bill to establish a more adequate rate of compensation for certain World War veterans hospitalized for service-connected disability; to the Committee on World War Veterans' Legislation.

By Mr. ENGEL:

H. R. 6118. A bill to provide that Government life-insurance policies shall be incontestable after 1 year, and for other purposes; to the Committee on World War Veterans' Legislation.

H. R. 6119. A bill to amend the World War Veterans' Act, 1924, as amended, to provide continuation of insurance benefits (under certain conditions) to persons permanently and totally disabled, and for other purposes; to the Committee on World War Veterans' Legislation.

By Mr. FULMER:

H. R. 6120. A bill granting relief to certain agricultural producers in stricken areas who suffered crop failures in 1941 because of adverse weather conditions, insect pests, or other uncontrollable natural causes; to the Committee on Agriculture.

By Mr. RANKIN of Mississippi:

H. R. 6121. A bill authorizing the Administrator of Veterans' Affairs to grant an easement in certain lands of the Veterans' Administration facility, Murfreesboro, Tenn., to Rutherford County, Tenn., for highway purposes; to the Committee on World War Veterans' Legislation.

By Mrs. ROGERS of Massachusetts:

H. R. 6122. A bill to establish a uniform definition of "child" for the purposes of laws granting pension or compensation, or accrued amounts thereof, administered by the Veterans' Administration; to the Committee on World War Veterans' Legislation.

H. R. 6123. A bill to extend eligibility for compensation to the widows and children of deceased World War veterans who had disabilities caused or aggravated by examination, hospitalization, or medical treatment; to the Committee on World War Veterans' Legislation.

H. R. 6124. A bill to increase to \$60 per month the amount of compensation otherwise payable to widows of deceased World War veterans whose deaths were caused by their service-connected disabilities; to the Committee on World War Veterans' Legislation.

By Mr. VOORHIS of California:

H. R. 6125. A bill to increase the pension payable to war veterans suffering from permanent total non-service-connected disabilities from \$30 to \$60 per month; to the Committee on World War Veterans' Legislation.

H. R. 6126. A bill to provide that the compensation or pension of service-connected disabled veterans shall be increased by 20 percent of the basic amounts, payable for each 5 years of age beginning with the 40th birthday, and for other purposes; to the Committee on World War Veterans' Legislation.

## PRIVATE BILLS AND RESOLUTIONS

Under clause 1 of rule XXII,

Mr. O'BRIEN of Michigan introduced a bill (H. R. 6127) for the relief of Mundo Barchi, which was referred to the Committee on Military Affairs.

## PETITIONS, ETC.

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

2085. By Mr. COFFEE of Washington: Petition of the Emergency Peace Committee of Tacoma, Attorney Rex S. Roubush, chairman, Mrs. J. J. Kerwin, of Puyallup, Wash., secretary, stating that the virtual repeal of the Neutrality Act, implicit in the adoption of the Senate amendments, contemplates the possibility of bankruptcy, collapse of the present system, and the end of democracy in America; alleging that modern war per se is the greatest enemy of democracy and should be avoided unless the United States is attacked; averring that Great Britain manifests no interest in democracy outside of England; that her program of imperialism results in ruthless exploitation of China, India, and Africa; pointing out that the Weimar Republic in Germany was destroyed by joint strangling at the hands of Great Britain and France, indicating that Great Britain, by signing a trade treaty with the Nazis in 1938, proposed to divide South American trade to the exclusion of the United States; and therefore insisting that our first duty is to establish the four freedoms in America before undertaking to spread them throughout the world; to the Committee on Foreign Affairs.

2086. By Mr. JOHNSON of California: Petition of Frances Sherrill, national president of the National Legion of Mothers of America, Inc., Los Angeles, Calif., signed by approximately 325 persons, petitioning Congress to stop the step-by-step involvement of the

United States into undeclared war by repealing the Lend-Lease Act; to the Committee on Foreign Affairs.

2087. Also, a resolution adopted by the Board of Supervisors of the County of Los Angeles, State of California, expressing disapproval of the proposal to abandon or seriously curtail the surplus food stamp plan; to the Committee on Agriculture.

2088. By Mr. MARTIN of Iowa: Petition of Ivan N. Gates, secretary-treasurer, Iowa Jersey Cattle Club, West Liberty, Iowa, protesting against the recent ruling of Administrator Paul McNutt regarding the manufacture and sale of oleomargarine in the imitation of butter; to the Committee on Agriculture.

2089. By Mr. ROLPH: Resolution No. 2243 of the Board of Supervisors of the city and county of San Francisco, Calif., requesting that the Raker Act be amended by eliminating therefrom the prohibitions contained therein against the sale for resale of the electric energy generated on the Hetch Hetchy project; to the Committee on the Public Lands.

2090. By Mr. SMITH of Wisconsin: Petition of members of the N. A. W. of the Congress of Industrial Organizations of Racine, Wis., submitted by the central legislative council of that organization, protesting against the passage of the price-control bill (H. R. 5479); to the Committee on Banking and Currency.

2091. By the SPEAKER: Petition of Camp No. 54, P. O. of A., Audubon, N. J., petitioning consideration of their resolution with reference to House bill 1410; to the Committee on Ways and Means.

## SENATE

THURSDAY, NOVEMBER 27, 1941

Very Rev. ZēBarney Thorne Phillips, D. D., dean of the Washington Cathedral and Chaplain of the Senate, offered the following prayer:

Almighty God, within whose keeping are all the sons of men and of whose bestowal are all the gifts of life: Help us to make the noblest use of mind and body in the days that lie ahead; apportion Thou our work according to our strength, and, as Thou hast pardoned our transgressions, we beseech Thee to sift the ingatherings of our memory, that evil may grow dim, that good may shine forth clearly until in Thine unhindered light each stain of self may be effaced.

Grant to us, then, new ties of friendship, clear thought, and quiet faith, and, above all, increase our sympathy for those who bear the burdens of the world, for those who do but hear in sorrow's brooding air the anguished cry of suffering and pain, and in the midst of their despair do Thou comfort them with Thine own promise of repose in a ransomed world where peace shall be enthroned and shall reign among all nations. In our blest Redeemer's name we ask it. Amen.

### THE JOURNAL

On request of Mr. GUFFEY, and by unanimous consent, the reading of the Journal of the proceedings of Monday, November 24, 1941, was dispensed with, and the Journal was approved.

### MESSAGES FROM THE PRESIDENT

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

### MESSAGE FROM THE HOUSE

A message from the House of Representatives, by Mr. Swanson, one of its clerks, announced that the House insisted upon its amendment to the bill (S. 210) to amend the Interstate Commerce Act, as amended, to provide for the regulation of freight forwarders, disagreed to by the Senate; agreed to the conference asked by the Senate on the disagreeing votes of the two Houses thereon, and that Mr. LEA, Mr. CROSSER, Mr. SOUTH, Mr. PATRICK, Mr. WOLVERTON of New Jersey, Mr. HOLMES, and Mr. REECE of Tennessee were appointed managers on the part of the House at the conference.

The message also announced that the House had agreed to the amendment of the Senate to the bill (H. R. 466) for the relief of J. T. Colter.

The message further announced that the House had agreed severally to the reports of the committees of conference on the disagreeing votes of the two Houses on the amendment of the Senate to each of the following bills of the House:

H. R. 768. An act for the relief of William E. Thomas;

H. R. 3121. An act for the relief of the Automatic Temperature Control Co., Inc.;

H. R. 3774. An act for the relief of Fred Spencer; and

H. R. 4270. An act for the relief of Margaret M. Cutts.

The message also announced that the House had agreed to the report of the committee of conference on the disagreeing votes of the two Houses on the amendments of the Senate to the bill (H. R. 1852) for the relief of Fred Weybret, Jr., and others.

The message further announced that the House had passed a bill (H. R. 5694) to prevent the sale of unwholesome food in the District of Columbia, in which it requested the concurrence of the Senate.

### ENROLLED BILL SIGNED

The message also announced that the Speaker had affixed his signature to the enrolled bill (S. 1884) to make provision for the construction activities of the Army, and it was signed by the Vice President.

### SPECIAL COMMITTEE TO INVESTIGATE THE NATIONAL-DEFENSE PROGRAM

The VICE PRESIDENT. The Chair appoints the Senator from Iowa [Mr. HERRING], the Senator from West Virginia [Mr. KILGORE], and the Senator from New Hampshire [Mr. BRIDGES] as additional members of the Special Committee to Investigate the National-Defense Program, authorized by Senate Resolution 175, agreed to October 16, 1941.

### UNITED STATES MUHLENBERG BICENTENNIAL COMMISSION

The VICE PRESIDENT. Also, the Chair appoints the Senator from Kentucky [Mr. BARKLEY], the senior Senator from Pennsylvania [Mr. DAVIS], the junior Senator from Pennsylvania [Mr. GUFFEY], and the Senator from Minnesota [Mr. SHIPSTEAD] as the members on the part of the Senate of the United States Muhlenberg Bicentennial Com-

mission, established by Public Law 209, approved August 16, 1941.

### EXECUTIVE COMMUNICATIONS, ETC.

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

### SUPPLEMENTAL ESTIMATES, DEPARTMENT OF JUSTICE (S. Doc. No. 124)

A communication from the President of the United States, transmitting supplemental estimates of appropriations, fiscal year 1942, amounting to \$1,280,000, for the Department of Justice (with an accompanying paper); to the Committee on Appropriations and ordered to be printed.

### SUPPLEMENTAL ESTIMATES, NAVY DEPARTMENT (S. Doc. No. 125)

A communication from the President of the United States, transmitting supplemental estimates of appropriations for the Navy Department, fiscal year 1942, amounting to \$18,631,492 (with an accompanying paper); to the Committee on Appropriations and ordered to be printed.

### SUPPLEMENTAL ESTIMATE, NAVY DEPARTMENT AND NAVAL SERVICE (S. Doc. No. 126)

A communication from the President of the United States, transmitting a supplemental estimate of appropriation for the Navy Department and the naval service, fiscal year 1942, amounting to \$1,665,000 (with an accompanying paper); to the Committee on Appropriations and ordered to be printed.

### SUPPLEMENTAL ESTIMATE, DEPARTMENT OF THE INTERIOR (S. Doc. No. 127)

A communication from the President of the United States, transmitting a supplemental estimate of appropriation for the Department of the Interior, fiscal year 1942, amounting to \$578,000 (with an accompanying paper); to the Committee on Appropriations and ordered to be printed.

### REPORT ON CERTAIN CONTRACT PAYMENTS

A letter from the Acting Secretary of the Treasury, reporting, pursuant to law, relative to payments and partial payments to contractors in amounts not exceeding 30 percent of contract price in the case of Coast Guard contracts, etc.; to the Committee on Naval Affairs.

### AWARDS OF CONTRACTS FOR THE NAVY

Two letters from the Secretary of the Navy, reporting, pursuant to law, relative to divisions of awards of certain quantity contracts for aircraft, aircraft parts, and accessories therefor entered into with more than one bidder under authority of law; to the Committee on Naval Affairs.

### NUMBER OF MEN IN ACTIVE TRAINING AND SERVICE IN THE LAND FORCES

A letter from the Secretary of War, reporting, pursuant to law, that, on the last day of October 1941, there were 749,780 men in active training and service in the land forces under section 3 (b) of the Selective Training and Service Act of 1940; to the Committee on Military Affairs.

### REPORT OF NATIONAL SOCIETY OF DAUGHTERS OF THE AMERICAN REVOLUTION

A letter from the secretary of the Smithsonian Institution, transmitting, pursuant to law, the annual report of the National Society of the Daughters of the American Revolution for the year ended April 1, 1941 (with an accompanying report); to the Committee on Printing.

### PETITIONS

The VICE PRESIDENT laid before the Senate a letter in the nature of a petition from Miss Edith Huffman, of San Fernando, Calif., praying for the enactment