for printing and reference to the proper calendar, as follows:

Mr. JARMAN: Committee on Printing. House Resolution 405. Resolution authorizing the Committee on the Judiciary of the House of Representatives to have printed additional copies of the hearings held before a subcommittee of said committee on the bill (H. R. 4394) to amend an act entitled "An act to establish a uniform system of bankruptcy throughout the United States," approved July 1, 1898, and acts amendatory thereof and supplementary thereto; without amendment (Rept. No. 1635). Referred to the House Calendar.

Mr. SABATH: Committee on Rules. House Resolution 411. Resolution for the consideration of H. R. 6392, a bill to authorize the construction of certain naval vessels and for other purposes; without amendment (Rept. No. 1636). Referred to the House Calendar.

Mr. RANKIN of Mississippi: Committee on World War Veterans' Legislation. S. 1889. An act authorizing the Administrator of Veterans' Affairs to grant an easement for highway purposes to the county of Macon, Ala., in a strip of land located at Veterans' Administration facility, Tuskegee, Ala.; without amendment (Rept. No. 1637). Referred to the Committee of the Whole House on the state of the Union.

Mr. RANKIN of Mississippi: Committee on World War Veterans' Legislation. S. 2012. An act authorizing the Administrator of Veterans' Affairs to grant an easement in certain lands of the Veterans' Administration facility, Togus, Maine, to the State of Maine, for road-widening purposes; without amendment (Rept. No. 1638). Referred to the Committee of the Whole House on the state of the Union.

Mr. RANKIN of Mississippi: Committee on World War Veterans' Legislation. S. 2080. An act 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; without amendment (Rept. No. 1639). Referred to the Committee of the Whole House on the state of the Union.

Mr. RANDOLPH: Committee on the District of Columbia. H. R. 5306. A bill to amend the District of Columbia Alley Dwelling Act; without amendment (Rept. No. 1640). Referred to the Committee of the Whole House on the state of the Union.

Mr. RANDOLPH: Committee on the District of Columbia. H. R. 6107. A bill to authorize the Commissioners of the District of Columbia to permit the vestry of Rock Creek Parish to utilize for burial sites certain land within its present holdings in Rock Creek Cemetery; without amendment (Rept. No. 1641). Referred to the Committee of the Whole House on the state of the Union.

Mr. RANDOLPH: Committee on the District of Columbia. H. R. 6375. A bill to amend subchapter 2 of chapter 19 of the Code of Law for the District of Columbia; without amendment (Rept. No. 1642). Referred to the Committee of the Whole House on the state of the Union.

PUBLIC BILLS AND RESOLUTIONS

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

By Mr. BURDICK:

H. R. 6422. A bill to provide for protection, preservation, and service of private and personal sources of the history of the United States of America by establishment of a National Historical Manuscript Repository, and for other purposes; to the Committee on the Library.

By Mr. RANDOLPH:

H. R. 6423. A bill to provide for regulation of insurance rates against loss by fire and lightning, and for other purposes; to the Committee on the District of Columbia.

By Mr. WEISS:

H. R. 6424. A bill to allow enlistment of specialists and technicians over the age of 35 years; to the Committee on Military Affairs.

By Mr. SACKS:

H. R. 6425. A bill to provide for investigating the matter of the establishment of a national park in the old part of the city of Philadelphia, for the purposes of conserving the historical objects and buildings therein; to the Committee on the Public Lands.

By Mr. EDWIN ARTHUR HALL:

H. Res. 414 Resolution to amend clause 4 of the rule 27 of the House of Representatives; to the Committee on Rules.

PRIVATE BILLS AND RESOLUTIONS

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

By Mr. SHANLEY:

H. R. 6426. A bill for the relief of Dr. Paul Roger Zahlmann; to the Committee on Claims.

By Mr. THOMAS of New Jersey:

H. R. 6427. A bill for the relief of George E. Smith; to the Committee on Claims.

By Mr. WILLIAMS:

H. R. 6428. A bill granting a pension to Oscar James Callier; to the Committee on Invalid Pensions.

By Mr. WOLFENDEN of Pennsylvania:

H. R. 6429 (by request). A bill for the relief of Frank Raymond West; to the Committee on Naval Affairs.

PETITIONS, ETC.

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

2313. By Mr. LUTHER A. JOHNSON: Petition of R. M. Richardson, of Franklin, Tex., opposing pay-roll tax but favoring sales tax; to the Committee on Ways and Means.

2314. Also, petition of L. A. Gray, of Franklin, Tex., favoring a sales tax; to the Committee on Ways and Means.

2315. By Mr. MOTT: Petition signed by Hattie Hatcher and other residents of Coos County, Oreg., urging the enactment of Senate bill 860, to prohibit the sale of intoxicating liquor in Army camps; to the Committee on Military Affairs.

2316. By the SPEAKER: Petition of the National Lumber Manufacturers Association, Washington, D. C., petitioning consideration of their resolution with reference to the Bureau of Plant Industry investigations for control of sap staining of wood; to the Committee on Appropriations.

SENATE

THURSDAY, JANUARY 22, 1942

The Reverend Bernard Braskamp, D. D., pastor of the Gunton Temple Memorial Presbyterian Church, Washington, D. C., offered the following prayer:

O Thou who hast been our dwelling place in all generations, grant unto us this day a more vivid and inspiring assurance of Thy presence.

We humbly confess that when we turn away from Thee we begin to experience anxious days and troubled nights, and become stricken with fears. Forgive us for being so faithless and so unfaithful.

We pray that Thou wilt be very gracious unto these Thy servants, whom our country has accounted worthy of the high vocation to be leaders in the affairs of government. May they continually come with clear minds and courageous hearts to the sacrament of public service. Kindle within their souls the light of Divine truth, that they may direct the course of our Nation toward a fuller measure of justice, love, and peace.

Fill us with a passion to bring our imperfect human ways into a blessed harmony with the Eternal Will. Equip us with wisdom and strength for the sacred enterprise of building a better world. Awaken within us a sense of stewardship, and may our souls be responsive to the appeals of all who are finding the struggle of life so difficult.

Hear us in the name of the Christ, whose spirit we are seeking to incarnate. Amen.

THE JOURNAL

On request of Mr. BARKLEY, and by unanimous consent, the reading of the Journal of the proceedings of Tuesday, January 20, 1942, was dispensed with, and the Journal was approved.

MESSAGES FROM THE PRESIDENT—APPROVAL OF BILLS

Messages in writing from the President of the United States were communicated to the Senate by Mr. Miller, one of his secretaries, who also announced that on January 20, 1942, the President had approved and signed the following acts:

S. 1677. An act authorizing subsistence allowance provided for aviation cadets to be paid to messes in manner as prescribed by the act of March 14, 1940 (Public, No 433, 76th Cong.);

S. 1995. An act to amend the act approved June 23, 1938, entitled "An act to regulate the distribution, promotion, and retirement of officers of the line of the Navy, and for other purposes";

S. 2094. An act to provide for the rank and title of the Commandant of the Marine Corps;

S 2095. An act to further amend the act approved June 23, 1938 (52 Stat. 944), as amended;

S. 2160. An act to promote the national security and defense by establishing daylight saving time; and

S. 2169. An act to create the Limited Service Marine Corps Reserve, and for other purposes.

MESSAGE FROM THE HOUSE

A message from the House of Representatives, by Mr. Swanson, one of its clerks, announced that the House had agreed to the amendments of the Senate to the bill (H. R. 3487) to amend further the Civil Service Retirement Act, approved May 29, 1930, as amended.

The message also announced that the House had agreed to the amendment of the Senate to the bill (H. R. 4787) to provide that the unexplained absence of any ex-service man for 7 years shall be deemed sufficient evidence of death for the purpose of laws administered by the Veterans' Administration.

The message further announced that the House had passed the following bills,

AUTHENTICATED U.S. GOVERNMENT INFORMATION GPO

in which it requested the concurrence of the Senate:

H. R. 4151. An act to authorize the acquisition by the United States of lands lying between the present boundary of the naval air station, Lakehurst, N. J., and the new boundary of Fort Dix, in the county of Ocean and State of New Jersey;

H. R. 6273. An act to amend the provisions of the Internal Revenue Code by setting new maximum limits on allowances for losses of distilled spirits by leakage or evaporation while in internal-revenue bonded warehouses, and for other purposes;

H. R. 6333. An act to authorize the Secretary of the Navy to proceed with the construction of certain public works, and for other purposes; and

H. R. 6392. An act to authorize the construction of certain naval vessels, and for other purposes.

ENROLLED BILLS AND JOINT RESOLUTIONS SIGNED

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

S. 1936. An act to provide protection of persons and property from bombing attacks in the United States, and for other purposes;

S. 2204. An act authorizing vessels of Canadian registry to transport iron ore on the Great Lakes during 1942;

H. R. 3193. An act validating certain conveyances heretofore made by Central Pacific Railway Co., a corporation, and its lessee, Southern Pacific Co., a corporation, involving certain portions of right-of-way in the city of Tracy, in the county of San Joaquin, State of California, and in the town of Elk Grove, in the county of Sacramento, State of California, acquired by Central Pacific Railway Co. under the act of Congress approved July 1, 1862 (12 Stat. L. 489), as amended by the act of Congress approved July 2, 1864 (13 Stat. L. 356);

H. R. 6263. An act to amend section 606 of the Communications Act of 1934 for the purpose of granting to the President, in time of war or threatened war, certain powers with respect to communications by wire;

S. J. Res. 96. Joint resolution to enable the United States to become an adhering member of the Inter-American Statistical Institute; and

S. J. Res. 124. Joint resolution to maintain the secrecy of military information.

READING OF WASHINGTON'S FAREWELL ADDRESS

The VICE PRESIDENT. The Chair designates the Senator from Rhode Island [Mr. GREEN] to read Washington's Farewell Address on Monday, February 23, next, under the order of the Senate of January 24, 1901.

EXECUTIVE COMMUNICATIONS, ETC.

The VICE PRESIDENT laid before the Senate the following letters, which were referred as indicated:

TRANSACTION OF PUBLIC BUSINESS IN EVENT OF DEATH, RESIGNATION, OR SEPARATION FROM OFFICE OF CHIEF DISBURSING OFFICER

A letter from the Acting Secretary of the Treasury, transmitting a draft of proposed legislation to provide for the orderly transaction of the public business in the event of the death or of the resignation or separation from office of the Chief Disbursing Officer (with an accompanying paper); to the Committee on Expenditures in the Executive Department.

REPORT ON NATIONAL FOREST ROADS AND TRAILS

A letter from the Assistant Secretary of Agriculture, transmitting, pursuant to law, the annual report on national forest roads and trails for the fiscal year ended June 30, 1941 (with an accompanying report); to the Committee on Post Offices and Post Roads.

REPORT OF GOVERNMENT OF THE DISTRICT OF COLUMBIA

A letter from the president of the Board of Commissioners of the District of Columbia, transmitting, pursuant to law, a report of the official operations of the government of the District of Columbia for the fiscal year ended June 30, 1941 (with an accompanying report); to the Committee on the District of Columbia.

DISPOSITION OF EXECUTIVE PAPERS

A letter from the Archivist of the United States, transmitting, pursuant to law, lists of papers and documents in the files of the Department of the Treasury (2), the Navy, the Interior (2), and Agriculture (13), the administrative office of the United States courts (U. S. Customs Court of New York City), and the Federal Security Agency (Social Security Board), which are not needed in the conduct of business and have no permanent value or historical interest, and requesting action looking to their disposition (with accompanying papers); to a Joint Select Committee on the Disposition of Papers in the Executive Departments.

The VICE PRESIDENT appointed Mr. BARKLEY and Mr. BREWSTER members of the committee on the part of the Senate.

PETITION AND MEMORIAL

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

By Mr. TYDINGS:

A petition of sundry citizens of Baltimore, Md., praying for the enactment of the bill (S. 860) to provide for the common defense in relation to the sale of alcoholic liquors to the members of the land and naval forces of the United States and to provide for the suppression of vice in the vicinity of military camps and naval establishments; ordered to lie on the table.

By Mr. GREEN:

A joint resolution of the General Assembly of the State of Rhode Island; to the Committee on Interstate Commerce:

"House Joint Resolution 570

"Resolution requesting the Senators and Representatives from Rhode Island in the Congress of the United States to use their earnest efforts to prevent the passage of Senate bill 2015, namely, a bill to amend the Interstate Commerce Act, as amended, to provide for the regulation of the sizes and weights of motor vehicles engaged in transportation in interstate or foreign commerce

"Whereas there is now pending in Congress a bill (S. 2015) to amend the Interstate Commerce Act, as amended, to provide for the regulation of the sizes and weights of motor vehicles engaged in transportation in interstate or foreign commerce; and

"Whereas the proposed bill (S. 2015) will take away from the States the authority to regulate the traffic insofar as the weight and dimensions of the trucks used are concerned, not only on the roads that are built partially by Federal funds but also by all other roads as well; and

"Whereas, inasmuch as the commission on interstate cooperation, through its regional committee on motor-vehicle problems, has already made the definite change in some of the laws of the States so that there will be uniformity between States relative to this problem and are continuing to work along this same direction; and

"Whereas any cooperation necessary with the Federal Government to facilitate the speedy transportation of defense material through any and all States will not be impeded in any way: Now, therefore, be it

"*Resolved*, That the Senators and Representatives from Rhode Island in the Congress of the United States be, and they hereby are, respectfully requested to make every effort to stay the program which is pushing the passage of said Senate bill 2015 in the Congress of the United States and to express to the proper authorities, including the chairman of the Senate Committee on Interstate Commerce, the feeling of the General Assembly of the State of Rhode Island and Providence Plantations that this proposed measure is not essential even in view of the present emergency; and be it further

"*Resolved*, That the secretary of state be authorized to transmit duly certified copies of this resolution to the Senators and Representatives from Rhode Island in the Congress of the United States and to Senator CHARLES O. ANDREWS, chairman of the Senate Committee on Interstate Commerce."

RESOLUTIONS OF NATIONAL SOCIAL SCIENCE HONOR SOCIETY, PI GAMMA MU

Mr. THOMAS of Utah. Mr. President, as a matter of public interest, and at the request of the officers of the organization, I ask unanimous consent that resolutions adopted by the National Social Science Honor Society, Pi Gamma Mu, adopted at the eighth national convention in New York City on December 29–30, 1941, be printed in the RECORD and appropriately referred.

There being no objection, the resolutions were referred to the Committee on Military Affairs and ordered to be printed in the RECORD, as follows:

Whereas the Congress of the United States, upon request of the President, has declared that a state of war exists between the United States and Japan, Germany, and Italy; and

Whereas upon the result of this war depend the safety of our country and the perpetuation of those cherished rights set forth in our Constitution and which make us a free people, insuring our American way of life: Be it

Resolved, That the National Social Science Honor Society, Pi Gamma Mu, Inc., reaffirm their loyalty to our country and to the Constitution upon which it rests, pledge our support to the Government and assure the President and Congress of our readiness to respond to whatever call may be made upon us by those in authority to help bring this conflict to a triumphant conclusion and for the successful maintenance of our liberties and the restoration of the freedom of peoples now enslaved by the enemies of democracy and Christianity; be it further

Resolved, That this society be vigilant in preventing, uncovering, and reporting to the proper authorities any acts of sabotage and espionage to the duly constituted authorities and any other subversive activities that would weaken our national defense or slacken the prosecution of the plans for the conflict in which our Nation is engaged; be it further

Resolved, That the National Social Science Honor Society, Pi Gamma Mu, Inc., by the encouragement it gives to the study of human relationships contribute all within its power to help build a post-war world order, with protective safeguards, which will make impossible, or less likely, the recurrence of such a catastrophe as that which has now involved the world; be it further

Resolved, That a copy of these resolutions be sent to the President of the United States

of America, to our Representatives in the Congress of the United States, to any other governmental bodies as deemed advisable, and to the secretary or president of each chapter of the society.

RESOLUTION OF OUTAGAMIE CITIZENS ECONOMY COUNCIL, WISCONSIN—NONDEFENSE SPENDING

Mr. WILEY. Mr. President, I present and ask to have printed in the RECORD and appropriately referred a resolution adopted by the Outagamie Citizens Economy Council of Wisconsin.

There being no objection, the resolution was referred to the Committee on Appropriations and ordered to be printed in the RECORD, as follows:

Whereas the authorizations of more than $65,000,000,000 for national defense have been made by the Federal Government alone; and

Whereas the expenditures of the Federal, State, and local governments totaled more than $18,000,000,000 prior to the beginning of the Federal armament program; and

Whereas this Nation cannot meet the cost of the defense program and continue to spend for other governmental activities at the old rate; and

Whereas officials of State and local government have been urged by Federal officials to delay all spending which is not absolutely necessary in order to give priority of materials, men, and money for the national-defense program; and

Whereas Federal spending for nondefense purposes has not been decreased: Therefore, be it

Resolved, That this organization hereby calls upon the Members of Congress to take immediate steps to reduce Federal nondefense spending so that the armament program will not be retarded and so that citizens will be better able to stand the great financial strain they are facing.

IMPOSITION OF TAXES ON WAGES—MEMORIAL

Mr. WILEY. Mr. President, I also present a paper in the nature of a memorial signed by a number of citizens of Milwaukee, Wis., which I ask to have printed in the RECORD, without all the signatures attached thereto, and appropriately referred.

There being no objection, the paper in the nature of a memorial was referred to the Committee on Finance and ordered to be printed in the RECORD without all the signatures attached, as follows:

To Hon. ALEXANDER WILEY,
United States Senator from Wisconsin, Washington, D. C.

HONORABLE SIR: We, the undersigned citizens of the United States of America, being opposed to any legislation or condition tending to concentrate the money and wealth of our country into the hands of a few, and being firmly convinced that interest on money, being unearned, will by its very nature accomplish this, do hereby declare ourselves to be unalterably opposed to the levying and collecting of any and all taxes on earned wages until such time as the Government suspends the payment of interest on Federal indebtedness, and we request that you take such immediate action as is necessary to bring before your honorable body the proper resolutions and bills required to effect the discontinuance of such payments.

MARTIN H. STAHL,
JOSEPH FRIED,
(And other citizens).

PRICE CONTROL—MEMORANDUM OF NATIONAL ASSOCIATION OF COMMISSIONERS, SECRETARIES, AND DIRECTORS OF AGRICULTURE

Mr. CAPPER. Mr. President, I ask unanimous consent to have printed in the RECORD and appropriately disposed of a memorandum prepared by the National Association of Commissioners, Secretaries, and Directors of Agriculture asking the Congress to protect the interests of the American farmer in the enactment of price-control legislation.

They ask that wages and farm prices be kept more nearly in balance, as proposed in the O'Mahoney amendment, and that the machinery of the price-control bill be administered by one who is familiar with the problems of agriculture, as proposed by the Bankhead amendment. I am strongly in favor of both these amendments and hope the conference report on the price-control bill will include them in the bill.

There being no objection, the memorandum was ordered to lie on the table and to be printed in the RECORD, as follows:

In order that our farmers and stockmen may be left in a position to do their full share in helping to win the war, the following facts are summarized for your earnest consideration:

1. Full agricultural production is vitally important to our national defense efforts.

2. Prices for our major agricultural commodities are below the cost of production. Using cotton as an example, current prices represent only 18 cents per hour to the farmers for their toil producing it, compared to 75 cents to $1 or more per hour for industrial workers.

3. Defense workers are making as much in a month as a large portion of our farmers and their families earn in an entire year.

4. Due to the scarcity of farm labor and high production costs, it will be economically impossible for farmers generally to make or attain maximum production at existing low prices.

5. To fix maximum or ceiling prices for farm commodities or freeze prices to existing low levels, as compared to the income of industrial workers, would not only do the American farmer a gross injustice but from an economic point would prove disastrous to the national defense and war program.

6. For Government agencies to sell farm commodities at prices below the ceilings established in price-control legislation is economically unsound, and naturally has a direct tendency to curtail production of certain agricultural commodities that will later be vitally needed.

We believe you will agree there is no more patriotic group than the American farmers; they have demonstrated their good faith by increasing their production to the utmost without first demanding a host of guaranties; and they are confidently expecting the Congress to protect their interests.

We hope and urge that you please do all in your power:

1. That no price ceilings over farm commodities be approved that do not relate at least 20 percent to the wage scale, so that wages and farm prices may be kept more nearly in balance. This the O'Mahoney amendment (including the Russell-Brown amendments) does.

2. Desperate attempts are being made to eliminate not only the O'Mahoney amendment but also eliminate, or greatly modify, the Bankhead amendment, which provides the machinery for effective administration by one familiar with the problems of agriculture. It gives the Secretary of Agriculture prior approval on any price ceilings which the Administrator might contemplate setting.

The position of the National Association of Commissioners, Secretaries, and Directors of Agriculture, functioning in the 48 States under constitutional authority and statutory rights, speaking for their clientele, in conjunction with other farm groups, support the contention that farmers everywhere are solidly behind the Secretary of Agriculture in his fearless stand for the power to prevent the possibility of jeopardizing the "food for freedom" program.

REPORTS OF COMMITTEES

The following reports of committees were submitted:

By Mr. ELLENDER, from the Committee on Claims:

S. 2022. A bill for the relief of certain claimants who suffered losses and sustained damages as the result of the campaign carried out by the Federal Government for the eradication of the Mediterranean fruitfly in the State of Florida; without amendment (Rept. No. 971);

H. R. 1914. A bill for the relief of the Coppel Coal Co.; without amendment (Rept. No. 972);

H. R. 2183. A bill for the relief of Hiram O. Lester, Grace D. Lester, and Florence E. Dawson; with amendments (Rept. No. 976);

H. R. 2780. A bill for the relief of O. C. Ousley; with an amendment (Rept. No. 975);

H. R. 3403. A bill for the relief of Louis M. McDougal; without amendment (Rept. No. 973); and

H. R. 5291. A bill for the relief of Helen Rauch and Max Rauch; without amendment (Rept. No. 974).

By Mr. WILEY, from the Committee on Claims:

H. R. 2372. A bill for the relief of Paul E. Cook; without amendment (Rept. No. 977); and

H. R. 5164. A bill for the relief of Arthur W. Jorgenson, and the legal guardian of Robert R. Jorgenson, a minor; without amendment (Rept. No. 978).

By Mr. STEWART, from the Committee on Claims:

H. R. 2376. A bill for the relief of Ethel Ray Sowder; without amendment (Rept. No. 979).

By Mr. CAPPER, from the Committee on Claims:

S. 1898. A bill for the relief of the heirs of Mrs. Nazaria Garcia, of Winslow, Ariz.; with an amendment (Rept. No. 980).

By Mr. TUNNELL, from the Committee on Claims:

S. 984. A bill for the relief of Mr. and Mrs. James C. Loard; with an amendment (Rept. No. 981); and

H. R. 2712. A bill for the relief of the Branchland Pipe & Supply Co.; with an amendment (Rept. No. 982).

By Mr. ROSIER, from the Committee on Claims:

S. 1801. A bill for the relief of Eugene Jackson; with an amendment (Rept. No. 988);

H. R. 257. A bill for the relief of Edna La Blanche Gillette; without amendment (Rept. No. 983);

H. R. 3118. A bill for the relief of the State compensation insurance fund of California; without amendment (Rept. No. 984);

H. R. 4182. A bill for the relief of Mollie S. McHaney; without amendment (Rept. No. 985);

H. R. 5046. A bill for the relief of Mr. and Mrs. R. L. Saunders; without amendment (Rept. No. 986); and

H. R. 5390. A bill for the relief of G. T. Elliott, Inc.; without amendment (Rept. No. 987).

By Mr. GEORGE, from the Committee on Finance:

H. J. Res. 257. Joint resolution to amend section 124 of the Internal Revenue Code to simplify the procedure in connection with amortization of certain facilities; without amendment (Rept. No. 990).

SECOND WAR POWERS BILL—REPORT OF THE JUDICIARY COMMITTEE

Mr. O'MAHONEY. Mr. President, on behalf of the Judiciary Committee I report back favorably from that committee, with amendments, the second war powers bill (S. 2208) to further expedite the prosecution of the war, and I submit a report (No. 989) thereon.

The VICE PRESIDENT. The report will be received and the bill will be placed on the calendar.

BILLS AND JOINT RESOLUTION INTRODUCED

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

By Mr. McNARY:

S. 2213. A bill for the relief of Mr. and Mrs. Russell L. Patton; to the Committee on Claims.

By Mr. NYE:

S. 2214. A bill for the relief of the North Dakota-Montana Wheat Growers Association; to the Committee on Claims.

By Mr. McKELLAR:

S. 2215. A bill to amend section 107 of the Judicial Code, to change the statutory terms for the District Court for the Middle District of Tennessee; to the Committee on the Judiciary.

Mr. DOXEY. Mr. President, I introduce a bill prepared by me to provide for court stenographers in the United States district courts, and fixing their duties and compensation, and ask that it be referred to the Judiciary Committee.

The VICE PRESIDENT. The bill will be received and referred as requested by the Senator from Mississippi.

By Mr. DOXEY:

S. 2216. A bill to provide for court stenographers in the United States district courts and to fix their duties and compensation; to the Committee on the Judiciary.

By Mr. REYNOLDS:

S. 2217. A bill to authorize the attendance of personnel of the Army of the United States as students at educational institutions and other places; to the Committee on Military Affairs.

By Mr. WALSH:

S. 2218. A bill to authorize the construction of certain naval vessels, and for other purposes; and

S. 2219. A bill to provide for continuing payment of pay and allowances of personnel of the Army of the United States, Navy, Marine Corps, and Coast Guard, including the retired and reserve components thereof, and civilian employees of the War and Navy Departments, during periods of absence from post of duty, and for other purposes; to the Committee on Naval Affairs.

By Mr. KILGORE:

S. 2220. A bill for the relief of Frank Sheppard; to the Committee on Claims.

By Mr. GUFFEY (for himself, Mr. HUGHES, and Mr. TRUMAN):

S. J. Res. 128. Joint resolution requesting the President to proclaim February 1 as National Freedom Day; to the Committee on the Judiciary.

HOUSE BILLS REFERRED

The following bills were severally read twice by their titles and referred as indicated:

H. R. 6273. An act to amend the provisions of the Internal Revenue Code by setting new maximum limits on allowances for losses of distilled spirits by leakage or evaporation while in internal-revenue bonded warehouses, and for other purposes; to the Committee on Finance.

H. R. 4151. An act to authorize the acquisition by the United States of lands lying between the present boundary of the naval air station, Lakehurst, N. J., and the new boundary of Fort Dix, in the county of Ocean and State of New Jersey;

H. R. 6333. An act to authorize the Secretary of the Navy to proceed with the construction of certain public works, and for other purposes; and

H. R. 6392. An act to authorize the construction of certain naval vessels, and for other purposes; to the Committee on Naval Affairs.

SECOND WAR POWERS BILL—AMENDMENT

Mr. TRUMAN submitted an amendment intended to be proposed by him to the bill (S. 2208) to further expedite the prosecution of the war, which was ordered to lie on the table and to be printed.

CHARLOTTE INGERSOLL TUCKER—WITHDRAWAL OF PAPERS

On motion of Mr. THOMAS of Oklahoma, it was

Ordered, That the papers accompanying the bill (S. 3609, 70th Cong., 1st sess.) granting an increase of pension to Charlotte Ingersoll Tucker be withdrawn from the files of the Senate, no adverse report having been made thereon.

THE RUBBER SHORTAGE—RUBBER MATS FOR QUARTERMASTER CORPS

Mr. VANDENBERG. Mr. President, at the Senate's last session I presented a communication complaining of a contemplated purchase of rubber mats by the Quartermaster Corps of the Army—the suggestion being that this relatively inconsequential matter indicated that there should be the same vigilant economy respecting strategic materials in defense activities as is imposed upon civilian use.

I now want to complete the record. I am glad to report that the War Department has been completely and commendably responsive. As soon as the matter thus came to light, the invitation for bids was immediately withdrawn. No such purchases will be made. Indeed, the invitation itself contravened previous conservation orders already initiated by the Quartermaster Corps.

The incident demonstrates the necessity for constant vigilance in the efficient administration of our far-flung war effort.

RESULTS OF RECOMMENDATIONS OF SPECIAL COMMITTEE TO INVESTIGATE THE DEFENSE PROGRAM

Mr. TRUMAN. Mr. President, I ask to have inserted in the RECORD, as a part of my remarks, a memorandum, copy of which has already gone to the desk, in reference to legislation which has been affected by certain reports and recommendations of the Special Committee to Investigate the Defense Program, of which I am chairman.

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

On August 14, 1941, the Special Committee to Investigate the Defense Program, in submitting its report to the Senate on the War Department's camp and cantonment construction program, recommended, first, that the Quartermaster Corps should be relieved of all construction activities; and second, that the Corps of Engineers should be assigned additional construction work. Acting on the recommendations of the committee in this regard, S. 1884 was introduced on September 3, 1941, providing for the transfer of all construction activities from the Quartermaster Corps of the War Department to the Engineer Corps. This transfer became law on December 1, 1941.

The committee made an investigation and study of the entire defense housing program. As a result of this study, Senator TRUMAN recommended several changes in H. R 6128, authorizing an additional $300,000,000 expenditure for public defense housing units to the subcommittee of the Senate Committee on Education and Labor. Among the recommendations which were adopted on final passage were (1) continued participation of the United States Housing Authority in the defense housing program; (2) rents to defense workers are based on the value of the unit occupied and not on the income of the occupant; (3) local officials must be consulted by Federal officials before defense housing units are erected in order that such units may conform with the architectural characteristics of the locality.

PURCHASE BY W. P. A. WORKERS AT NAVY YARD, CHARLESTON, S. C., OF SAVINGS BONDS AND STAMPS

Mr. MAYBANK. Mr. President, I ask unanimous consent to have printed in the RECORD a letter addressed to me by the Federal Works Agency, Work Projects Administration, Columbia, S. C., stating that the workers on W. P. A. projects at the navy yard, Charleston, S. C., have taken up a collection among themselves and have turned over to the Government in the form of Defense Savings bonds and stamps the funds thus derived.

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

FEDERAL WORKS AGENCY,
WORK PROJECTS ADMINISTRATION,
Columbia, S. C.

Hon. BURNET R. MAYBANK,
United States Senator,
Senate Office Building,
Washington, D. C.

MY DEAR SENATOR MAYBANK: The workers on the W. P. A. projects at the navy yard, Charleston, S. C., decided that they wanted to take up collection among themselves and turn the funds over to the Government in Defense Savings bonds and stamps.

This decision was made by them without any knowledge by anyone in this office.

At their request I am transmitting the bonds and stamps to you with the request that you forward them to the President of the United States.

The enclosures are as follows:

Series E Defense Savings bond D725428E	$500.00
Series E Defense Savings bond C4477497E	100.00
Series E Defense Savings bond Q3933941E	25.00
Series E Defense Savings bond Q3933942E	25.00

Series E Defense Savings bond Q3933943E	25.00
Three $1 Defense Savings stamps	3.00
One 50-cent Defense Savings stamp	.50
One 25-cent Defense Savings stamp	.25
Total face value	678.75

Yours very truly,
E. P. GRICE, JR.,
District Manager, District No. 2,
Work Projects Administration.

MESSAGE FROM FEDERAL COUNCIL OF THE CHURCHES OF CHRIST IN AMERICA

[Mr. BYRD asked and obtained leave to have printed in the RECORD a message from the Federal Council of the Churches of Christ in America, which appears in the Appendix.]

NATIONAL YOUTH ADMINISTRATION

[Mr. ROSIER asked and obtained leave to have printed in the RECORD an editorial entitled "N. Y. A. Succeeds," published in the Charleston (W. Va.) Gazette of January 11, 1942, which appears in the Appendix.]

25 YEARS AFTER—EDITORIAL FROM NEW YORK TIMES

[Mr. GUFFEY asked and obtained leave to have printed in the RECORD an editorial from the New York Times of January 21, 1942, entitled "Twenty-five Years After," which appears in the Appendix.]

ORDER FOR CONSIDERATION OF BILLS ON THE CALENDAR

The VICE PRESIDENT. The routine morning business is concluded.

Mr. BARKLEY. Mr. President, I ask unanimous consent that the Senate proceed to the consideration of bills on the calendar to which there is no objection, beginning with Calendar No. 987, Senate bill 1817. There are on the calendar many bills which are called from day to day and which go over. There may be one or two which we shall wish to take up separately; but for the present I ask that, beginning with Calendar No. 987, the Senate proceed to consider bills to which there is no objection.

Mr. McNARY. Mr. President, I think the request is a very proper one, but there may be a few bills before No. 987 to which we shall wish to return.

Mr. BARKLEY. Yes; I understand that to be the case. My attention has been called to two bills which it is desirable to consider, and which ought to be passed today.

Mr. McNARY. In other words, the calendar will not be called so far as those bills are concerned, but they may be recurred to if any Senator desires.

Mr. BARKLEY. Yes.

Mr. McNARY. With that understanding I have no objection.

The VICE PRESIDENT. Without objection, the request of the Senator from Kentucky is agreed to.

PRICE CONTROL

Mr. LEE. Mr. President, I ask unanimous consent to proceed for a few minutes.

The VICE PRESIDENT. Is there objection? The Chair hears none.

Mr. LEE. Mr. President, the conferees who have been appointed to work out the differences between the Senate price-control bill and the House price-control bill are still working on the matter and have not come to an agreement. From the newspapers it appears that the conferees have about decided to surrender the O'Mahoney amendment. I wish to address myself for a few minutes to that subject.

Mr. President, everything the Government does at this time should be controlled by the primary purpose of winning the war.

While the question of primary importance is to win the war, the question of secondary importance is to equalize the burdens of war as nearly as is humanly possible.

On the question of the price-control bill, my position is determined by the over-all welfare of the Nation as a whole.

No one has been more zealous than I in our efforts to have this country prepared for the crisis which Pearl Harbor brought upon us. For years I have been aggressively urging our Government to increase our air forces.

Two years ago I said from the floor of this Chamber:

> We should do everything now that we would do if we were actually catapulted into war. We should place our defense industries on a 24-hour schedule.

That was said in 1940.

Not only that, but I was one of those who wanted to fortify Guam; and I have supported every military and naval measure in Congress and out, publicly and privately, including both draft measures.

I have done this because I realized, as I have said on the floor of the Senate, that the totalitarian powers are out to conquer the world, and I wanted America to be ready.

And now, since the war has actually come to us, I certainly am going to do everything possible toward winning that war, and will not lend my support or influence to any measure that will serve as a hindrance to final victory.

Mr. President, I make these remarks so that it may be understood that I am fully aware that the most important task before this country today is to win the war, and that all other questions must take secondary place.

But, Mr. President, I realize how necessary it is that the farmers of the United States maintain and increase production in order that we ourselves, as well as the Allies, may be supplied with the necessaries of life.

Therefore, for the United States Government to allow the farmer a fair price for his commodities will not only not hinder the war effort but will actually help it. If I had the least fear in my mind that the adoption of the O'Mahoney amendment would hinder the war effort of the United States I would not support it; but I am as sure as I was ever sure of anything that the O'Mahoney amendment, if agreed to, would help win the war. We had a slogan in 1918, "Food will win the war." That slogan is just as appropriate today.

I said that the secondary purpose which should guide our actions is to distribute the burdens of war as equally as is humanly possible. No doubt there will be many injustices resulting from this war, but certainly the Government does not want any injustices to occur which can be prevented without hindering the war effort.

It is my honest opinion that the rank and file of the people of the United States are willing for the farmer to have a fair price for his commodities. The whole question before us is one of understanding what constitutes a fair price.

It is my purpose to show that parity so-called, does not constitute a fair price, and further to show that even under the O'Mahoney amendment, if farm prices should rise to the maximum, the income of the farmer would not be on a parity with that of the non-farm population.

The O'Mahoney amendment has been criticized as being inflationary; but inflation cannot result from farm prices until the farmer's dollar reaches the level of the non-farm dollar. We might have "reflation" until we reach the baseline where the farmer's dollar is equal to the non-farm dollar. So what the critic evidently had in mind, when he said that the O'Mahoney amendment was "inflationary," was that it would "reflate" the farmer's dollar up to the ceiling of the O'Mahoney amendment. But there is no guaranty that that would happen. There is no guaranty that the farmer's dollar would rise to the ceiling set by the O'Mahoney amendment. It certainly would not rise to that ceiling unless there should appear a shortage of some farm commodity; and, if such a shortage should appear, the only remedy for it would be to increase the price of that commodity so that the farmer himself would increase the production of the commodity, and thereby serve the purpose of furthering the war by furnishing the necessary food and clothing.

Mr. President, I recently heard a well-known commentator, while discussing the price-control bill, make the statement that 110 percent of parity was "10 percent above a fair price."

Mr. O'MAHONEY. Mr. President, will the Senator yield?

Mr. LEE. Let me finish this sentence.

I have always considered this commentator a fair-minded news analyst, and still do, for that matter; but, judging from his position on this question, I very seriously doubt if he knows much about farming.

I now yield to the Senator from Wyoming.

Mr. O'MAHONEY. I ask the Senator to yield because I have here a quotation from the testimony presented to the House Committee on Banking and Currency by Mr. Henderson, which I think is very appropriate to what the Senator from Oklahoma is saying, and which I also think is a complete answer to the charges which have been made against the amendments added by the Senate to the price-control bill. If the Senator from Oklahoma will bear with me, I will read the testimony into the RECORD at this point, in the middle of his speech.

Mr. LEE. I shall be glad to have the Senator do so.

Mr. O'MAHONEY. I shall not read everything I have; I shall read only a portion of it.

On August 15, Mr. Henderson was testifying to the House Committee on Banking and Currency. The testimony I am about to read will be found on page 623 of the transcript of the hearings, and as

I read it I wish to remind Senators that in speaking to a conference of mayors immediately after the Senate had acted Mr. Henderson told those present that if the action of the Senate were sustained it would mean national suicide—national suicide because farm prices, which even under the Senate action would be controlled, would be tied in a minor manner to the uncontrolled element of industrial wages, as provided in the bill sponsored by the Committee on Banking and Currency.

Representative PATMAN, of Texas, was examining Mr. Henderson, and he asked:

Mr. Henderson, if you were requested to select one particular group that you fear the most, from an inflation standpoint, which group would you select?

Mr. HENDERSON. Metals, and next I would say, looking at it from here, chemicals. I think some of the fats and oils——

Mr. PATMAN (interposing). That is the third; what is the fourth?

Mr. HENDERSON. I do not want them in that rank, if you do not mind.

Mr. PATMAN. All right. What is next?

Mr. HENDERSON. I would say building materials, at the present level of operation; then finished textiles, and then paper and pulp products.

Mr. PATMAN. Those are the ones you fear most?

Mr. HENDERSON. I would say in a general classification, imports.

Mr. PATMAN. You do not fear a rise in agricultural prices so much?

Mr. HENDERSON. No; I do not feel that there is a fear of the rise in agricultural prices so much as a group, as I do of some of the others.

That, Mr. President, is precisely what the sponsors of the Senate amendments have contended from the very beginning.

A little later on the same day Representative KEAN, of New Jersey, was interrogating the Price Administrator; and this testimony is found on page 650 of the House committee record. This is the question:

Maximum prices usually wind up as minimum prices; and do you figure, if all those farm prices get to parity, or 110 percent of parity, that it will increase the cost of living sufficiently to make necessary—not make necessary, but cause demands for wage increases which would probably be justifiable?

Mr. HENDERSON. Yes. But the premise, the strong leg of your premise, does not seem to me to be there—that is, that they would all go up to parity. Now, some of them have been atrociously below parity for a long, long time, and here we are at the highest level of production and the highest level of pay rolls we have ever had, and still they are many many cents below

Below parity, he meant.

Now, as long as that supply-demand situation remains, we are not going to have a great deal of difficulty.

"As long as that supply-demand situation remains," he said Why, precisely the objective of the amendments added in the Senate was to help the administration increase the production of agricultural commodities, and thereby increase the supply, and every primary student of economics knows that when the supply is increased there is very little danger, not, as Mr Henderson testified, of an increase of prices, but very little danger of spiraling. But let me finish Mr. Henderson's testimony:

I do not want to pick out one of those; you are familiar with some of them, but I would like to know under what circumstances you could get up to 110 percent of parity without some kind of shenanigan—drawing the supply off the market, or pegging the price, or some overnight demand; that is, I think in a number of agricultural commodities what you are going to have, rather than the difficulty of their being too high, is that they are still going to think they are too low.

I thank the Senator from Oklahoma for permitting me to interrupt him. I cite the testimony of the Price Administrator in support of the amendments adopted by the Senate.

Mr. LEE. I thank the Senator from Wyoming. That testimony shows that the Price Administrator did not believe that farm prices would result in "suicide" at that time by causing inflation.

It is true that one injustice does not justify another; it is true that one abuse does not justify another abuse. This morning I considered whether or not I should place in the RECORD an editorial from the St. Louis Post-Dispatch, which pointed out some of the abuses and injustices which have already happened during our present war effort—pointed out some things which caused me to feel embarrassed that they should have happened under our very noses. They have happened because the whole pattern has been so large that it has been difficult for us to scrutinize all of the war contracts. But in the editorial it was pointed out that, since the defense effort began, certain corporations have made profits 20 times, 40 times, 800 times greater than their normal profits. The writer of the editorial repeated the statement of one of those who testified before the Truman committee when he said, "If it had not been for taxes, we could not have taken care of the profits with a steam shovel." As I have said, one abuse does not justify another.

I believe I have seen more space given over to criticism of the farm bloc than I have seen given to the report of the Truman committee. When that report first came out there was a flurry. The commentators referred to it in one or two articles. The newspapers referred to it for a while. But there has been a running, rapid-fire attack made in an attempt to show that the farmers are unpatriotic, and are willing to jeopardize the war effort in order to obtain so-called inflationary prices.

Mr. President, I think most of the misunderstanding comes from a misinterpretation of the word "parity."

The truth is that this is a common misconception which is believed by most of the non-farm population, but parity does not mean "equality," as so many believe.

Parity is a word which has come into common use recently because so many farm leaders and economists have used it to designate the ratio between the purchasing power of the farmer's dollar over a period from 1909–14 as the best period to represent the relative purchasing power of the farmer's dollar.

But in spite of the fact that this base period is looked upon as the period of fairest prices to the farmer, the average net income per capita for the farmer was $135 a year, while the income of the non-farm population for the same period averaged $487 per person.

One hundred and thirty-five dollars a person for the farm population and $487 per person for the non-farm population. Would anyone dare say that constituted parity or equality or fairness?

The misconception has grown out of the use of the word "parity." People have come to think of parity as meaning "100 percent" or "perfect" or "fairness" or "equality," but that is not the case.

The facts are that during the period 1909–14 farm prices came more nearly being fair to the farmer in relation to all the farm prices than during any other general period, but it is obvious from the income of the farmers and the non-farm population which I have just cited that the farmer's income was not on a parity with the non-farm population even during this most favorable period.

Mr. President, most of the newspaper writers and radio commentators who are so free with their criticism of the farmers for opposing a price ceiling on farm commodities which would work a great injustice on the farmers have assumed that all farm prices will immediately rise to the ceiling, which is not the case, because the law of supply and demand would prevent it.

This might be the case with the price of steel, the price of meat as controlled by the four big packers, the price of oil as controlled by the big oil companies, or the price of any other commodity which is controlled by monopoly or quasi-monopoly. But it is not true with respect to farm commodities, because they are sold in open competition on the world market. The law of supply and demand operates freely with respect to farm commodities until those commodities leave the hands of the farmer. Then I grant you that the price is artificially controlled in many cases.

Therefore, Mr. President, if the Price Administrator wishes to insure fair prices for food and clothing he should begin his control with that price spread between what the farmer receives for the raw product and what the consumer pays in the retail market.

Let me give you a few items to prove that any profiteering which is done on food and clothing is done after the commodity leaves the hands of the farmer.

For example, in the period from December 15, 1940, to November 15, 1941, eggs advanced 9 cents a dozen to the farmer and 12 cents a dozen to the consumer.

Next, let us take bread. It takes a pound of wheat to make a pound of bread. In that same period wheat advanced three-tenths of a cent per pound to the farmer and eight-tenths of a cent per pound to the consumer.

That means that a pound loaf of bread advanced in price one-half of 1 cent more to the consumer than it did to the producer.

Next, let us take oranges, which advanced 3 cents a dozen to the producer and 11 cents a dozen to the consumer.

Potatoes advanced 24 cents a bushel to the producer and 42 cents a bushel to the consumer.

Apples advanced 10 cents a bushel to the producer and 20 cents a bushel to the consumer.

Now, Mr. President, those who are so willing to accuse the farmer of profiteering should consider some of these figures.

For example, in 1927 the farmer received an average of $1.20 a bushel for his wheat. During this same year the consumer paid 9 cents for a loaf of bread. In 1932, the low year in wheat prices, the farmer received only 39 cents a bushel for wheat and the consumer paid 8 cents for a loaf of bread, and in many communities he paid 10 cents a loaf.

In 1937, when wheat returned to $1.07 a bushel, the average price throughout the year, the consumer paid 8½ cents for a loaf of bread.

In 1937 to 1938 the farm price of wheat declined 38 percent while the cost of bread decreased only 2 percent.

PRICES UNDER O'MAHONEY AMENDMENT

The following figures were furnished me by the Bureau of Agricultural Economics and are figured on the basis of December 15, 1941. They show what maximum prices would be under the O'Mahoney amendment.

The price of wheat was $1.022 per bushel. Under the O'Mahoney amendment the price ceiling would allow wheat to go to $1.46. This would be an increase of 43 percent to the farmer, but since the cost of the raw wheat constitutes only about 17 percent of the retail price, it would be necessary to increase the price of bread only 6 percent.

This would mean that in the event we had a shortage of wheat, and that if the price should advance to the full ceiling, that it would be necessary to increase the price of bread only one-half of 1 cent a loaf. I submit to you, would not that be a reasonable premium to pay the farmer for increasing the production of this important commodity in case we faced a shortage?

I submit that the fairest and simplest and surest method of guaranteeing that increase would be to allow the price to advance according to the O'Mahoney amendment.

Now let us consider corn under the O'Mahoney amendment.

The price of corn December 15, 1941, was 66⁹⁄₁₀ cents a bushel. The price ceiling under the O'Mahoney amendment is $1.01 a bushel. That would mean an increase of 51 percent. But since the cost of the raw product constitutes only about 38 percent of the processed product, it would be necessary to increase the processed product only 19 percent.

In other words, it would mean that corn meal would be 1 cent a pound more under the O'Mahoney amendment if there developed a shortage in corn and the price of corn advanced to the maximum of $1.01 a bushel.

Now let us consider oats under the same circumstances. The cost to the consumer, providing oats advanced to the maximum under the amendment, would be a 5-percent increase, which would mean that oatmeal would advance less than one-half of 1 cent a pound.

A pair of overalls selling for $1 would increase a nickel. Beef would increase 1⅕ cents a pound.

Mr. President, I ask unanimous consent to have inserted at this point as a part of my remarks a table prepared by the Bureau of Economics of the Department of Agriculture.

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

Approximate relation of farm-price changes under proposed price-control bill (with O'Mahoney amendment) to retail prices of finished products

Commodity	Prices for farm products			Percent farm price is of retail price [1]	Percent increase in retail price due to increase in farm price
	United States price, Dec. 15, 1941	Price ceiling under Senate bill	Percent increase, ceiling over actual price		
Wheat, dollars per bushel	1.022	1.46	43	16–18	6
Corn, dollars per bushel	.669	1.01	51	35–40	19
Oats, dollars per bushel	.452	.54	19	25–30	5
Cotton, cents per pound	16.23	21.47	32	15	5
Beef Cattle, dollars per hundredweight	9.38	9.95	6	50	3
Hogs, dollars per hundredweight	10.21	12.35	21	70	15

[1] Approximate average for recent years.

The above increases in retail price are those attributable to the rise in prices of the raw product; i. e., assuming no pyramiding. Applying the percentages to selected retail prices, the rises in actual values would be as follows:

	Arbitrary current price	Rise due to increase in price of raw product
Bread, 1-pound loaf	8 cents	0.5 cent.
Cornmeal, 1 pound	5 cents	1.0 cent.
Oatmeal, 1 pound	8 cents	0.4 cent.
Cotton overalls, 1 pair	$1	5.0 cents.
Beef, 1 pound	40 cents	1.2 cents.
Pork, 1 pound	30 cents	4.5 cents.

Mr. ELLENDER. Mr. President, will the Senator yield to me for a question?

Mr. LEE. I yield.

Mr. ELLENDER. In connection with the total revenues of farmers, I invite the attention of the distinguished Senator from Oklahoma to an exhibit which was incorporated in the Appendix of the RECORD by me, at page A5099, showing the distribution of the so-called cash income to the farmer. It has often been pointed out that the farmers of the Nation received a stated percentage of the national income each year. Beginning in 1910, they received from the total national income 13.53 percent, in 1911 12.13 percent, and so on, down to 1940, when they obtained 7.19 percent thereof.

When we analyze those figures—and by the way those figures may be obtained by any of you from the Bureau of Agricultural Economics—we find that we must deduct from the so-called total income the value of the crops produced and consumed on the farm, the livestock produced and consumed on the farm, the rental value of farm dwellings, and farm wages paid to hired labor, in order to obtain the actual cash received. When that is done, gentlemen, the farmers of the Nation receive but a pittance for their labor.

Let us take, for example, the year 1940, when it is said that the farmers received 7.19 percent of the total national income. As a matter of fact, after deducting the items which are consumed on the farm, farm wages to hired labor, and rental value of farm dwellings, they received, in actual cash, only 2.98 percent of the total income. In other words, out of a total national income of $76,470,000,000, the farmers of the Nation received $2,277,000,000 in cash for their labor, out of which they must pay taxes and other expenses. By using the same method of calculation for the years 1936 to 1940, I desire to point out for the RECORD the figures to show the actual cash which the farmers of the Nation received for those years. I will give the percentages of net farm cash income as related to the total amount of income for the entire Nation.

In 1936 the total national income was $65,734,000,000. Of that amount, the farmer received in cash $2,940,000,000, or 4.47 percent of the total national income. In other words, the farmers, who constitute about 25 percent of the people of our Nation, who feed and clothe us, received but 4.47 percent of the entire income of the Nation for that year.

For 1937 the total income of the Nation was $71,655,000,000. The farmers received $2,968,000,000, or 4.14 percent of the entire income.

For 1938 the entire income was $66,446,000,000, and the farmers received $2,169,000,000, or 3.26 percent of the entire income. It sounds fantastic and unbelievable.

In 1939 the national income was $71,134,000,000. The farmers received $1,983,000,000, or 2.79 percent of the income of the entire Nation. I think it is shameful.

In 1940 the entire national income was $76,470,000,000, of which the farmers received the paltry sum of $2,277,000,000, or 2.98 percent of the entire national income. Compare that measly, insignificant sum with the huge net corporate profits for the same year of $11,500,000,000. I repeat, it is a disgrace, and I wonder why the farmers of our country have tolerated such conditions for so long a time. And yet, Mr. President, with such inequities, columnists and others who do not seek the truth are saying that the farmers are receiving too much. As a matter of fact, when we boil it down, it is the in-betweens—that is, the brokers, merchants, retailers, the railroads, and so forth—who make the profits, and the farmer usually gets barely enough to provide clothing and shelter for his family and money to pay taxes.

I invite the columnists and editorial writers of the country to analyze the actual returns received by farmers and then I challenge them to write the truth on the subject.

Mr. President, I ask consent to print in the RECORD at this point tables A, B, and C, to which I have been referring.

The VICE PRESIDENT. Without objection, it is so ordered.

TABLE A.—*Showing farm income, cost of production, and actual net cash received by farmers for years shown*

Year	Total cash farm income from sale of all crops and livestock, etc. (1)	Total cost of production, including wages (2)	Actual net cash to farmers (column 1 less column 2) (3)
	Millions of dollars	*Millions of dollars*	*Millions of dollars*
1910	5,793	3,575	2,218
1911	5,596	3,620	1,976
1912	6,017	3,863	2,154
1913	6,248	3,999	2,249
1914	6,050	4,091	1,959
1915	6,403	4,189	2,214
1916	7,750	4,805	1,945
1917	10,746	6,082	4,664
1918	13,461	7,520	5,941
1919	14,602	8,400	6,202
1920	12,608	9,079	3,529
1921	8,150	6,854	1,296
1922	8,594	6,797	1,797
1923	9,563	7,088	2,475
1924	10,221	7,449	2,772
1925	10,995	7,415	3,580
1926	10,564	7,475	3,089
1927	10,756	7,501	3,255
1928	11,072	7,814	3,258
1929	11,296	7,748	3,548
1930	9,021	6,997	2,024
1931	6,371	5,598	773
1932	4,743	4,543	200
1933	5,314	4,359	955
1934	6,317	4,663	1,654
1935	7,042	5,010	2,032
1936	8,284	5,344	2,940
1937	8,809	5,841	2,968
1938	7,648	5,479	2,169
1939	7,851	5,868	1,983
1940	8,354	6,077	2,277

TABLE B.—*Showing actual net income to farmers and items added to actual net income by Bureau of Economics in order to arrive at Government figures of net income*

Year	Actual net cash to farmers (million dollars) (1)	Government benefit payments (million dollars) (2)	Crops produced and consumed on farm (million dollars) (3)	Livestock produced and consumed on farm (million dollars) (4)	Rental value of farm dwellings (million dollars) (5)	Farm wages to hired labor on farm (million dollars) (6)	Change in value of inventory on farm (7)	Government figures of net farm income (sum of columns 1 to 7) (million dollars) (8)	Percent of national income received by farmers according to Government figures on net farm income (million dollars) (9)
1910	2,218	----	340	837	382	546	+151	4,474	13.53
1911	1,976	----	362	730	393	547	−67	3,941	12.13
1912	2,154	----	370	770	404	568	+96	4,362	12.66
1913	2,249	----	338	815	420	575	+26	4,423	11.71
1914	1,959	----	346	815	427	572	+426	4,545	12.50
1915	2,214	----	337	794	434	577	+73	4,429	11.58
1916	1,945	----	423	886	473	634	−266	4,095	9.12
1917	4,664	----	617	1,244	540	797	+321	8,183	15.34
1918	5,941	----	622	1,531	618	747	+39	9,498	16.34
1919	6,202	----	727	1,668	713	1,078	−450	9,938	15.03
1920	3,529	----	848	1,558	894	1,242	+348	8,419	11.47
1921	1,296	----	506	1,062	760	805	−613	3,816	6.54
1922	1,797	----	548	1,007	734	775	+18	4,879	8.06
1923	2,475	----	581	1,042	781	841	−75	5,645	7.99
1924	2,772	----	547	1,075	780	844	−412	5,606	7.94
1925	3,580	----	590	1,191	791	856	−93	6,915	9.20
1926	3,089	----	615	1,222	803	893	+25	6,647	8.27
1927	3,255	----	552	1,143	800	867	−259	6,358	8.10
1928	3,255	----	545	1,122	811	856	+136	6,728	8.30
1929	3,548	----	565	1,134	829	863	−166	6,773	7.88
1930	2,024	----	530	1,007	830	774	+12	5,177	6.87
1931	773	----	442	811	754	588	+250	3,518	5.88
1932	200	----	381	627	655	313	+39	2,315	5.31
1933	955	131	416	607	587	317	−36	3,010	7.17
1934	1,654	446	399	701	616	404	−664	3,556	7.20

TABLE B.—*Showing actual net income to farmers and items added to actual net income by Bureau of Economics in order to arrive at Government figures of net income*—Continued

Year	Actual net cash to farmers (million dollars) (1)	Government benefit payments (million dollars) (2)	Crops produced and consumed on farm (million dollars) (3)	Livestock produced and consumed on farm (million dollars) (4)	Rental value of farm dwellings (million dollars) (5)	Farm wages to hired labor on farm (million dollars) (6)	Change in value of inventory on farm (7)	Government figures of net farm income (sum of columns 1 to 7) (million dollars) (8)	Percent of national income received by farmers according to Government figures on net farm income (million dollars) (9)
1935	2,032	573	444	893	616	456	+63	3,077	5.46
1936	2,940	287	436	969	615	490	−297	5,440	8.28
1937	2,968	367	471	981	648	557	+230	6,222	8.68
1938	2,169	482	408	875	632	528	+4	5,098	7.67
1939	1,983	807	425	806	636	515	+208	5,372	7.55
1940	2,277	766	430	799	665	525	+38	5,500	7.19

TABLE C.—*Statement showing national income compared with actual net cash farm income, also percent of national income actually received by farmers*

Year	National income (1)	Actual net cash farm income (2)	Percent of national income actually received by farmers (3)
	Millions of dollars	*Millions of dollars*	
1910	33,064	2,218	6.71
1911	32,490	1,976	6.08
1912	34,356	2,154	5.25
1913	37,762	2,249	5.96
1914	36,367	1,959	5.39
1915	38,254	2,214	5.79
1916	44,913	1,945	4.33
1917	53,360	4,664	8.74
1918	58,121	1,941	3.34
1919	66,136	6,202	9.38
1920	73,393	3,529	4.81
1921	58,333	1,296	2.22
1922	60,517	1,797	2.97
1923	70,675	2,475	3.50
1924	70,634	2,772	3.92
1925	75,187	3,580	4.76
1926	80,396	3,089	3.84
1927	78,502	3,255	4.15
1928	81,044	3,255	4.01
1929	85,954	3,548	4.13
1930	75,385	2,024	2.68
1931	59,867	773	1.29
1932	43,620	200	.46
1933	42,006	955	2.27
1934	49,416	1,654	3.35
1935	56,366	2,032	3.61
1936	65,734	2,940	4.47
1937	71,655	2,968	4.14
1938	66,446	2,169	3.26
1939	71,134	1,983	2.79
1940	76,470	2,277	2.98

Source: Bureau of Agricultural Economics, U. S. Department of Agriculture. Statement showing farm income and expenditures released July 25, 1941.

Mr. LEE. I thank the Senator for his contribution.

Now, Mr. President, all of these figures are based on the contingency that these commodities will rise to the maximum ceiling under the O'Mahoney amendment, which, as I have repeatedly pointed out, will happen only in case of an approaching shortage of these commodities, and in that case it would be highly desirable—yes; it would be necessary—that the farmers increase production of these commodities in order to supply our needs during the war.

Therefore I submit again that the increased cost of one-half a cent for a loaf of bread and 5 cents for a pair of overalls is a very small premium to pay in order to guarantee ourselves an adequate supply of these essential commodities.

Just here I wish to quote from the very splendid address made over the radio night before last by Senator O'MAHONEY, in which he said:

> As the sponsor of the O'Mahoney amendment, I want to say now that it is not inflationary. It will not cause any prices to rise. It does not require the Administrator to increase the price of any commodity. It would not bring about an automatic advance in the cost of living nor a rise in the price of any farm commodity.

There is a misconception over the country to the effect that if we should enact into law the O'Mahoney amendment, automatically upon its enactment into law prices would all immediately rise to the ceiling, which would not be the case at all. There has been no evidence that such would be the case; and no one has even offered an argument pointing out that prices would rise immediately on the enactment into law of the O'Mahoney amendment. There is nothing about the price-control law that would cause them to rise. There is only one law that would cause them to rise, and that is the law of supply and demand. If there should appear a shortage of these necessary commodities, there would be an increased demand, and the increased demand would raise the price. The price rise would be an incentive to the farmer to increase production, and the process would work automatically to supply our needs.

Further, I wish to point out that this amendment, after 1 entire day of debate, was approved by the Senate by a vote of 55 to 31.

Now, Mr. President, in the beginning I referred to a remark which I heard on the radio recently, that 110 percent of parity is 10 percent above a fair price.

I submit to you that this is not true. The word "parity" in this connection is a misnomer. It does not represent a fair price. The farmer has never been on a parity with the nonfarm population of the United States.

When the farmers who represent over 30,000,000 people, or almost 25 percent of the population of the United States, receive less than 8 percent of the national income as was the case in 1941, it is obvious that the farmer is not receiving his share of income in comparison to the non-farm population of the United States.

If the farmer received his fair share of the per capita income, he would receive 24.3 percent instead of 8 percent of the national income. If such a golden year for the farmer should ever come, that would be the year on which to figure parity, and until that comes, the farmer is not receiving parity. It has been a misnomer all the time.

Mr. Leon Henderson gave an estimate in his testimony before a Senate committee that the profits of the corporations of the United States amount to eleven and

a half billion dollars in 1941. Eleven and a half billion dollars represent the profits, not the income, but the "gravy," the "velvet," the amount which they received above all costs. That was net to them, and I point out that that figure of eleven and a half billion dollars is greater than the total income to all of the farmers of the United States during that same year.

Now, out of that income the farmer must deduct all of his expenses. He must take out of that income the cost of his farm labor; he must subtract his taxes; he must deduct his running expenses, his repairs, his necessary expenditures, including interest on borrowed capital. Furthermore, this does not take into account the many things the farmer has denied himself which the corporations would have declared absolutely necessary and included under the heading of expenses.

Yet the same commentator which I heard say that the farmers wanted more than a fair price spoke apologetically about the Truman report, even hinted and indicated that the report could not all be taken as being true, thus actually covering up for the corporations.

Can it be said that the farmer is on a parity with industry? Can it be said that he is asking for more than fairness? I dare say that if the farmer received 100 percent maximum under the O'Mahoney amendment for a whole year, the farm income would not be, in percent, equal to the income of the nonfarm population.

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

Mr. LEE. I yield.

Mr. GILLETTE. In connection with the very helpful and able presentation of the Senator, he has referred to the either abysmal ignorance or entire misconception of this problem on the part of some of our editorial writers, and has called attention to the fact that of course there is no guarantee of the price of 110 percent of parity or even 100 percent of parity. Does not the Senator feel that some of that misconception has resulted from the continual use in congressional debate and elsewhere of the word "floor" in connection with the price level, when as a matter of fact the farmers comprise the only industrial group which has no floor under its prices? Labor has a floor, the minimum-wage law.

Mr. LEE. And no ceiling.

Mr. GILLETTE. Yes; and no ceiling. Industry has a floor in our tariff laws and in the control which it has over production. The farming group has absolutely no floor under its prices.

Mr. LEE. Labor has been given a floor but no ceiling. This bill will give the farmer a ceiling but no floor.

Mr. GILLETTE. The O'Mahoney amendment and any similar proposals pending are but attempts to fix a floor.

Mr. LEE. That is correct, because the price-control bill, before the Senate amended it, placed the farmer's ceiling where the floor ought to be, a ceiling so low that the farmer cannot stand up straight without bumping his head against it.

Mr. GILLETTE. Yes; and to leave farm prices entirely out of relation to the uncontrolled elements.

Mr. LEE. I thank the Senator for his remarks.

Mr. President, farm prices constitute a long story in the history of the United States. It is interwoven with the tariff laws, all of which have militated against fair farm prices.

Cotton, for example, has never been on a parity. Cotton production was begun in this country as a slave crop. It still is a slave crop. It still is produced by those whose standard of living is forced below that to which Americans are entitled.

The same commentator who said on the radio that the farmers wanted more than a fair price slept that night between cotton sheets in a snug, warm bed, and yet the cotton that went into the manufacture of those sheets was picked by the bleeding fingers of children who were not in school, to whom child-labor laws have never been applied, and who themselves in many cases slept on the floor with no better bed than a pile of straw, and whose best meal is sidemeat, beans, and cornpone; and yet well-groomed, well-fed, and well-housed commentators charge that those people want more than a fair price for cotton.

Well, Mr. President, if parity is a fair price, then my commentator has for years been enjoying the fruits of the farm without paying a fair price for those commodities; for last year, even with the help of the Government, the farmer received considerably less than parity, and the year before that he received less than parity, and the year before that he received less than parity.

The food which this commentator has been enjoying the farmer sold for less than a "fair price." The bread which made the toast for the commentator's breakfast was bought from the farmer at less than a "fair price."

For years the farmer has fed and clothed the people of the United States for less than a "fair price." Twenty-five percent of the people of the United States have fed and clothed the other 75 percent for about 8 percent of the national income.

Therefore I hope that the radio commentators and newspapers will put more facts and less prejudice in their comments on this question.

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

Mr. LEE. I yield to the Senator from Georgia.

Mr. RUSSELL. I think that the Senator from Oklahoma might further point out that on yesterday the Interstate Commerce Commission granted an order allowing the railroads a 10-percent increase in passenger fares. There is likewise pending an application providing for an increase of 10 percent in freight rates, and I dare say that the application will soon be granted.

I took occasion this morning to look through the editorial pages of the great metropolitan press which have made this simple amendment appear as the greatest raid on the Treasury the Nation has ever seen, and I fail to find one word of criticism because of the allowance of the 10-percent increase in passenger fares or one statement opposing a 10-percent increase in freight rates. We all know that in the case of many agricultural commodities the freight charges for moving such commodities to market are as great as the price which the farmer receives for the agricultural commodities so shipped. There is nothing unusual, however, in this great campaign in which the newspapers indulge against any effort that is made here to assist the farmers or place them in a better position than that which they now occupy with respect to their crops.

I recall very well that when I offered the first amendment providing for parity payments to the farmers, which was approved by the committee and approved by the Senate, I was pilloried in every daily newspapers of this Nation. Next year the same amendment was approved, and, after having been defeated in the other House, the daily newspapers likewise played the matter up. However, in the third year the President sent a recommendation for parity payments in the Budget estimates, and there was not a single word in a single daily newspaper complaining about parity payments.

It so happens that the editors of the great metropolitan newspapers, or most of them, at any rate, who would not know a cornstalk from a jimsonweed, do not want to know anything about the agricultural situation of this country, and what they do know they distort in presenting the facts to their readers.

Of course, we realize that there has been an increase in the cost of operating the railroads which, perhaps, justifies an increase in their rates, but there have likewise been increases in all the costs that accrue to the farmers in many items that do not appear in making up the old parity on the 1909–14 basis. For example, the daily wage scale of farm labor in the South Atlantic States has increased during the past year from $1.26 a day—and I point out that I said "a day" and not an hour, for that is about the average of the industrial wage per hour in the higher scales—to $1.50 a day during the past year, 1941, and that increase in wages and cost of production of the commodities, of course, must be borne by the farmer.

So the Senator need not be sensitive about the criticism of commentators and editorial writers. So long as he has the temerity to raise his voice for any piece of legislation that is calculated to put the farmer somewhere within shouting distance of the position which other groups in this country occupy, he may depend upon it he will be "panned" by commentators and by editorial writers. As he has already pointed out, such was not the case when the law limiting the profits of those who are engaged in defense production was repealed. When there was passed legislation which repealed the law which limited profits on Navy contracts to 8 percent in the case of ships and guns, and 12 percent in the case of airplanes, I do not think a single one of the daily newspapers complained in the slightest about the repeal of that fair and just limitation of profits. When, however, we vote for a proposition which might increase the income of the farmer by about 5 percent, our action is denounced on every editorial

page and by practically every radio commentator as a raid on the Treasury.

Mr. LEE. I thank the Senator from Georgia for his contribution.

Mr. O'MAHONEY. Mr. President, will the Senator from Oklahoma permit me to make a comment on what the Senator from Georgia has just said?

Mr. LEE. I yield.

Mr. O'MAHONEY. One need not be surprised that the metropolitan press makes no comment whatsoever editorially upon the 10 percent increase in passenger rates, because that is an increase going to industry and to the highly organized corporate economy.

I wish to call attention to the fact that in the debate on the Senate amendment I stood here and recited the testimony of Mr. Henderson that, according to his estimate, corporations of the United States will have a profit, before taxes, of $11,500,000,000 this year.

Mr. President, there is not a single radio commentator or a single metropolitan newspaper that published that amazing fact, although $11,500,000,000 is more than the gross income, including benefit payments, of the entire agricultural population of the United States.

Mr. President, not only is that true, but I stood here upon the floor, and I read the statistics from the late lamented O. P. M. showing that of fifteen and one-fourth billion dollars in contracts awarded by the Army and Navy more than 50 percent had gone to 15 corporations and 82.6 percent had gone to 100 corporations. There was not a single metropolitan newspaper in this country, save one, that made any reference whatsoever to that statement, and that one newspaper was PM, which is published in New York. In no other newspaper did I see a single line.

It all illustrates the growing disparity between agriculture and industry. The point the editors and commentators do not understand is that the parity of which we talk is really a disparity. When we talk of requiring the farmer to be content with parity, all we are saying is that he shall be content with the disparate condition into which he was driven during the last 25 years. I thank the Senator from Oklahoma.

Mr. LEE. I thank the Senator from Wyoming.

Mr. RUSSELL. Mr. President, will the Senator from Oklahoma yield to me for a moment further?

Mr. LEE. I yield.

Mr. RUSSELL. I may say that, in my opinion, much of the opposition by those opposing the so-called O'Mahoney amendment is based on the fact that the amendment may have a tendency to freeze industrial weges. That argument has not been urged against it, but I observe that many of those who are opposing this amendment most vigorously have been those who have been opposed to any limitation whatever on industrial wages. Of course, tying the price of farm commodities to industrial wages might have a tendency to reduce the upward trend in industrial wages. In my opinion, much of the opposition to the amendment may be due to that situation because such a result might follow in some degree from the fact that a weight of 20 percent is given to industrial wages.

Mr. LEE. Mr. President, I thank the Senators for their contributions, and I wish to say further that, while industrial prices and retail prices have been advancing since last April and June, I will give two illustrations of how farm prices have not kept up with them. I know, because every month I keep books on my place. I sold cream or butterfat last June at 36 cents a pound, and last December at 32 cents a pound, a decrease of 4 cents a pound. I sold hogs last April at $10 a hundred; and in December, only last month, in spite of all the advance we have had in the retail price of pork, I sold the same type of hogs to the same market at $10.80 a hundred—eight-tenths of 1 cent a pound additional to the farmer. Mr. President, that does not parallel the increased cost to the consumer. So I say to those who claim that the O'Mahoney amendment is inflationary, let them look somewhere else. If they would control inflation in this country, let them look somewhere else, and follow the commodity after it leaves the hands of the farmer.

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

Mr. LEE. I yield.

Mr. GILLETTE. Supplementing what the Senator has just stated, I direct attention to the fact that a short time ago the Federal Trade Commission, after 2½ years of study, published a report, which is available to us, in which they showed that out of the consumer's dollar paid for a processed product outside of the United States the producer of the raw material gets an average of 73 cents, while in the United States the average return to the producer of the food and fiber out of the dollar that the consumer pays is 47 cents.

Permit me to trespass on the Senator's time for just one additional remark in connection with the statements just made by the eminent Senator from Georgia [Mr. RUSSELL] and the eminent Senator from Wyoming [Mr. O'MAHONEY] as to the proposed increase in freight rates. That is another instance of a guaranteed price, another instance of a floor, when the workmen to whom the Senator has so feelingly alluded, working 14, 16, or 18 hours a day, do not have any floor or any guaranty; but when they take their product to market they are told, "We will give you so much. This is what we will give you"—not what they ought to have as a return—and they cannot strike. It is impossible for them to say, "We will not work these long hours unless you will guarantee us so much of a return." They have no floor, no protection; and now it is sought to deny us the poor benefits that we are asking under the O'Mahoney amendment.

Mr. LEE. I thank the Senator, and I thank the Senate.

THE PRICE-CONTROL BILL AND THE FARMER

Mr. O'MAHONEY. Mr. President, I am very glad indeed that the Senator from Oklahoma [Mr. LEE] has opened this discussion today, because the price-control bill is still in conference. The conference committee has not as yet reported, and it may be a very salutary thing to have the views of Members of the Senate conveyed to the conferees. It may be a salutary thing for the conferees to understand that the clamor which has been raised in the metropolitan press has not in any degree whatever intimidated the Members of the Senate and Members of the House who feel obliged to represent their constituents who are engaged in the agricultural industry.

It should be borne in mind that the farmer does not have the benefit of huge corporate organization to represent him. It is true that in recent years the farmer has been developing numerous organizations for the purpose of helping to give to the country an understanding of the position he occupies; but the farmer does not have an organization, as capital and industry have, to compel attention to his demands. The farmer is not so organized that he can have any spokesmen of effect except the spokesmen who are elected and sent to Congress to represent their constituents.

So, Mr. President, in a sense my remarks today are directed to the conference committee which is now at work reconciling the differences between the price-control bill as it passed the House of Representatives and as it was changed by the Senate. It is also a talk to consumers to workers and to farmers. It is addressed to housewives and to the heads of families and is intended to convey to all who find it convenient to listen an outline of some of the reasons which induced the Senate to adopt the so-called O'Mahoney amendment.

This provision was carried in this body by the overwhelming majority of 55 to 31. It was approved by a majority of both parties having been supported by the Democrats 35 to 24 and by the Republicans 19 to 6. The 1 Progressive Member of the Senate voted for it and the 1 Member who is classified as an Independent opposed it. The total vote was 55 to 31.

But the people of the country are asked to believe that this majority was persuaded to support the amendment by the guile of the so-called farm bloc which is represented as being more concerned with political considerations than with the welfare of the Nation.

AN EXTRAORDINARY GRANT OF POWER

This price-control bill is a measure designed to give legal authority to a price administrator to prevent the disasters which would flow from inflation. It is a far-reaching and extraordinary grant of power over the entire economic system. It is the function and the duty of Congress to determine the extent and the limits of this authority for when the bill is signed by the President, when it has become the law, it will then be too late for anyone, including Members of Congress, to complain about the powers which have been granted. So this is the time to examine these powers and to decide just what limits, if any, the Congress should place upon these powers.

As the sponsor of the O'Mahoney amendment, I desire to say now that it is not inflationary. It will not cause any prices to rise. It does not require the Administrator to increase the price of any commodity. It would not bring about an automatic advance in the cost of living nor a rise in the price of any farm commodity. It is the purpose of this amendment to prescribe the circumstances in which the Price Administrator may invoke authority to reduce or to put a ceiling upon the prices of farm commodities.

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

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

Mr. GILLETTE. I am obliged to leave the floor, but before I go I desire to interrupt the Senator briefly. I wish to spare the blushes of the Senator who is speaking as much as I can.

In his presentation he has just referred to himself as the sponsor of the O'Mahoney amendment. I have been much exercised in my mind during the past few days in reading the continuous references to the "iniquitous" O'Mahoney amendment in the press, hearing them over the radio, and reading them in the columns of commentators. I wish to assert that it would be the proudest day of my life if I could have my name connected with an amendment as fair and just and reasonable to the whole country, as well as to the farmers, as the O'Mahoney amendment which was considered by the Senate and which was voted into the bill by the majority to which the Senator has just referred. Let me say to him that so long as he serves the public he will never have a finer accolade bestowed upon him than to have his name connected with the O'Mahoney amendment as representing the so-called greedy farm bloc.

Mr. O'MAHONEY. Mr. President, I thank the Senator from Iowa. I desire to say to him that I shall be very glad to contribute the blushes if he will merely take over the condemnation which is thrown at us from the air and the editorial columns.

Mr. GILLETTE. I shall be very glad to take my share.

The PRESIDING OFFICER (Mr. BUNKER in the chair). The time of the Senator from Wyoming has expired, unless he obtains unanimous consent to speak longer.

Mr. O'MAHONEY. Mr. President, I ask unanimous consent that I may conclude my statement.

The PRESIDING OFFICER. Is there objection? The Chair hears none, and the Senator may proceed.

Mr. O'MAHONEY. Members of the Senate who supported the amendment did so in the conviction that it is in the public interest not to give the Price Administrator the power to cut the price of agricultural prices below certain limits, because they believed that it would be unwise and unjust, in the light of increasing farm costs, to run the risk of depressing the agricultural industry at a time when we all know that increased production of agricultural commodities is essential in the war effort.

PARITY IS NOT EQUALITY

But the consumer is told that the farmer is now receiving prices which have almost reached parity. He is told that under the bill as passed by the House he might get 110 percent of parity, and under my amendment 120 percent of parity, and he is expected, in reacting to this information, to say, "Why surely the farmer must be greedy if he wants 110 or 120 percent of parity, for parity must be perfect." It does not surprise me that some persons, not knowing what this parity means, draw the expected conclusion, and fall into the erroneous belief that the sponsors of this amendment are seeking premium prices for agriculture.

Mr. President, such is not the case. Parity is not equality. Parity is a word which has come into common use here in the Government and among the statisticians and economists to denominate a ratio, that is to say, the relationship which existed from 1910 to 1914 between the prices received by the farmer and the prices he had to pay for certain commodities which he used on the farm for production and for his daily living.

The years 1910 to 1914 were selected when the Agricultural Adjustment Act was passed, in 1933, as the base period from which to measure prices because they preceded the World War. The parity formula was devised when Congress, realizing that agriculture was facing complete collapse, came to the conclusion that to save agriculture it would be necessary, with respect to a certain few crops, to make benefit payments out of the Treasury. So the thought was not equality, it was merely that the ratio of 1910 to 1914 should be the measure of Government aid. Obviously, it is not a measure of a self-sustaining industry.

No other industry is restricted to the ratio of 1910 to 1914. The prices which the Government is paying for defense contracts are not restricted to any such basis. The wages which are being paid in industry are not being restricted to the levels or the ratio of 1910 to 1914.

The urban worker and the business executive cannot be blamed for believing that farm prices have increased in the same degree that industrial returns have increased since there has been so much talk about this alleged parity. They have not been told, however, that the per capita net income from agriculture during the years 1910 to 1914 averaged only $135 for each year, while the income per person not on the farm for the same years averaged $487. Roughly speaking, that was almost one to four. The farmer was getting per capita a little more than one-fourth as much as the person not on the farm. If it is said that the farmer should be content with 100 percent of parity in terms of income, it is merely saying that he should be content to receive one-fourth as much as that which is received by persons not on the farm. I do not believe that any consumer or worker in this country has any desire to condemn the farmer permanently to a status three-fourths more miserable than that of those who are not on the farm.

LABOR FOR FLEXIBLE PRICES

If it be suggested to any union worker to whom my words may come that organized labor should be opposed to the amendment which I have offered for the farmer, I am glad to be able to say to you that I hold in my hand an announcement from the American Federation of Labor, dated January 15, 1942, in which it is announced that the executive council of that organization has just adopted a declaration on the price-control bill, from which I quote the following paragraph:

> Fair prices for farm products (should) be established, rather than premium prices. This provision should be flexible enough to prevent freezing of agricultural prices at a level which might in the future prove injurious to the Nation's farmers, but it should at the same time guard against unwarranted and dangerous increases in the cost of food on the part of jobbers, speculators, and middlemen.

With that declaration of the American Federation of Labor I am in complete accord. It is in effect an approval of the amendment which I have sponsored, and which has been endorsed by 11 of the leading farm organizations of the country.

My amendment does provide a flexible formula "to prevent freezing of agricultural prices at a level" which would be injurious to the farmers of the Nation and to the Nation itself. It provides for fair prices, and not for premium prices.

Agriculture has been one of the principal victims of our changing economy. For almost 50 years it has been steadily declining at such a pace that the position of agriculture is weaker today than it was 10 years ago.

LOW STATUS OF AGRICULTURE

The Bureau of the Census, on January 6 last, issued a statement which points out that 65 percent of all the farms of this country in 1939 had a gross income of less than $1,000 each, a gross income which, in the words of the Bureau of the Census, was derived "from the sale of farm products and from products used by farm households."

Senators will understand how shocking this condition is when I say that in 1929, 10 years before, the proportion of farms in this class was less than 50 percent. Bad as it was in 1929 with 48.8 percent of all the farms, not farmers, receiving less than $1,000 gross in the year, the state of agriculture has grown so much worse that 10 years later almost two-thirds of all the farms were in that classification.

Worse than that, whereas in 1929, 6.6 percent of all the farms in the country had a gross annual income of $250, or less, in 1939, 19 percent of the farms had fallen into that miserably low status.

Equally startling is the fact that whereas in 1910 to 1914, this magic period to which the farmer must be chained, the total value of all farm property ranged from forty-one to forty-eight billion dollars, in 1933 to 1940 values, had fallen off so that they ranged from thirty-six to forty-two billion dollars. Farm debt in 1910 to 1914 ranged from four to six billion dollars; in 1933 to 1940 it was from nine to ten billions. Property value decreasing, debt increasing, income falling off—that is the status

of the agricultural group, the defenders of which, in the Senate and in the House, must hear themselves called professional politicians and inflationists because they ask that the returns to the farmer be kept in some reasonable proportion to the returns to industry.

When it is understood that, as I have said, parity is a ratio and that it is measured by figures on an index, then it will be clear that this plea on behalf of the farmer to establish a bond between urban wage rates and farm prices is not unreasonable, for on the index of 1910 to 1914 urban wages have risen to approximately 280, while those who have attacked the O'Mahoney amendment ask the farmer to be satisfied because farm prices have reached something over 90 percent of parity as computed on the 1910 to 1914 index. The amendment which I have offered was designed to prevent a greater increase of this disparity, and I have no hesitation whatsoever in defending it even against the charge that it is inflationary.

BARUCH'S ADVICE

The price-control bill is an outgrowth of the experiences of the last war, and a great man, Bernard Baruch, a man so great that no act of his while he was head of the War Industries Board in World War No. 1 has ever been criticized, developed a formula for taking the profit out of war. For years he has been telling Congress and the Government that the way to prevent inflation is to apply price controls to all factors, rents, wages, interest rates, commissions, fees, in short, the price for every item and service in commerce. Today, as the Senator from Georgia [Mr. RUSSELL] pointed out, an increase of 10 percent in passenger rates is about to be granted to the railroads by an agency of the Government. Does the price-control bill control that situation? Yet any person who even dares to suggest that there should be a limit to the authority of the Price Administrator to control farm prices must be condemned as an inflationist.

The recommendation made by Mr. Baruch, which I have just read, was the recommendation of an expert whose expertness has been demonstrated by his success in the free-enterprise system and by his success as an industrial administrator in time of war.

The recommendation has not been followed by the Banking and Currency Committees of the two Houses with respect to wages and with respect to other matters. The element of wages has been left out of control. I do not quarrel with the reasons which persuaded the committees not to grant authority to the Price Administrator to place ceilings upon wages, but I do say that to criticize the O'Mahoney amendment, which accepts a ceiling upon farm commodities, as a cause of inflation when wages are left utterly without control is just putting the cart before the horse. It is the uncontrolled factor only which can cause inflation. Farm prices are not in the category of uncontrolled factors, and my amendment does not put them there. It provides only that a tenuous bond shall be created between urban wages and the price of farm commodities by giving a fractional consideration—only one-fifth—to the wage index in formulating the index which controls the prices that the farmer is to receive. It is my own belief that this formula, while doing justice to the farmer, would not do injustice to any other group, but would tend to preserve the level of all factors which, as Mr. Baruch has pointed out, is so highly desirable if inflation is to be prevented.

MORE FARM PRODUCTION NEEDED

It must not be forgotten that it is the considered policy of this Government to provide food to its allies. We have already sent large quantities of our foodstuffs abroad under the lease-lend bill. We shall have to send more. When this war is over we shall be shipping to all the stricken peoples of the world from our granaries. Food to Finland and food to France may win victories without the loss of men. This food can be obtained only upon the farms under a free enterprise system. Only last Friday Secretary of Agriculture Wickard, in a formal statement from the Department of Agriculture, called for the largest farm production in history.

The new 1942 goals revised in view of Pearl Harbor—

Said the Secretary—

call for the greatest production in the history of American agriculture and for putting every acre of land, every hour of labor, and every bit of farm machinery, fertilizers, and other supplies to the use which will best serve the Nation's wartime needs.

This was the administration speaking, calling to the farmers of the whole Nation to produce and produce and produce. Can it be said that in the face of this appeal we should, in Congress, erect obstacles to its accomplishment by clothing a price administrator with the power to reduce the prices which the farmer is to receive?

I said "reduce," because in the controversy between Administrator Leon Henderson and Secretary of Agriculture Wickard over the terms of the price-control bill, the fact is that Mr. Henderson, on December 13 last, issued an order by which he substantially cut the current going prices of fats and oils, the same fats and oils a shortage of which Secretary Wickard told Mrs. Franklin D. Roosevelt, in a radio interview last Sunday night, the Nation faces in 1942.

Mr. President, we cannot hope to stimulate the production of needed foodstuffs while at the same time clothing a Price Administrator with power to cut the prices of farm commodities below safe levels. The amendments which have been added to the price-control bill in the Senate merely constitute an effort upon the part of the elected representatives of the people to lay down certain limits to the authority we are about to grant over an industry in which one-fourth of our people are engaged, and which is now being asked to produce a new abundance of food for America and for the world.

NOMINATIONS OF MEMBERS OF BOARD OF DIRECTORS—RECONSTRUCTION FINANCE CORPORATION

Mr. WAGNER. Mr. President, as in executive session, from the Committee on Banking and Currency I report favorably the nominations of five persons to be members of the board of directors of the Reconstruction Finance Corporation for terms of 2 years from January 22, 1942. The nominations involve the terms of five members of the board of directors of the Reconstruction Finance Corporation whose terms expire today. Each is a reappointment. As in executive session, I ask unanimous consent for the present consideration and confirmation of the nominations.

The PRESIDING OFFICER. The nominations will be stated for the information of the Senate.

The Chief Clerk read the nominations of Charles B. Henderson, of Nevada; Sam Husbands, of South Carolina; Howard J. Klossner, of Minnesota; Henry A. Mulligan, of New York; and Charles T. Fisher, Jr., of Michigan, to be members of the board of directors of the Reconstruction Finance Corporation for terms of 2 years from January 22, 1942. (Reappointments.)

The PRESIDING OFFICER. Is there objection to the request of the Senator from New York for the present consideration of the nominations?

Mr. McNARY. Mr. President, of course, the request requires a waiver of the rule. I have no objection; indeed, I join in the request made by the able Senator from New York. I have known the Chairman of the Board for many years. He was at one time a Member of this body, and rendered acceptable service as a Senator. He has done a fine job as a member of the Corporation and as Chairman of the Board. All five members who are now renominated are noted for their public service. I am very happy to express my concurrence and to join with the Senator from New York in the request he has made.

Mr. WAGNER. I thank the Senator from Oregon.

The PRESIDING OFFICER. Without objection, the nominations are confirmed.

Mr. WAGNER. I ask that the President be immediately notified.

The PRESIDING OFFICER. Without objection, the President will be notified forthwith.

CONSIDERATION OF MEASURES ON THE CALENDAR

Mr. BARKLEY. Mr. President, inasmuch as the Senate is about to consider measures on the calendar, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

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

Aiken	Chavez	Hughes
Andrews	Clark, Idaho	Johnson, Colo.
Austin	Clark, Mo.	Kilgore
Ball	Connally	La Follette
Bankhead	Danaher	Langer
Barkley	Davis	Lee
Bilbo	Downey	Lucas
Bone	Doxey	Maloney
Brewster	Ellender	McFarland
Brooks	George	McKellar
Brown	Gerry	McNary
Bulow	Gillette	Maybank
Bunker	Green	Mead
Burton	Guffey	Millikin
Butler	Gurney	Murdock
Byrd	Hayden	Murray
Capper	Herring	Norris
Caraway	Hill	Nye
Chandler	Holman	O'Daniel

O'Mahoney	Smith	Van Nuys
Overton	Stewart	Wagner
Pepper	Taft	Wallgren
Radcliffe	Thomas, Idaho	Walsh
Reed	Thomas, Okla.	Wheeler
Reynolds	Thomas, Utah	White
Rosier	Truman	Wiley
Russell	Tunnell	Willis
Shipstead	Tydings	
Smathers	Vandenberg	

Mr. HILL. I announce that the Senator from New Mexico [Mr. HATCH] is absent from the Senate because of illness.

The Senator from North Carolina [Mr. BAILEY], the Senator from Virginia [Mr. GLASS], the Senator from Nevada [Mr. MCCARRAN], the Senator from Wyoming [Mr. SCHWARTZ], and the Senator from Arkansas [Mr. SPENCER] are necessarily absent.

Mr. AUSTIN. The Senator from New Jersey [Mr. BARBOUR] is absent on official business.

The Senator from New Hampshire [Mr. BRIDGES] is absent in a hospital because of a recent hip injury.

The Senator from Massachusetts [Mr. LODGE] is necessarily absent.

The PRESIDING OFFICER. Eighty-five Senators have answered to their names. A qourum is present.

The clerk will state the first business on the calendar, under the unanimous-consent agreement.

ADDITION TO ARLINGTON NATIONAL CEMETERY

The Senate proceeded to consider the bill (S. 1817) to authorize the President to purchase certain lands in Arlington County, Va., which had been reported from the Committee on Public Buildings and Grounds with an amendment, to strike out all after the enacting clause and insert:

That the President is authorized to acquire by purchase or condemnation for addition to the Arlington National Cemetery a tract of land containing 25 acres, more or less, located in Arlington County, Va., and bounded on the south by the Arlington National Cemetery, on the north by Lee Boulevard, on the east by the Arlington Ridge Road, and on the west by North Meade Street: *Provided*, That, if such land is acquired by the President, he may provide for its use for any governmental purpose he may deem appropriate until any date not later than 6 months after the termination of the wars in which the United States is now engaged.

The amendment was agreed to.

The bill was ordered to be engrossed for a third reading, read the third time, and passed.

PAYMENT OF TRANSPORTATION COST OF HOUSEHOLD GOODS OF CIVILIAN EMPLOYEES

The bill (S. 1526) to amend the act approved October 10, 1940 (54 Stat. 1105), to permit such responsible officers as may be designated by the heads of departments or establishments to authorize or approve the allowance and payment of expenses incident to the transportation of the household goods of civilian officers and employees when transferred from one official station to another for permanent duty was considered, ordered to be engrossed for a third reading, read the third time, and passed, as follows:

Be it enacted, etc., That the act approved October 10, 1940 (54 Stat. 1105), be, and hereby is, amended by inserting after the clause "when specifically authorized or approved by the head of the department or establishment concerned" the words "or by such responsible officer or officers of the department or establishment concerned as the head thereof may designate for that purpose."

SUPPLIES AND EQUIPMENT FOR CIVILIAN DEFENSE INSTRUCTION

The bill (S. 2167) to authorize the Secretary of War to make available for the purposes of civilian defense such arms, munitions, supplies, and equipment for instructional and demonstrational purposes only, as can be spared by the War Department, and for other purposes, was considered, ordered to be engrossed for a third reading, read the third time, and passed, as follows:

Be it enacted, etc., That the Secretary of War may, in time of war or during any national emergency declared by Congress or by proclamation of the President, in his discretion and under such regulations as he may prescribe, lend, without cost of packing, handling, and transportation to the United States, for instructional and demonstrational purposes only, to the District of Columbia, the several States or Territories, the outlying possessions of the United States, including the Philippine Islands and all territory over which the United States exercises rights of sovereignty, or political subdivisions thereof, such arms, ammunition, munitions, or implements of war, supplies, equipment, component parts thereof or accessories thereto, as may be in the possession or under the control of, and can be spared by the War Department.

The title was amended so as to read: "A bill to authorize the Secretary of War to make available for the purpose of civilian defense instruction such arms, munitions, supplies, and equipment for instructional and demonstrational purposes only as can be spared by the War Department, and for other purposes."

TEMPORARY PROMOTION OF CERTAIN ARMY OFFICERS

The Senate proceeded to consider the bill (S. 2182) to provide for temporary promotion in the Army of the United States of officers commissioned in the Air Corps or assigned to duty with the Air Corps, which had been reported from the Committee on Military Affairs with an amendment, at the end of the bill, to change the period to a comma and insert the words "unless specifically so ordered by competent authority", so as to make the bill read:

Be it enacted, etc., That, in time of war or national emergency declared by the Congress or by the President, any officer of the Regular Army Air Corps, any officer of the Regular Army other than Air Corps who is assigned to duty with any tactical unit, or any installation, or any staff, of the Air Corps, any officer of the Air Corps Reserve or any other section of the Officers' Reserve Corps assigned to duty with any tactical unit, or any installation, or any staff, of the Air Corps, any officer of the National Guard of the United States ordered into the active military service of the United States with an Air Corps unit or assigned to duty with any tactical unit, or any installation, or any staff, of the Air Corps, and any officer directly commissioned in the Army of the United States and assigned to duty with any tactical unit, or any installation, or any staff, of the Air Corps, may be appointed to higher temporary grade not above that of colonel, without vacating his existing commission in the Regular Army, the Officers' Reserve Corps, the National Guard of the United States, or the Army of the United States, as the case may be. The provisions of this act shall not apply to officers of the arms and services other than Air Corps who are assigned to those units or detachments of such arms or services on duty with the Air Corps. Officers so appointed shall be appointed and commissioned in the Army of the United States and shall take rank in the grade to which appointed from the date stated in their commissions or letters of appointment. Such appointments shall continue until 6 months after the termination of the war or national emergency concerned unless sooner terminated by order of the President, or until relieved from assignment to the duty herein described, whichever is the earlier: *Provided*, That the temporary promotion of any officer under the terms of this act shall not prevent his subsequent permanent promotion nor, if eligible therefor, his subsequent temporary promotion under section 4 of the act of June 16, 1936 (49 Stat. 1525), or under section 127a of the National Defense Act, as amended: *Provided further*, That during the period described herein, and in order to preserve relative rank in grade, every Regular Army Air Corps officer shall take rank in grade within the Air Corps from the date of the earliest promotion to that grade under this or any other provisions of existing law. Officers temporarily appointed under this act shall be entitled to the pay, flying pay, and allowances pertaining to the grade to which temporarily appointed. No officer holding temporary rank under the provisions of this act shall be eligible to command outside the Air Corps, except by seniority under his permanent commission, unless specifically so ordered by competent authority.

The amendment was agreed to.

The bill was ordered to be engrossed for a third reading, read the third time, and passed.

INCREASE IN PER DIEM SUBSISTENCE ALLOWANCE OF CIVILIAN EMPLOYEES OF THE GOVERNMENT

The bill (H. R. 6220) to amend section 3 of the Subsistence Expense Act of 1926, as amended, was considered, ordered to a third reading, read the third time, and passed.

EXTENSION OF TIME FOR ORDERS AND MARKETING AGREEMENTS WITH RESPECT TO HOPS

The Senate proceeded to consider the bill (H. R. 5833) to extend the time during which orders and marketing agreements under the Agricultural Adjustment Act, as amended, may be applicable to hops, which had been reported from the Committee on Agriculture and Forestry with an amendment to strike out all after the enacting clause and insert:

That section 3 of the act entitled "An act to amend the Agricultural Adjustment Act, as amended, by including hops as a commodity to which orders under such act are applicable," approved April 13, 1938, as amended, is amended by striking out "September 1, 1942" and inserting in lieu thereof "September 1, 1945."

SEC. 2. Subsection (6) of section 8c of the Agricultural Adjustment Act, as amended, is amended by deleting the comma after the word "hops" in the first paragraph thereof and inserting the words "and their products" and a comma.

SEC. 3 Subsection (6) of section 8c of the Agricultural Adjustment Act, as amended, is further amended by adding thereto the following new paragraph:

"(F) In the case of hops and their products, in addition to, or in lieu of, the foregoing terms and conditions, orders may contain one or more of the following:

"(i) Limiting, or providing methods for the limitation of, the total quantity thereof, or of any grade, type, or variety thereof, produced during any specified period or periods, which all handlers may handle in the current of or so as directly to burden, obstruct, or affect interstate or foreign commerce in hops or any product thereof.

"(ii) Apportioning, or providing methods for apportioning, the total quantity of hops of the production of the then current calendar year permitted to be handled equitably among all producers in the production area to which the order applies upon the basis of one or more or a combination of the following: The total quantity of hops available or estimated will become available for market by each producer from his production during such period; the normal production of the acreage of hops operated by each producer during such period upon the basis of the number of acres of hops in production, and the average yield of that acreage during such period as the Secretary determines to be representative, with adjustments determined by the Secretary to be proper for age of plantings or abnormal conditions affecting yield; such normal production or historical record of any acreage for which data as to yield of hops are not available or which had no yield during such period shall be determined by the Secretary on the basis of the yields of other acreage of hops of similar characteristics as to productivity, subject to adjustment as just provided for.

"(iii) Allotting, or providing methods for allotting, the quantity of hops which any handler may handle so that the allotment fixed for that handler shall be limited to the quantity of hops apportioned under preceding section (ii) to each respective producer of hops; such allotment shall constitute an allotment fixed for that handler within the meaning of subsection (5) of section 8a of this title."

The amendment was agreed to.

The amendment was ordered to be engrossed and the bill to be read a third time.

The bill was read the third time and passed.

OPEN-MARKET PROCUREMENTS BY DEPARTMENT OF AGRICULTURE BELOW $100

The bill (S. 1691) to authorize the Department of Agriculture to make open-market procurements where the aggregate amount involved does not exceed $100 was announced as next in order.

Mr. TAFT. Mr. President, may we have an explanation of the bill?

Mr. SMITH. Mr. President, the bill is recommended by the Department of Agriculture. At present the Department must advertise for bids in connection with any expenditure above $50. The officials of the Department say that such a restriction causes more trouble than it is worth, and they wish to raise the limit to $100, which seems fair.

The PRESIDING OFFICER. Is there objection to the present consideration of the bill?

There being no objection, the bill was considered, ordered to a third reading, read the third time, and passed, as follows:

Be it enacted, etc., That section 1 (b) and section 1 (c) of the act approved October 10, 1940 (54 Stat. 1109), entitled "An act to consolidate certain exceptions to section 3709 of the Revised Statutes and to improve the United States Code," be, and hereby are, amended to read as follows:

"(b) Where the aggregate amount involved does not exceed the sum of $50—

"(1) The Administrative Office of the United States Courts.

"(2) The Federal Bureau of Investigation in the field.

"(3) The Federal Home Loan Bank Board.

"(4) The Federal Power Commission.

"(5) The Federal Trade Commission.

"(6) The General Accounting Office.

"(7) The Interstate Commerce Commission.

"(8) The National Advisory Committee for Aeronautics.

"(9) The National Archives.

"(10) The National Labor Relations Board.

"(11) The Navy Department or its bureaus and offices.

"(12) The Railroad Retirement Board.

"(13) The Securities and Exchange Commission.

"(14) The Tariff Commission.

"(15) The Treasury Department.

"(16) The Veterans' Administration.

"(c) Where the aggregate amount involved does not exceed the sum of $100—

"(1) The Civil Aeronautics Board.

"(2) The Department of Agriculture.

"(3) The Department of Labor.

"(4) The Federal Loan Agency.

"(5) The Federal Works Agency.

"(6) The Maritime Labor Board.

"(7) The Smithsonian Institution.

"(8) The United States Maritime Commission.

"(9) The District of Columbia."

REGULATION, INSPECTION, AND CLEANING OF RAILWAY CARS FROM MEXICO

The bill (H. R. 4849) to provide for regulating, inspecting, cleaning, and, when necessary, disinfecting railway cars, other vehicles, and other materials entering the United States from Mexico, was considered, ordered to a third reading, read the third time, and passed.

ADMINISTRATIVE EXPENSES OF AGRICULTURAL ADJUSTMENT ADMINISTRATION

The bill (H. R. 5171) to amend section 392 of the Agricultural Adjustment Act of 1938, as amended, so as to provide for separate appropriation accounts for administrative expenses of the Agricultural Adjustment Administration, so as to modify the 1- and 2-percent limitations on administrative expenses and to provide over-all limitations in lieu thereof, and for other purposes, was considered, ordered to a third reading, read the third time, and passed.

BILL PASSED OVER

The bill (S. 1617) to amend the Employment Stabilization Act of 1931 was announced as next in order.

Mr. McNARY. Let the bill go over.

The PRESIDING OFFICER. The bill will be passed over.

AMENDMENT OF NATIONAL SERVICE LIFE INSURANCE ACT OF 1940

The Senate proceeded to consider the bill (S. 1935) to amend section 602 (m) of the National Service Life Insurance Act of 1940 (Public, No. 801, 76th Cong.) to provide for a person in the military service to secure insurance effective as of date of application by payment of the first premium within 30 days thereof, which had been reported from the Committee on Finance with an amendment, to strike out all after the enacting clause and insert:

That section 602 (m), title VI, of an act entitled "An act to provide revenue, and for other purposes," approved on October 8, 1940 (Public, No. 801, 76th Cong.), be, and the same is hereby, amended by striking out the period at the end thereof and inserting a colon and the following proviso: "*Provided*, That an amount equal to the first premium due under a national service life-insurance policy may be advanced from current appropriations for active service pay to any person in the active service in the Army, Navy, Marine Corps, or Coast Guard, which amount shall constitute a lien upon any service or other pay accruing to the person for whom such advance was made and shall be collected therefrom if not otherwise paid: *Provided further*, That no disbursing or certifying officer shall be responsible for any loss incurred by reason of the advance herein authorized: *And provided further*, That any amount so advanced in excess of available service or other pay shall constitute a lien on the policy within the provisions of section 5, Public Law No. 866, Seventy-sixth Congress, approved October 17, 1940."

Mr. O'MAHONEY. Mr. President, I wonder if the Senator in charge of the bill will make an explanation of its effect, as amended?

Mr. LA FOLLETTE. Mr. President, the senior Senator from Missouri [Mr. CLARK] is not present today; but as I understand the bill, it is simply to provide that there may be automatic insurance of those who are taken into the service, and that the premiums may be advanced by the department concerned and deducted from the pay. The difficulty is that many of the men do not take out insurance. While the bill is not in accord with the regular insurance practice, it is recommended by both the Army and Navy, and the Veterans' Bureau has no objection to it.

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

Mr. LA FOLLETTE. I yield.

Mr. GEORGE. The situation is that ordinarily the payment of the first premium on life insurance is necessary to the validity of the policy. That, of course, has been the rule of law followed by the Veterans' Administration with reference to Government insurance. The bill would make possible the issuance of a policy immediately upon induction into the service, when many of the inductees do not have the cash with which to pay the first premium. A lien would be created against the pay check of the man, and the policy would be valid, although there would be no actual cash payment of the premium until pay day.

As the Senator from Wisconsin says, no objection has been raised by the Veterans' Administration, and the bill is recommended by the Army and the Navy.

Mr. O'MAHONEY. Mr. President, I appreciate the explanation.

The PRESIDING OFFICER. The question is on agreeing to the committee amendment.

The amendment was agreed to.

The bill was ordered to be engrossed for a third reading, read the third time, and passed.

The title was amended so as to read: "A bill to amend section 602 (m) of the National Service Life Insurance Act of

1940 (Pub., No. 801, 76th Cong.), as amended, to enable a person in active service in the Army, Navy, Marine Corps, or Coast Guard to secure such insurance effective as of date of application by advance of active service pay, and for other purposes."

LIFE INSURANCE FOR AVIATION CADETS

The Senate proceeded to consider the bill (S. 2180) to provide for the continuation of Government life insurance of aviation cadets subsequent to their being commissioned and for the continuation of such insurance of enlisted pilots, and for other purposes.

Mr. LA FOLLETTE. Mr. President, the bill now before the Senate relates solely to cadets who take the Air Corps training in the Army. During their training period they are automatically insured. Insurance is compulsory. But when they leave the schools and enter upon actual training in the service it then becomes optional whether they shall carry insurance. The proposal is to extend the compulsory insurance and deduct the premiums from their pay during all the time they are in active training, whether they be at an air school or with troops receiving practical training in the field.

The PRESIDING OFFICER. The question is on the engrossment and third reading of the bill.

The bill was ordered to be engrossed for a third reading, read the third time, and passed, as follows:

Be it enacted, etc., That Government life insurance issued in accordance with either of the acts of June 3, 1941 (Public Laws 97 and 99, 77th Cong.), shall continue when an aviation cadet is commissioned or when an enlisted man has successfully completed his course of training and instruction as an aviation student until such officer or enlisted man is permanently relieved from duty involving participation in regular and frequent aerial flights, and that the premiums on such insurance, during such additional period, shall be deducted from the pay of the officer or enlisted man concerned and paid, under such regulations as the Secretary of War may prescribe, to the Administrator of Veterans' Affairs: *Provided*, That upon permanent relief from duty involving participation in regular and frequent aerial flights, release from active duty, or discharge, such officers and enlisted men shall have the option of continuing such insurance at their own expense: *Provided further*, That an enlisted man who is discharged for the convenience of the Government and immediately reenlisted shall not be deemed for the purposes of this act to have been thereby permanently relieved from duty involving participation in regular and frequent aerial flights.

TREASURY FOREIGN SERVICE OFFICERS AND EMPLOYEES

The bill (S. 2075) to authorize the Secretary of the Treasury to order to the United States on their statutory leaves of absence officers and employees serving abroad, and to govern the payment of traveling expenses and duties while on leave, and for other purposes, was considered, ordered to be engrossed for a third reading, read the third time and passed, as follows:

Be it enacted, etc., That the Secretary of the Treasury is authorized, whenever he deems it to be in the public interest, to order to the United States on his statutory leave of absence any officer or employee of the Treasury Department who has performed 3 years or more of continuous service abroad: *Provided*, That the expenses of transportation and subsistence of such officers and employees and their immediate families, in traveling from their posts to their homes in the United States and return, shall be paid under the same rules and regulations applicable in the case of officers and employees going to and returning from their posts under orders of the Secretary of the Treasury when not on leave: *And provided further*, That while in the United States the services of such officers and employees shall be available for such duties in the Treasury Department as the Secretary of the Treasury may prescribe, but the time of such work or duties shall not be counted as leave.

DISPOSITION OF CERTAIN SECURITIES HELD BY THE SECRETARY OF THE TREASURY

The Senate proceeded to consider the bill (H. R. 3330) to authorize the sale, exchange, or other disposition of certain securities held by the Secretary of the Treasury.

Mr. BROWN. Mr. President, I desire to make a very brief statement about the bill. I am very anxious that it should pass. The bill passed the House of Representatives, and was favorably reported by the Committee on Finance. There is one matter concerning it, however, which should be brought to the attention of the Senate before the passage of the bill. The bill relates to the payment by a large number of cities in the United States of loans which were made under the provisions of the Emergency Relief and Construction Act of 1932. The loans were made to cities for the purpose of aiding in taking care of the unemployed. The Acting Secretary of Agriculture, Mr. Sullivan, wrote identical letters to the Ways and Means Committee and to the Finance Committee, and in his letters the statement was made that the city of Detroit had made an offer along certain lines to take care of this situation.

The bill authorizes a compromise, on such terms and conditions as the Treasury shall deem proper, of the indebtedness of these cities to the Treasury. I desire to make it plain that the letters from the Acting Secretary of the Treasury to the Senate and House committees do not accurately set forth all the terms and conditions upon which the city predicated its offer to dispose of this matter; and I ask unanimous consent that a summary of the facts and offers and a statement of the city's position in a letter from the mayor of Detroit to Under Secretary Bell may be included in the RECORD so that there may be full understanding of the entire situation.

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

DECEMBER 23, 1941.

The Honorable D. W. BELL,
Under Secretary of the Treasury,
Washington, D. C.

MY DEAR MR. BELL: I have been informed by Congressman JOHN DINGELL that House bill 3330 has received favorable action by the House and has been sent to the Senate for consideration. This measure, as you will recall, gives the Secretary of the Treasury certain discretionary powers in liquidating advances made by the Federal Government to municipalities under the terms of the Emergency Relief and Construction Act of 1932.

My particular attention has been called to the fact that when H. R. 3330 was in the House Ways and Means Committee, Mr. John L. Sullivan, Acting Secretary of the Treasury, endorsed the bill, but in his communication to the committee indicated that, if the measure becomes law, Detroit will be willing to deliver a bond in payment of the principal amount of the advance made by the Reconstruction Finance Corporation to Detroit in 1932, plus accrued interest in full from the time of the original advance to the present date.

Mr. Sullivan was in error.

The position of the city of Detroit in connection with this advance for a welfare emergency has been, and still is, that both the face amount and the interest should be canceled. A detailed history of this whole transaction reveals the logic of the city's contention and the consistency of the city's position since the money was first advancel by the Federal Government.

The full force of the depression was first felt in Detroit in the fiscal year 1930–31, in which year the city was obliged to spend more than $13,000,000 from its own revenues and borrowings to alleviate distress among its citizens. In 1931–32 the city spent almost $8,000,000 for the same purpose.

These large outlays were necessary in a period of rapidly falling tax collections and are sharply in contrast with the $2,000,000 or $3,000,000 appropriated annually for welfare purposes before the national collapse. These funds were required, not because Detroit itself had upset the economic equilibrium, but because the whole national system was paralyzed to such an extent that it was unable to consume the commodities that Detroit stood ready to produce. Much of the welfare load that Detroit supported throughout the depression was represented by individuals and families who had come to Detroit to benefit from the better wages and higher standards of living which prevailed here.

To relieve the critical conditions which had developed in Detroit and other industrial areas, Congress, in 1932, passed the Emergency Relief and Construction Act, which provided for advances of $300,000,000 to the several governmental levels and units. All but $20,000,000 of this total was made available for loans to States, repayment of which was pledged from subsequent Federal grants for highway purposes. The $20,000,000 was made available for loans to cities, repayment of which was pledged by obligations of the borrowing municipalities.

The city of Detroit made strenuous efforts to obtain funds from that portion made available to States, through the then Govnor of Michigan. That individual rejected the city's pleas, solely on the basis that it was improvident for municipalities to be dependent on the Federal Government for welfare assistance, even though subsequently he did obtain relief money for Michigan under exactly the same section which Detroit wished to utilize.

The situation was so critical in Detroit that the city was, of necessity, obliged to seek assistance under the second alternative, and obtained $1,800,000 from the R. F. C., delivering therefor an interim receipt, to be subsequently exchanged for bonds in that face amount. There was no other choice.

In the months that followed, tax collections fell off drastically, the city exhausted every possible revenue and credit avenue, and, over and above the extraordinary welfare load, was compelled to meet a $32,000,000 debt service—the highest in the city's history.

Plans were well under way in February 1933, for an over-all refinancing of the city's floating obligations, totaling approximately $20,000,000 by Detroit industrialists and New York banks. These plans were virtually at the point of consummation when, by action

of State and Federal agencies, Detroit's banks were closed.

This not only terminated the plans for refinancing, but froze all the city's available cash in closed depositaries, as a result of which the city was thrown into technical default on all its general debt.

Within a year of the passage of the original Emergency Relief and Construction Act, the Seventy-third Congress passed a measure which, in effect, canceled the $250,000,000 in loans made to the States by prohibiting the use of Federal road grants to States for the repayment of such loans. So far as this office can learn, none of this $250,000,000 has ever been repaid.

It is because of all these circumstances that Detroit feels it will be a victim of rank injustice if it is required to reimburse the Federal Government for any of the advance in question.

The money was appropriated for a national emergency; the city had bled its revenue sources white before petitioning for assistance; the city was deprived, only through the political vagary of the then Governor, of obtaining the advance under procedures provided by law which would have eliminated any liability to repay; and Detroit was estopped from putting its own financial house in order by external agencies which, in closing the city's banks, completely destroyed the city's credit.

It also should be recalled that within a year of the original act the whole political and economic concept of unemployment relief was reversed when the Federal Government acknowledged its obligation to meet the problem. In executing this new policy Federal agencies disbursed billions of dollars to local communities for relief purposes without obligation to repay.

Beginning in 1934, city officials conducted a persistent campaign to have municipalities granted the same immunity from obligation to repay that had been given to the States.

In 1936, again in 1937, and still again in 1938, Michigan Congressmen introduced bills in either or both of the Houses, which provided for the cancelation of the advances. The records of this office indicate that on February 8, 1938, Chairman Jesse Jones, of the Reconstruction Finance Corporation, which agency was then in possession of the city's interim receipt, appeared before the House Banking and Currency Committee to support such a bill. However, it appears that this bill was never reported out of committee.

In the winter of 1940 market conditions appeared to be propitious for further refunding of Detroit callable bonds. The city had been severely penalized in prior sales because of a restricted market for Detroit, arising from the default in 1933, which, in turn, was caused by the closing of Detroit banks. At this time the interim receipt was in the possession of the Treasury Department as the result of legislation passed the year before.

One possible means of expanding Detroit's market was to have Detroit bonds declared eligible for use as collateral by banks acting as depositaries for postal-savings funds. The Treasury, however, took the position that it could not grant such clearance so long as it was in possession of a defaulted instrument of the city of Detroit. Moreover, the Treasury Department declared that it was legally prohibited from accepting anything but cash in full for the face amount and accrued interest.

Several offers were made by the city of Detroit, which included various combinations of bond and cash payments. These various offers were in no way contradictory with the city's fundamental position that the whole obligation should be canceled. They were made only with the thought that, if Nationwide publicity could be given to an announcement by the Treasury Department that Detroit bonds are eligible as postal-savings collateral, the broadened market for Detroit would result in a saving in bond interest which would more than offset the cost of meeting the Treasury's demands.

For this reason, the city controller on January 12, 1940, offered to deliver a refunding bond in the face amount of $1,800,000 and to pay all the accrued interest since issuance of the interim receipt. The city of Detroit made this offer solely to obtain clearance for its bonds in connection with postal-savings deposits, despite its conviction that the 1932 obligation should be canceled. Detroit, once again, had been forced to extreme measures in an effort to protect itself against unfair discrimination.

However, in spite of the numerous offers and counter offers between the city of Detroit and the Treasury Department, no agreement was reached, because the Treasury insisted that legal strictures prohibited them from accepting anything other than cash in full.

The Treasury did say that if the city of Detroit could present a picture of imminent financial collapse, then the Treasury Department could give some consideration to a compromise settlement which would reduce the amount of money the city would have to provide. Quite obviously, the city did not care to, even if it honestly could, maintain that it was on the verge of bankruptcy at the very time it was attempting to strengthen its credit for the purpose of marketing refunding bonds.

However, on November 20, 1940, the city did submit a detailed analysis of its present and future financial condition which honestly reflected the present fiscal stringency under which the city is operating and impending burdens which will exaggerate existing problems, not the least of which arise from the national defense program. With that analysis, the city offered to pay the United State Treasury $1,800,000 in cash, in complete liquidation of the face amount of the interim receipt, provided the accrued interest was canceled. This offer, too, was rejected by the Treasury Department.

Fundamentally, we feel that this whole matter is not a question of the mayor or the common council or the controller dealing with the R. F. C. or the Treasury Department, or any other separate Federal agency. It is strictly a transaction between the city of Detroit and the Federal Government.

It should be remembered that while the interim receipt in question was still in the possession of the R. F. C., the city of Detroit did pass through a period which fulfilled the Treasury's requirement that the city of Detroit present a picture of insolvency. In 1933, in 1934, and in 1935 the city was required to refund and extend its bonded debt, to fund and extend its floating debt, to issue scrip, and to finance essential municipal services in the face of 65- and 70-percent tax collections, in doing which the city accumulated bills which were liquidated only after several years of drastic economies.

We do not feel that the city should be forced to repeat this experience in order to receive some consideration of its claim for adjustment of the obligation involved. We would feel the same way if possession of the interim receipt would again change hands within the Federal Government as a result of some further legislation.

In any event, the negotiations failed to produce a legal and mutually agreeable solution, and the city was compelled to proceed with its refunding without benefit of an expanded market. Having been deprived of the improved bond market which would have resulted if the city's offer had been accepted, the city of Detroit is not at all interested in renewing its offers of January 12, 1940, and November 20, 1940, for the reason that conditions which then prevailed no longer exist.

The failure of these negotiations to find a compromise was due entirely to legal interpretations by Treasury Department lawyers of the statutes under which that agency operates. A bill was then prepared for the present Congress which has the sole purpose of permitting the Treasury to make any compromise agreement the Secretary of the Treasury finds to be in the public interest. When this bill, which is now in the Senate, is finally passed and becomes effective, the Treasury Department then will have full power to accept any compromise it wishes.

Accordingly, the city will continue to press for a cancelation of the whole obligation, or at least for some compromise which would not require the city of Detroit to pay the Federal Government an exorbitant bonus for the use of funds which were originally appropriated for the welfare and security of distressed citizens wherever they happened to be located.

The existence of any obligation on the part of the city of Detroit to repay this advance is due to circumstances over which the city had no control, in addition to which the city has suffered cash and credit losses from such external influences which far exceed the total amount of the obligation.

These factors are summarized below:

1. It was only because of the personal obstinacy of one individual that Detroit was prevented from obtaining the money under conditions which have been subsequently modified in such a way as to eliminate any commitment to repay.

Of the original appropriation of $300,000,000, 93 percent still remains unpaid, and no effort is being made by the Federal Government to obtain such repayment.

2. The closing of all Detroit banks by the Federal and State Governments completely destroyed Detroit's credit for a number of years, and imposed extraordinary additional debt-service costs on the community which will run another 22 years.

3. Congressional action removed the interim receipt from the custody of the Reconstruction Finance Corporation, whose administrative head was in favor of canceling the obligation to the Treasury Department, whose lawyers have rejected any settlement other than payment in full of the principal amount and accrued interest.

4. This position by the Treasury Department has resulted in additional interest costs to the city of Detroit over the life of its bonded debt.

5. The Treasury Department has indicated that its position is not irrevocable in its offer to consider a compromise provided the city will profess imminent bankruptcy.

This is obviously undesirable and impossible on the part of the city, and the Treasury Department's position still fails to consider the heavy burden that will be thrown on the city's budget by the additional services required by the defense program.

6. It is certainly the understanding of the city of Detroit that the legislation now pending in Congress was written, introduced, and supported by the city with, at least, tacit approval by the Treasury Department, for the specific purpose of permitting the latter agency to legally accept a compromise settlement which would reduce the amount of money the city would have to provide to liquidate the interim receipt.

I hope these rather extended remarks will clarify the city's position and the reasons therefor.

Yours very truly,

EDWARD J. JEFFRIES, *Mayor*.

Mr. BROWN. As the bill empowers the Secretary of the Treasury to compromise the debt, I want to make certain that the bill is passed only with the understanding that the matter is open to compromise, and that the city is not bound by the offer referred to in the Secretary's letter.

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

Mr. BROWN. I yield.

Mr. GEORGE. The Senator has made a very accurate statement of the situation. It might be added, I think, that conference with the Treasury officials justifies the statements of both the Senator from Michigan and the chairman of the committee that the language of the bill will permit settlements, whether payment of full amounts of interest or terms short of full payment are agreed upon.

Mr. BROWN. Yes; that is the statement I was about to make. I want it clearly understood that the entire matter will be open to compromise if the bill becomes law, and I do not want the bill passed under any misapprehension as to its intent and meaning.

The PRESIDING OFFICER. The question is on the third reading of the bill.

The bill was ordered to a third reading, read the third time, and passed.

WITHDRAWAL OF BRANDY FOR FORTIFICATION OF WINES

The Senate proceeded to consider the bill (H. R. 5802) to amend certain provisions of law relative to the withdrawal of brandy for fortification of wines and production of wines, brandy, and fruit spirits so as to remove therefrom certain unnecessary restrictions, which had been reported from the Committee on Finance, with amendments, at the end of paragraph (b), on page 2, to insert a semicolon and the words "and by inserting at the end of the first paragraph the following new sentence: 'The maximum penal sum of any bond required by this subchapter for any bonded winery or bonded storeroom shall be $50,000.'"; and following paragraph (g), on page 4, to add the following new paragraph:

(h) Clause (2) of section 5 (f) of the Federal Alcohol Administration Act (49 Stat. 984) is amended to read as follows: "(2) as will provide the consumer with adequate information as to the identity and quality of the products advertised, the alcoholic content thereof (except the statements of, or statements likely to be considered as statements of, alcoholic content of malt beverages and wines are prohibited), and the person responsible for the advertisement."

The amendments were agreed to.

The amendments were ordered to be engrossed and the bill to be read a third time.

The bill was read the third time, and passed.

W. K. RICHARDSON

The Senate proceeded to consider the joint resolution (S. J. Res. 24) for the relief of W. K. Richardson, which had been reported from the Committee on Military Affairs, with an amendment, to strike out all after the resolving clause, and insert:

That, notwithstanding the provisions of section 179 of the Judicial Code, as amended, or any statute of limitations or court rule, practice, or prior decision to the contrary, the Court of Claims of the United States is authorized and directed to take jurisdiction of, and to consider and render judgment on, the case known as No. A-200, W. K. Richardson against the United States, concerning the claim of W. K. Richardson for compensation for the use by the United States, between June 1, 1915, and June 1, 1932, of an invention with respect to which patent No. 1,141,415 was granted to the said W. K. Richardson.

SEC. 2. The judgment of such court, with respect to such case, shall be in accordance with law and equity and shall be based upon the evidence previously presented, the testimony heretofore taken, and the findings of fact made by the Commissioner designated for such purpose by such court in its order dated September 27, 1926, which findings of fact are contained in the report filed by him on March 5, 1928. The amount of any such judgment, if in favor of the said W. K. Richardson, shall not exceed an amount equal to 3 percent of the amount for which suit was originally brought in such court with respect to such claim.

SEC. 3. Such court is authorized and directed to forthwith place such case on its docket and trial calendar and to expedite consideration and the rendering of a decision with respect thereto.

SEC. 4. Proceedings with respect to appeals from and payment of any judgment thereon shall be in the same manner as in the case of other claims with respect to which such court has jurisdiction under the provisions of section 145 of the Judicial Code, as amended.

The amendment was agreed to.

The joint resolution was ordered to be engrossed for a third reading, read the third time, and passed.

The preamble was rejected.

ESTIMATES REQUIRING APPROVAL OF THE SECRETARY OF WAR

The Senate proceeded to consider the bill (S. 2151) to suspend the operation of the act of May 12, 1917 (40 Stat. 74), as to the requirement of submitting detailed estimates, for the approval of the Secretary of War, of expenditures exceeding $5,000 upon any building or military post or grounds about the same, which had been reported from the Committee on Military Affairs with an amendment to strike out all after the enacting clause and insert:

That the provisions of the act of May 12, 1917 (40 Stat. 74), reading: *"Provided further,* That hereafter no expenditure exceeding $5,000 shall be made upon any building or military post or grounds about the same without the approval of the Secretary of War, upon detailed estimates submitted to him." shall be, and the same are hereby, amended to read: *"Provided further,* That hereafter no expenditure exceeding $5,000 shall be made upon any building or military post or grounds about the same without the approval of the Secretary of War, upon detailed estimates submitted to him: *And provided further,* That, in time of war, in established theaters of operations approval of any expenditure exceeding $5,000 for the purpose in question, without regard to detailed estimates, may be granted by such commanders as may be designated by the Secretary of War, or by such officers as may be designated by such commanders."

The amendment was agreed to.

The bill was ordered to be engrossed for a third reading, read the third time, and passed.

The title was amended so as to read: "A bill to amend the act of May 12, 1917 (40 Stat. 74), to authorize, in time of war, commanding officers of theaters of operations to approve expenditures exceeding $5,000 without regard to detailed estimates."

PAUL A. LARNED

The bill (S. 2202) to reinstate Paul A. Larned, a major, United States Army, retired, to the active list of Regular Army, was considered, ordered to be engrossed for a third reading, read the third time, and passed, as follows:

Be it enacted, etc., That the President of the United States be, and he hereby is, authorized to summon Paul A. Larned, a major, United States Army, retired (now on active duty), before a board of officers for physical examination to determine if he is incapacitated for full active service in the Regular Army at the present time, and if found physically qualified, the Secretary of War be, and he hereby is, authorized and directed to reinstate Paul A. Larned, a major, Regular Army, said reinstatement to be effected not later than 60 days following the finding of a board of officers that said Paul A. Larned is physically qualified for active service: *Provided,* That no back pay and allowances shall be held to have accrued by reason of this act.

The PRESIDING OFFICER. That completes the calendar.

ADDITIONAL SHIPBUILDING AND SHIP-REPAIR FACILITIES

Mr. WALSH. Mr. President, I move that the Senate proceed to the consideration of Calendar No. 984, House bill 6304, authorizing appropriations for the United States Navy, and for other purposes.

The PRESIDING OFFICER. The question is on the motion of the Senator from Massachusetts.

Mr. McNARY. Mr. President, when the bill was called for consideration on the call of the calendar about 10 days ago, I objected to its consideration under unanimous-consent procedure. It carries nearly a billion dollars, and I thought that was a very large sum to be considered under the 5-minute rule, and by unanimous consent. I stated to the able Senator in charge of the bill and to our distinguished majority leader that I had no objection to the bill if it were brought up in the orderly way, as is now being done, and brought before the Senate for full discussion.

In view of the action of the House Committee on Naval Affairs a day or so ago, and the action it probably will take in the future according to the morning press, I wonder if I may not inquire of the able Senator if it would not be better if there were some restrictions on profits, and if a little more care were exercised in the disposition of the funds proposed to be appropriated, amounting to nearly a billion dollars, than has characterized appropriations in the past. Of course, I shall not oppose the motion that the bill be taken up.

The PRESIDING OFFICER. The question is on agreeing to the motion of the Senator from Massachusetts.

The motion was agreed to, and the Senate proceeded to consider the bill (H. R. 6304) authorizing appropriations for the United States Navy, additional shipbuilding and ship-repair facilities, and for other purposes.

Mr. WALSH. The Senator from Oregon will recall that I have militantly and repeatedly favored restrictions of profits on negotiated contracts let by the Navy for shipbuilding and for the manufacture of airplanes.

The history of the efforts to restrict profits is most illuminating. The fixing of profit limitations upon Government contracts for the building of naval vessels and airplanes was first promulgated

in the Vinson-Trammell Act which was enacted in 1934. It is to be noted that this limitation was only applied to naval vessels and naval aircraft and that it was incorporated in the law through an amendment proposed by the Senate Naval Affairs Committee.

The limitations of profits in this law were 10 percent.

Later it was made applicable to the manufacturers of Army aircraft. Later, through a rider attached to an appropriations bill, without recommendation upon the part of the Navy at least, the limitation of profits on aircraft, both Army and Navy, was increased from 10 percent to 12 percent.

The next change was made in the act of June 28, 1940, which was a law enacted "to expedite national defense" and which repealed the requirements for competitive bidding on naval vessels and airplanes, and authorized the making of negotiated contracts. In this act, the Senate Naval Affairs Committee reduced the profit limitation to 7 percent. This action was protested by the aircraft industry and the O. P. M. who claimed that the limiting of profits would curtail production, which all agreed should be speeded up as rapidly as possible for the Government was just starting on an intensive program of preparedness. The Senate Naval Affairs Committee insisted upon incorporation of profit limitations and the bill passed the Senate and went to conference. In conference the limitation of profits was changed to 8 percent on both vessels and aircraft, there being no provision in the House bill for limitation of profits.

Soon after this law was enacted, the agitation started to modify or repeal the profit limitations on such contracts. Powerful groups in and out of the administration finally succeeded in getting the law completely suspended on the claim that the general excess profit tax, which applied to all groups as well as those having Government contracts was adequate. The profits limitations therefore disappeared in the tax bill of 1940.

The Naval Affairs Committee then and always has protested this action and has felt from the outset that the profits on all munitions contracts ought to be strictly limited in view of the fact that most of them are negotiated contracts, and the contractor is certain to never encounter any losses. Furthermore, the Committee has felt, in view of the sacrifices during the emergency and in time of war made by those in military service, who are paid very meager compensation, there ought to be some disposition on the part of those receiving big Government contracts, without any chance of losses, to at least be willing to accept moderate profits.

The Senator from Oregon refers to the investigation conducted by the House Committee on Naval Affairs, and calls attention to the fact that the investigation should indicate the importance of restoring the restrictions and placing a limitation upon profits of all munitions makers. I have from the very outset favored such steps. I shall not cease from protesting the greed and selfishness of these war profiteers. I personally think it is a source of humiliation to the Congress and its Members to be confronted with the exposés which have been made in reference to war contracts, and to realize that, at the very time we are marching to the battle front millions of American youths we are allowing, without check or restraint, the accumulation of unconscionable profits. I have protested against it in the past, and I still protest, but, I dare say, if an attempt is made, as I sincerely hope one will be made, to remedy the situation, we will again have a bombardment of opposition on the theory that action to curtail profits would slow up production.

At the time the question of a limitation on the profits of airplane manufacturers was before the Senate the claim made by the manufacturers or contractors was that the subcontractors were able to get larger profits on their contracts for parts by reason of foreign contracts than the domestic contractors were willing to pay. Therefore there was a bottleneck in that respect. All that is past history.

I wish to say to the Senator from Vermont, and to every other Senator on the floor, that, so long as this war continues, so long as we continue to draft young men into the service of the country, so long as we continue to call upon the youth of the land to sacrifice their lives, thus bringing sorrow and sadness and grief to the homes of the loved ones of those who are defending our country, so long as we permit, without limit or restriction, vast profits to be made and great fortunes to be accumulated by those who are furnishing the weapons which our soldiers carry to the front, we will not be doing our full duty to those who are making the supreme sacrifices. The existence of such a condition certainly will not contribute to the morale of our country. If we are to win this war, we will not win it with money and dollars. Check books will not win this war; appropriations will not win it; words will not win it. A vast, spontaneous, far-reaching spirit of giving and sacrificing alone will bring victory. The fighting spirit and the self-sacrificing spirit of the American people to preserve our democracy alone will bring victory to our cause. That is basic. The war profiteers and all others seeking personal advantages must be made shame-faced. I sincerely hope that steps will be taken, as suggested by the Senator from Oregon, immediately to let the American people know and to let our soldiers who are receiving $21 a month know that, while they are pouring out their life's blood, wealth shall not be piled up and there shall not be an ever-increasing number of millionaires, nor will they be able to read next year, as they can read today in every newspaper they pick up, of greater profits made than ever before by those who are producing the instruments of war.

Mr. AUSTIN. Mr. President——

Mr. WALSH. I yield to the Senator from Vermont.

Mr. AUSTIN. I should like to observe that yesterday the Judiciary Committee of the Senate approved a provision in the second war powers bill of 1942 giving to those who have charge of contracts and subcontracts for the procurement of munitions in both the War and Navy Departments and in other agencies of the Government the right to inspect the books of the contractor for the purpose of ascertaining the cost of production. This action is something entirely new. No law has ever existed, so far as I know, to permit such an extraordinary check upon profits. It is occasioned by what was represented to the committee as being a particularly extortionate profit made by virtue of the estimated cost being much in excess of the actual cost of production, so that what was understood at the beginning to provide for a profit of 6 percent turned out to be a profit of 20 percent.

So the provision to which I have referred, adopted at the suggestion of Mr. Nelson, the Chairman of the War Production Board, is aimed at the objective to which the Senator from Massachusetts is addressing himself so eloquently.

Mr. WALSH. I thank the Senator. I am glad that the O. P. M. has changed its attitude and mind. They were among those who vigorously protested the policy of the reduction of profits in the manufacture of munitions. Let me state an instance that happened of which I heard only this morning. Recently some boys at a camp on Long Island were passing by an airplane factory. As they passed by, some of the employees came out of the airplane factory, got into their automobiles, took their pay checks—their excessive and large pay checks—and waved them in the face of the soldiers and said, "You poor suckers." What must those boys and their fathers and mothers think when they have waved in their faces figures showing excessive profits, such as the distinguished Senator from Vermont has pointed out, being permitted without check or restraint. What must they think of us here who remain silent and thereby acquiesce, while we are entrusted with the responsibility of creating in this country a spirit of loyalty and devotion and enthusiasm on the part of a united people, all willing to sacrifice, not merely their blood, which is the greatest of all sacrifices, but to sacrifice all the pelf, the miserable pelf, that comes out of the profits being made by unconscionable industrial leaders.

Mr. President, now I ask the Senator from Vermont if he has noticed—to me it is shocking—or if any Senator on this floor has read any number of editorials in a newspaper in this country approving the report of the Truman committee, or the Vinson committee, and commending it and calling attention to its importance and asking the Congress to take some action?

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

Mr. WALSH. Yes; I yield.

Mr. LEE. Yes; I read two such articles, and put one of them in the RECORD. Both of them were from the St. Louis Post-Dispatch.

Mr. WALSH. I am very glad to hear that; but I have noticed an absence of a shocked state of mind upon the part of many persons in view of these reports. To me, the reaction is most alarming;

and I hesitate to express the feelings that have taken possession of me when I have read those reports and have seen what has been going on in the profit-making marts of industry.

Have any of you witnessed what I witnessed when I was at my own home a week ago Sunday night? Dusk, darkness had come over the earth. From my window, I witnessed a steady, apparently never-ending convoy of trucks carrying soldiers into the unknown from Camp Devens, where? Where? No one knew. No one could say, except some rumor was circulated around that the boys were going to a tropical climate, because they had been furnished, or were about to be furnished, with light clothing. Can anybody witness such a sight, and see these boys moving or marching, on and on, where?—to their doom, if necessary, to defend you and me, our institutions and our resources—and remain tearless and silent? How can we hesitate, under those circumstances, to enact measures that will take the money from these profiteers and give it, if necessary, to these first-line defenders of our country, and to their families, and to their loved ones?

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

Mr. WALSH. I yield to the Senator from Maine.

Mr. BREWSTER. Before the Senator leaves completely the subject of the Truman report which he mentions in connection with the editorial comment, which in many cases seems to undertake to weasel the meaning out of it—the commentators first commend the general spirit of the report, and then distinguish—I want to make it clear in the RECORD that every critical comment I have seen by any newspaper would be completely answered by reading the report itself. The commentators obviously have read a very superficial account of the report, or they would know that the report is fully documented by details on which the conclusions of the committee were based.

Mr. WALSH. I am pleased to have the Senator's statement. I must not prolong the discussion, except to say this:

Let us act. Let us get together in a spirit of sacrificing by all Americans—not the poor, not the lowly, not the masses, the millions who are called upon to give their lives. Let those of wealth and of property and of large incomes, who up to this hour do not know the word sacrifice, join in making some sacrifice so that we shall have a united people vying with each other in their desire to win the war by making every possible sacrifice he or she is in a position to make in their respective field of activity.

Mr. McNARY. Mr. President——

Mr. WALSH. I yield to the Senator from Oregon.

Mr. McNARY. I was about to comment that I have been exhilarated and made happy by the forceful remarks of the able Senator from Massachusetts. A great deal has been said about nondefense appropriations and waste. For some time I have thought we should have more to say about defense appropriations and waste. That is the bung; the former is the spigot. Millions of dollars have been wasted; millions of dollars may be wasted; but by the fine attitude and courage of the able Senator from Massachusetts, the chairman of a great committee, some effort has been assured that will stop this waste.

I suggested a moment ago, when the discussion started, that there might be in this bill some provision that would carry out what the Senator had in mind 2 years ago, and which he referred to a few moments ago, namely, a limitation on profits. Probably that will come in later legislation and will be made applicable to this large appropriation of nearly $1,000,000,000.

I feel that the comments and observations of the distinguished Senator from Massachusetts will assure those who have heard his comments today of action in the future that will protect the people of this country against excessive profit taking and criminal profiteering that have been indulged in during this fateful emergency.

The PRESIDING OFFICER. The bill is open to amendment. If there be no amendment to be proposed, the question is on the third reading and passage of the bill.

The bill (H. R. 6304) was ordered to a third reading, read the third time, and passed.

The PRESIDING OFFICER. Without objection, Senate bill 2153 will be indefinitely postponed.

Mr. WALSH. Mr. President, I ask that the report of the committee on the Senate bill be printed in the RECORD in connection with the passage of the House bill.

The PRESIDING OFFICER. Without objection, it is so ordered.

The report (No. 942), submitted by Mr. WALSH on January 7, 1942, is as follows:

The Committee on Naval Affairs, to whom was referred the bill (S. 2153) authorizing appropriations for the United States Navy, additional shipbuilding and ship-repair facilities, and for other purposes, having considered the same, report favorably thereon without amendment and recommend that the bill do pass.

The purpose of the bill is to authorize additional appropriations for shipbuilding and ship-repair facilities for the United States Navy, including manufacture and repair facilities for naval-ordnance material.

Facilities now authorized were sufficient before the United States became involved in war. The situation today renders them inadequate. The enlargement and acceleration of the national defense program is resulting in unexpected bottlenecks affecting the shipbuilding program which can be eliminated only through provision of additional facilities. Recently authorized additions to naval tonnage accentuate the need. In addition to this, it must be anticipated that operations at sea in time of war may lead to enlarged ship-repair requirements for which provision must be made. The Navy Department considers provision of the additional facilities contemplated by the bill to be essential.

In accordance with the terms of the bill:

(a) Five hundred million dollars may be appropriated for essential equipment and facilities at either private or naval establishments for building or equipping any complete naval vessel or portion thereof heretofore or hereafter authorized.

(b) Two hundred and seventy-five million dollars may be appropriated for essential equipment and facilities at either private or public plants for repairing, altering, or converting any vessel operated by the Navy or being prepared for naval use, of which sum $50,000,000 shall be available for essential equipment, tools, and facilities at such plants for the repair, alteration, and upkeep of ordnance material; and

(c) Seventy million dollars for tools, equipment, and facilities for the manufacture or production of ordnance material, munitions, and armor at either private or public plants.

The Secretary of the Navy is granted authority to acquire lands at such locations as he may deem best suited to the purpose, erect or extend buildings, acquire the necessary machinery and equipment, and in private establishments provide plant-protection installations.

The proposed plant protection would include the following, among others: Special fire protection, sabotage, protection, bomb splinter protection, black-out facilities, intraplant communications, lookout stations, and dull painting.

Security measures for naval establishments will be covered under Bureau of Yards and Docks appropriations.

Under previous acts, the Congress has provided for shipbuilding and ship-repair facilities in both naval and private establishments as follows:

Date of act	Shipbuilding facilities limitation on expenditures	Ship repair facilities limitation on expenditures
June 14, 1940	$35,000,000	
July 19, 1940	150,000,000	
Jan. 31, 1941	315,000,000	
July 29, 1941	300,000,000	$160,000,000
Total	800,000,000	160,000,000

Under prior acts of Congress, $425,000,000 has been authorized for the procurement and manufacture of ordnance manufacturing facilities.

The bill was introduced at the request of the Navy Department and has been cleared by the Bureau of the Budget.

ELIZABETH PAINTER MENOHER

Mr. McKELLAR. Mr. President, I move that the Senate proceed to the consideration of House bill 902, No. 723 on the calendar.

In explanation of the motion I will say that Gen. Charles T. Menoher was a general in the World War, and later was Chief of the Air Corps, and died a major general. He left a widow who has a very serious case of tuberculosis. She really is without the proper necessities of life. She is drawing a pension of only $55 a month. In this case the committee recommended an increase of the pension to $100 a month. If the increased pension is to be of any value to Mrs. Menoher in this life, the bill should be passed now; and I appeal to the Senate to let the bill be considered and passed.

Mr. McNARY. Mr. President, this bill, together with several others, was objected to heretofore upon a principle entertained by the able junior Senator from Virginia [Mr. BYRD]. I have no objection to the consideration of the bill, but that has been the history of action taken by the Senate and suggested by the able Senator from Virginia during the last two or three calls of the calendar.

Mr. McKELLAR. Mr. President, I desire to say to the Senator from Virginia that I hope he will not object in this case. I have made a motion that the Senate proceed to the consideration of

the bill. I do not want to take up the time of the Senate. I appeal to the Senator from Virginia to make an exception in this case because of the dire necessity of this widow of a distinguished general of the Army. It is a matter that appeals to the humanity of all of us, and I think the passage of the bill should be permitted. It provides for an increase of only $45 a month in her pension.

I hope the Senator from Virginia will allow the bill to be considered by the Senate.

Mr. BYRD. Mr. President, the Senator from Virginia has asked for a report on each of the pension bills on the calendar, of which there are 18. I have asked for a report from General Hines on each of the bills, and a statement as to whether the Veterans' Bureau approves the bill. I am sorry to say that the Senator from Virginia will be forced to object to any bill that is not approved by the Veterans' Administration. This particular bill has been approved by the Pensions Committee, but the record shows that it has been unfavorably reported on by the Veterans' Administration.

Mr. McKELLAR. Mr. President, if I am in order, I move that the Senate proceed to the consideration of the bill. Under the circumstances, I think the Senate ought to act on the bill. The report from the War Department is ample and fully sustains the merits of the bill. It shows the dire condition in which this lady is. It shows that she has tuberculosis, and that unless help comes quickly it need not come at all. For that reason I move that the Senate proceed to the consideration of the bill.

Mr. BYRD. Mr. President, a point of order: Are we not considering bills on the calendar by unanimous consent?

Mr. McKELLAR. No; the consideration of bills by unanimous consent has been completed, and I am now moving that the Senate consider this bill.

The PRESIDING OFFICER. The question is on agreeing to the motion of the Senator from Tennessee.

The motion was agreed to; and the Senate proceeded to consider the bill (H. R. 902) granting an increase of pension to Elizabeth Painter Menoher, which was ordered to a third reading, read the third time, and passed, as follows:

Be it enacted, etc., That the Administrator of Veterans' Affairs be, and he is hereby, authorized and directed to place on the pension roll, subject to the provisions and limitations of the pension laws, the name of Elizabeth Painter Menoher, widow of Charles T. Menoher, major general, United States Army, and pay her a pension at the rate of $100 per month in lieu of that she is now receiving.

AGRICULTURAL CONDITIONS—THE O'MAHONEY AMENDMENT

Mr. WILEY. Mr. President, I wish to say just a few words in relation to a matter which has been under discussion, first referring to the O'Mahoney amendment. Out of the discussion of this amendment there came a significant statement which we should consider. Secondly, I wish to refer to the discussion started by the distinguished Senator from Massachusetts [Mr. WALSH].

A few weeks ago a distinguished newspaperman stated:

> A part of our free press has developed a disgusting vice which has degraded the character of our journalism, and brought discredit on one of the most important institutions of the Nation—the free press.

Today it was brought out by the Senator from Wyoming [Mr. O'MAHONEY], by the Senator from Oklahoma [Mr. LEE], and by other distinguished Senators that there has been a campaign going on in this country—one of propaganda, false from the very beginning—against the O'Mahoney amendment. The papers which have indulged in that campaign say that the amendment would result in a spiraling of prices. I say it would not. All who had the intestinal fortitude to stand up for that amendment—and they were in a majority in the Senate—have been figuratively crucified as attempting to injure the war effort. In my opinion, the O'Mahoney amendment contemplates a sort of economic cement which would weld all our economic fronts together.

As everyone knows, until about 8 or 9 months ago the farm situation—and I am speaking about 85 percent of the farm segment—has been very unhealthy, whereas the wage situation has been comparatively healthy for a number of years. Those in the East apparently proceed on the theory that the urban wage situation in the East can remain healthy if the farm section is sick. Under the defense program we have contributed and shot into the economic life of the eastern section of the country literally tens of billions of dollars, with the natural result that there has been a pick-up in the economic life of the East.

No one can get away from the fact that all income is tied up with the general economic life of this country. Farmers constitute about 29 percent of the population of this country, and even now the figures show that the farmers have been getting only about 11 percent of the income. But if we consider that in that 29 percent, 15 percent is healthy, then we see that the 11 percent, which the whole group gets, is reduced to a minimum which the other percentage receives.

It was set forth by the Senator from Oklahoma that we are engaged in a great war effort. Yes; but we are engaged in something else also, we are engaged in a great peace effort, a great effort to insure that after the war shall be concluded this country and the world can remain at peace.

Are we, in building our program for a war effort, to neglect the 29 percent which constitutes the backbone of this country, are we going to close our eyes and listen to the smug, complacent columnists who do not know the A B C's of the economic life of this country, who do not know anything about the figures the truth of which have been demonstrated here today; who do not know that up to 8 or 9 months ago tens of thousands of the best farms of this country had been taken over by insurance companies, and by the Government itself? They do not seem to realize that this great segment is a part of the whole, so they write in opposition to those who stand for a healthy economic whole, not one segment, but a hundred percent of the national front.

What causes price spiraling? All the economists say it is caused by hoarding, speculation, monopoly, overexpansion of credits, and any unbridled returns to any segment of our economy. I wish to make it clear, so clear that I hope my voice will ring around this country, that the O'Mahoney amendment is not a measure begging for farm relief, it is not part of a farm-relief program, but it is an effort—only in part, to be sure, to the extent of 20 percent—to tie farm prices to the tail of industrial wage prices. We heard the Senator from Wyoming [Mr. O'MAHONEY] discuss this matter a few moments ago.

I feel that if the farm picture can get honest consideration here in Washington, if the farmer can get a more reasonable price, in case the spiral is upward—and when I say reasonable, I mean higher only insofar as we have to have it higher in order to plan for the future—the farmer, and the Nation as a whole, will be in such a position, when the tremendous war effort is over, that we will not have to deal with the farmer on the dole basis. The farmer is entitled to something else, not to be treated as an orphan, not to be looked upon as one who has to have things doled out to him.

Mr. President, these columnists, these folk who have written so learnedly on this subject, these folks who have been living in the lap of plenty all through the years when the farmers have been crucified, write now with a sense of omniscience which absolutely betrays their ignorance.

The papers today carry the news that the railroads are to have an increase in rail rates of 10 percent. No one says anything about that, that is all right; but the man who provides the foodstuffs for the country, the man who produces the something which provides the vitamins enabling us to live and exist, the 29 percent of our population in this great war planning—he is to be neglected. Let us see to it that the farm segment does not become sick again.

Let us remember that if this country gets into a price jam and costs are increased, the farmer—being at the original end of the process—cannot pass his additional cost on to someone else, but he has to absorb it.

First. Mr. President, I favor retention of the O'Mahoney amendment, covering the language on page 30, line 9, to page 32, line 2, inclusive, of the price-control bill. This amendment provides for (a) the flexible emergency wage parity price ceiling; (b) the market price prevailing October 1, 1941; (c) or December 15, 1941, whichever may be the highest of (a), (b), and (c); or, (d) the average price for such commodity during the period July 1, 1919, to June 30, 1929. The language of the amendment should be so changed that the Price Administrator's choice would be limited to whichever may be the highest of any of the four above described.

Second. I favor the retention of the Bankhead amendment, requiring prior approval of the Secretary of Agriculture in connection with actions by the Administrator with respect to agricultural commodities. This appears on page 32 of the bill, lines 3 to 7.

Third. I am willing to have restored 110 percent of parity, which was stricken from the House bill, provided it is also one of the choices in which the Administrator is required to take the highest computed price ceiling.

Fourth. I favor retention of the power of Congress to make the act inoperative at any time when both Houses by a majority vote pass a concurrent resolution to that effect. That is covered on page 22, lines 21 to 23, of the bill.

Fifth. I oppose that section of Senate version of the bill which allows the Price Administrator to buy and sell at public or private sale, or store or use, on behalf of the United States, any commodity, domestic or foreign, for purposes of controlling domestic prices. That appears on page 28, subsection (e). Such vast power is not in the best interest of the people of the United States.

Sixth. I ask rejection of conference report if it does not contain points 1 to 4, inclusive. I also ask rejection if the conference report contains, in substance, point 5.

FACTS TO FACE IN CONNECTION WITH PRICE-CEILING LEGISLATION FOR AGRICULTURE

First. The emergency wage-parity measure is temporary.

Second. This provision in the O'Mahoney amendment is not a farm-relief measure. It will help to prevent the need for future farm relief, dole, and subsidy.

Third. The administration version of price ceilings for agriculture is a consumer philosophy, not a practical, well-considered, fair, and equitable producer remedy.

Fourth. Farmers also want to avoid inflation. They believe that the administration program will badly handicap agriculture generally and will come no closer to preventing inflation than the O'Mahoney provisions.

Fifth. The O'Mahoney amendment will not cause price spiraling.

Sixth. Hoarding, speculation, monopoly, overexpansion of credit, and unbridled income rates can cause spiraling.

FACTS AND COMPARISONS

First. When war started in 1939 farm prices were still at an abnormally low level.

Second. After increasing 38 percent from September 1939 to November 1941, farm prices were still 22 percent less than in April 1917. Factory workers' weekly earnings increased 31 percent from September 1939 to November 1941. Compared with 1917, these weekly earnings were 125 percent higher, whereas farm prices in November 1941 were 22 percent lower than in 1917.

Third. From 1919 to November 1941 retail food prices as a whole decreased 27 percent, yet the composite wage rates of urban people increased 53 percent. Actually, in November 1941 the food purchasing power of all nonfarm people in terms of total earnings was 22 percent more than when the war started in September 1939. Since September 1939 the average per capita income of all nonfarm people increased 26 percent, while food as an item in the cost of living increased only 14 percent.

WHY THE EMERGENCY WAGE PARITY IN THE PRICE-CEILING BILL?

First. Because the greatest single factor contributing to price has been omitted in the administration measure—industry's cost factor.

Second. Because even with price ceiling set at 110 percent of parity agriculture cannot survive in the face of rising production and labor costs. Agriculture faces heavy production-increase burdens in the Nation's future war economy. Agriculture, particularly dairy, poultry, livestock, and truck farming, faces severe shortage of labor and equipment, which can be had only at drastically increased costs.

Third. Because industry may compensate itself for rising costs, but agriculture, being at the first end of the line, cannot pass these costs any further back, and hence must absorb them.

Fourth. Because even the United States Department of Agriculture parity began with actual disparity instead of equality during the base period 1909–14. The average per capita income for farmers, 1909–14, was $134, while the average per capita income for nonfarm groups during that time was $487.

Fifth. Because farming is a business and an industry that must make plans in advance and should have some assurance of returns comparable in part with inevitably rising costs.

I ask that there be printed at this point a table giving a comparison between the wage parity under the O'Mahoney amendment and the present Department of Agriculture parity index.

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

Comparison of the emergency wage parity in the O'Mahoney amendment with the present United States Department of Agriculture parity version

	Official parity, U. S. Department of Agriculture index	Emergency wage, parity index
	Percent	*Percent*
Commodities purchased by farmers for production	37.3	29.8
Commodities purchased by farmers for living	48.7	39.0
Interest paid by farmers	7.2	5.8
Taxes paid by farmers	6.8	5.4
Wage rates paid directly or indirectly by farmers (agricultural, industrial, clerical, transportation, etc.)	0	20.0
Total	100	100

The actual difference is in the added factor reflecting wage rates which is given a weight of 20 with the present U. S. Department of Agriculture parity formula given a weight of 80.

Mr. WILEY. Mr. President, in conclusion let me bring out this fact. To the general public it may appear that the farmer is asking for 120 percent of a fair price. That is not accurate. The Department of Agriculture did not establish parity at real parity. Parity was fixed at a fictious price, which had little relation to actual parity, and today there is little relationship between the price which the farmer is receiving and the cost of farm products to the consumer.

In 1919 we hit a peak in high prices. In January of 1919 hogs were 17 cents and recently they have been 11 cents. Pure pork sausage was 24 cents a pound in the chain stores and today it is 25 cents a pound. In other words, the price of hogs went down and the price of sausage went up.

In 1919 beef steers were 16 cents a pound and recently they have been about 14 cents a pound. In 1919 steaks sold for 24 cents and today they cost 39 cents. The roasts that formerly cost 23 cents are today 27 cents.

Back in 1919 you could buy Irish potatoes for about 3 cents a pound and today you pay 4 cents a pound. In 1919 the chain stores were selling sweetpotatoes for 3 cents a pound and today they are 4 cents a pound. In 1919 sweetpotatoes on the farm were 2.4 cents a pound, while today they have gone down to 1.5 cents per pound.

Today corn on the farm brings only two-thirds as much as it brought in 1919, but the price of corn meal has remained just as high as it did in 1919. In other words, the price the farmer receives for his product appears to have no conclusive correlation with the ultimate price to the consumer, and, consequently, it is difficult to believe that the commodity minimums established by the Senate will directly bear on the cost of living.

At the present time, when millions of young men are being taken away from the farms and when farm implements and supplies and machinery are extremely scarce, it will be very difficult to maintain agricultural production even under fair prices.

The farmer's ability to produce his products is limited by the return he receives. At the present time the farmer must plan for this year's crops, and if he expects to produce a normal crop, he is now entitled to have some assurance that the price will be fair. If he cannot produce a normal crop in 1942, we will be faced with a shortage in 1943.

I should like to point out also that if future developments prove that our Senate amendments were wrong, they could still be altered. If, however, future developments established the fact that the farmer could not produce at lower prices and if our 1942 crop was inadequate, the country would be faced with a food shortage and there would be no remedy. It is my contention that the establishment of farm prices as outlined in the Senate amendments rather than causing inflation will merely insure that the farmer receives a fair return for his labor.

The Senator from Massachusetts spoke eloquently on the subject of excess profits that some folks have made in war contracts. I know nothing about the facts except as I have read the reports of the investigating committees in the newspapers.

In all the discussion had on the floor, no one has ever contended that the farmer was receiving any excess profits. He plods along from sunrise until sunset.

The Government has never seen fit to fix a minimum wage as a basis for compensation to this man who digs wealth out of the ground for the rest of us.

If the facts are as it is claimed, that contractors have been mulcting the Government in this war effort by making excess profits, we ought to be able, by the tax bill that we are to pass soon, to take care of that situation. However, we should also be utilizing the provision of the law mentioned by Senator AUSTIN—to see to it that in the future the people's money which pays for the war effort gets value in return for everything we buy with that money.

It has been said that the conference committee is going to "throw the O'Mahoney amendment out of the window." I hope this is not true. I hope the pressure from the other end of the Capitol and the propaganda effort reflected in editorials and columns of the papers, will prove ineffective.

Mr. President, the Senator from Massachusetts [Mr. WALSH] described very feelingly the sacrifices that are being made and will be made by the youth of this Nation. They may be required in large numbers to give their lives on the altar of their country to preserve this free Nation. Many of these youths come from the farms of this country. They are going into the service to receive $21 a month. Their voice demands that we cut out useless expenditures, that we demobilize many of our nonwar agencies, and they also ask that the 29 percent of our population which has never received much consideration—the farmers of the country—their parents, be given a square deal by the Congress.

DISTRICT OF COLUMBIA INCOME TAX

Mr. BURTON. Mr. President, I move that the Senate proceed to the consideration of House bill 5591, providing an amendment of the District of Columbia Revenue Act of 1939.

The PRESIDING OFFICER. The question is on agreeing to the motion of the Senator from Ohio.

The motion was agreed to; and the Senate proceeded to consider the bill (H. R. 5591) to amend the District of Columbia Revenue Act of 1939, and for other purposes, which had been reported from the Committee on the District of Columbia with amendments.

Mr. AUSTIN. Mr. President, will the Senator from Ohio please make an explanation of the bill so the RECORD will show what it is about?

Mr. BURTON. Mr. President, I have been asked by the chairman of the District of Columbia Committee, the senior Senator from Nevada [Mr. MCCARRAN], to state briefly in his absence the purpose of the bill. It relates to the District of Columbia income tax. In the year 1940 the District of Columbia raised about $3,400,000 by its local income tax, based on 1939 incomes. Last year it raised over $4,000,000 by its local income tax, based on 1940 incomes. The bill does not change the basis of that tax, but it does correct some of its details. The purpose is to correct several minor deficiencies and to improve the administration of the tax act. There is no change in the rate of tax, or in the class of individuals or corporations upon which the tax is imposed. The exemption provisions are amended so as to conform precisely to the exemption provisions in the regular Federal income tax.

The requirement of an affidavit to the tax return is removed, but there is inserted a penalty for making a false return, which is a little simpler procedure.

The requirement of a $25 filing fee for corporations is eliminated, and a $10 annual license fee substituted.

Additional provision is made for information returns as to payments made to foreign corporations, and for withholding at the source of payment the tax on payments made to foreign corporations.

The measure is approved by the Commissioners of the District of Columbia and by the Corporation Counsel, and is recommended by the District of Columbia Committee.

Mr. AUSTIN. Mr. President, will the Senator yield to me for a question?

Mr. BURTON. I yield.

Mr. AUSTIN. Has the Senator such a classification of the different groups who have to pay this tax in the District of Columbia as to bring out the fact that there is in the District of Columbia a group of taxpayers such as is rarely found in any other taxing district?

Mr. BURTON. Mr. President, the nearest I have to that is a table showing that last year, for example, of the $4,000,000 which was collected, $2,200,000 came from corporations, although the District of Columbia is not an industrial community, and approximately $1,800,000 came from individuals, many of whom are domiciled here, although they may vote elsewhere. Although, as I have said, the District of Columbia is not an industrial community, it contains a population that is providing, through this income tax, revenue for the local government, which would not be reached otherwise.

The PRESIDING OFFICER. The committee amendments will be stated.

The first amendment of the Committee on the District of Columbia was on page 6, to strike out lines 7 to 18, both inclusive, as follows:

(f) Section 18 of title II of said act is amended by adding thereto the following new subsection:

"(b) Federal deficiency assessments: Every person required to make a return under the provisions of this title shall, within 60 days after the date any income-tax-deficiency assessment (other than a deficiency assessment of only interest or penalties) is made by the Bureau of Internal Revenue of the Treasury Department of the United States for any taxable period covered by this title, file with the assessor a copy of such Federal deficiency assessment, together with a report showing the basis of such deficiency determination."

The amendment was agreed to.

The next committee amendment was, on page 9, line 22, after the word "rent", to strike out "salaries, wages"; and in line 24, after the word "income", to insert "to foreign corporations", so as to read:

(o) Title II of said act is amended by adding the following new section to be numbered "Sec. 44":

"SEC. 44. Information returns: Every person subject to the jurisdiction of the District in whatever capacity acting, including receivers or mortgagors of real or personal property, fiduciaries, partnerships, and employers making payment of dividends, interest, rent, premiums, annuities, compensations, remunerations, emoluments, or other income to foreign corporations, shall render such returns thereof to the assessor as may be prescribed by rules and regulations of the Commissioners."

The amendment was agreed to.

The next amendment was, on page 10, line 8, after the word "corporation", to strike out "or person not a resident of the District"; in line 13, after the word "corporation", to strike out "or other person not a resident of the District."; and in line 14, after the word "corporation", to strike out "or nonresident person", so as to read:

(p) Title II of said act is amended by adding the following new section to be numbered "Sec. 45":

"SEC. 45. Withholding of tax at source: Whenever the Commissioners shall deem it necessary in order to satisfy the District's claim for income tax payable by any foreign corporation, they may, by rules and regulations, require any person subject to the jurisdiction of the District to withhold and pay to the collector of taxes an amount not in excess of 5 percent of all income payable by such person to a foreign corporation. After such foreign corporation shall have filed all returns required under this title, and the same shall have been audited, the collector of taxes shall refund any overpayment to the taxpayer."

The amendment was agreed to.

The next amendment was, on page 10, line 25, after the word "year", to strike out "1941" and insert "1942", so as to read:

(q) Title II of said act is amended by adding the following new section to be numbered "Sec. 46":

"SEC. 46. Licenses: (a) Every corporation (except those expressly exempt from the tax imposed by this title) engaging in or carrying on any business, or receiving income from District of Columbia sources, shall obtain a license so to do on or before the 1st day of January of each year: *Provided*, That such license for the calendar year 1942 may be obtained within 60 days after the approval of this act. Applications for licenses shall be upon forms prescribed and furnished by the Commissioners, and each application shall be accompanied by a fee of $10.

The amendment was agreed to.

The next amendment was, on page 14, line 4, after the word "year", to strike out "1940" and insert "1941"; and in line 8, after the word "shall", to strike out "apply to the taxable year 1941, and succeeding taxable years", and insert "become effective January 1, 1942", so as to read:

SEC. 2. The provisions of section 1 of this act shall apply to the taxable year 1941, and succeeding taxable years, except that the provisions of subsection (q) thereof requiring licenses for corporations, and the provisions of subsection (e) thereof eliminating the requirement of payment of a fee for filing corporation returns shall become effective January 1, 1942.

The amendment was agreed to.

Mr. BURTON. Mr. President, I may state that the amendments, which are formal in character, are approved by the committee, and, as amended, I believe the

bill simply provides a corrected form of the Income Tax Act for the District.

The PRESIDING OFFICER. The question is on the engrossment of the amendments and the third reading of the bill.

The amendments were ordered to be engrossed and the bill to be read a third time.

The bill H. R. 5591 was read the third time and passed.

PUBLIC OFF-STREET PARKING FACILITIES IN THE DISTRICT OF COLUMBIA

Mr. BURTON. Mr. President, I move that the Senate proceed to the consideration of Calendar No. 964, Senate bill 1945, which is also recommended by the Committee on the District of Columbia.

The motion was agreed to; and the Senate proceeded to consider the bill (S. 1945) to authorize the Commissioners of the District of Columbia to acquire, operate, and regulate public off-street parking facilities, and for other purposes, which had been reported from the Committee on the District of Columbia with amendments.

The PRESIDING OFFICER. The Chair will state that the committee amendments have heretofore been agreed to.

Mr. BURTON. The committee amendments to the bill, as has just been stated, were agreed to on January 12.

This bill relates to parking conditions, and provides authority for improving those conditions in the District of Columbia. At the preceding call of the calendar, when the bill was reached, objection was made by the junior Senator from Connecticut [Mr. DANAHER], but since then I have conferred with him in detail. He made several constructive suggestions and he has authorized me to state that he aproves the bill with certain amendments, which I will now send to the desk. These amendments also have been approved by the Corporation Counsel for the District of Columbia, and are recommended by the chairman of the District Committee and myself.

The PRESIDING OFFICER. The amendments offered by the Senator from Ohio on behalf of the committee will be stated.

The CHIEF CLERK. On page 4, in line 8, after the word "with", it is proposed to strike out "or without."

The PRESIDING OFFICER. Without objection, the amendment is agreed to.

The CHIEF CLERK. On page 4, line 19, after the word "improved", it is proposed to strike out "which the agency shall have determined to be no longer necessary for the purposes of this act" and insert "*Provided*, That such action shall be in accordance with the general law covering the disposal of such property by the District of Columbia; and, *Provided further*, That the agency shall have first determined such property to be no longer necessary for the purposes of this act."

The PRESIDING OFFICER. Without objection, the amendment is agreed to.

Mr. BURTON. Mr. President, the amendment just agreed to is formal in character. However, since a question was raised by the Senator from Connecticut [Mr. DANAHER], it should be said that the amendment relates to the disposal of property which might be acquired under the act for parking purposes in the District of Columbia, and as amended the bill provides not only as the bill originally did, that before the property can be disposed of the approval of the parking agency must be obtained, but the District must also go through the regular procedure for the disposal of any real property of the District of Columbia, that is to say, the disposal must be aproved by the National Capital Park and Planning Commission and by the Commissioners.

The PRESIDING OFFICER. The next amendment offered by the Senator from Ohio for the committee will be stated.

The CHIEF CLERK. On page 5, line 6, after the word "regulation", it is proposed to change the period to a comma, and to insert "and to insure the maintenance and operation of such parking facilities in a clean and orderly manner and in such a manner as to provide efficient and adequate service to the public."

The PRESIDING OFFICER. Without objection, the amendment is agreed to.

The CHIEF CLERK. On page 10, line 4, it is proposed to strike out "1941" and insert "1942."

The PRESIDING OFFICER. Without objection, the amendment is agreed to.

Mr. BURTON. Mr. President, I desire to make a brief statement as to the purposes of the bill itself. It has long been recognized that probably the most unique difficulty in connection with the traffic problem in the District of Columbia is its lack of parking facilities. Congress recently passed a bill increasing the gasoline tax in the District of Columbia by an amount which will raise one and one-half million dollars a year. This, with some Federal funds to be used on certain Federal projects, will enable the District to overcome many of its engineering difficulties in meeting the traffic problem. Parking is another phase of that same problem. It cannot be met merely by engineering. This bill will put into effect a recommendation made by the Commissioners of the District, and also by the highway director, Captain Whitehurst, who made the report on the engineering features.

This bill provides in substance that there shall be a separate parking agency appointed by the District Commissioners, responsible to them. That agency shall consist of seven members, one to be drawn from the Federal Works Agency, which includes the United States Highway Administration, one to be drawn from the National Park Service, which controls the parks in the District, one to be drawn from the Department of Vehicles and Traffic of the District, and the other four to be appointed at large, and responsible to the Commissioners. None of them shall receive a compensation greater than $500 a year. The agency shall have authority, subject to the Commissioners, and limited by the appropriations from Congress, to deal with the parking problem on a fundamental and long-view basis. The agency will have authority to control the placing and the purchasing of parking meters. It also will have authority, subject to the approval of the Commissioners and the appropriations of Congress, to purchase land and to operate off-street parking spaces. For example, there are so-called marginal or fringe parking spaces, which might be purchased in the outlying area of the city with the view of having people drive as far as such places and park there, and then proceed downtown by means of mass transportation.

This measure does not appropriate the money for that purpose. It does not specifically authorize the doing of what I have just described, but it creates an agency which I believe will be competent to give this subject the kind of attention it must have if we are to reach an intelligent solution of the parking problem in Washington.

The danger is that with no one having responsibility for studying parking on a long-view constructive basis, the matter will be neglected, and nothing of permanent value will be done about it. I believe this bill provides a sound way to approach the question, and in the meantime it places responsibility on an agency to control current parking problems, while also studying the long-view problem.

The PRESIDING OFFICER. The question is on the engrossment and the third reading of the bill.

The bill (S. 1945) was ordered to be engrossed for a third reading, read the third time, and passed, as follows:

Be it enacted, etc., That it is hereby declared that the free circulation of traffic of al kinds through the highways of the District is necessary to the health, safety, and general welfare of the public, whether residing in said District, or traveling to, through, or from said District in the course of lawful pursuits; that in recent years the greatly increased use by the public of motor vehicles of all kinds has caused serious traffic congestion on the highways of the District; that the parking of motor vehicles on the highways of the District has contributed to this congestion to such an extent as to interfere seriously with the primary use of such highways for the movement of traffic; that such parking prevents the free circulation of traffic in, through, and from said District, impedes rapid and effective fighting of fires and the disposition of police forces in the District, threatens irreparable loss in valuations of property in the District, which can no longer be readily reached by vehicular traffic, and endangers the health, safety, and welfare of the general public; that this parking nuisance can be reduced by providing sufficient off-street parking facilities conveniently located in the several residential, commercial, industrial, and governmental areas of the District; that adequate off-street parking facilities have not been provided by private enterprise; that it may be necessary to supplement private parking spaces by off-street parking facilities provided by public undertaking; and that the enactment of this act, as well as the use of land for the purposes set forth in this act, is hereby declared to be a public necessity.

SEC. 2. That, when used in this act, unless the context indicates otherwise—

The term "District" means the District of Columbia.

The term "Commissioners" means the Commissioners of the District of Columbia.

The term "agency" means the Motor Vehicle Parking Agency created in section 4 of this Act.

The term "parking facilities" means one or more public off-street parking areas for motor vehicles, including necessary structures.

SEC. 3. The Commissioners, within the limits of appropriations by Congress there-

for, are authorized to exercise all powers necessary and convenient to carry out the purposes of this Act, the said purposes being hereby declared to be the acquisition, creation, and operation, in any manner hereinafter provided, under public regulation, of public off-street parking facilities in the District as a necessary incident to insuring in the public interest the free circulation of traffic in and through said District. Such powers shall include, but shall not be limited to, the powers hereinafter enumerated:

(a) The power to acquire any property, real or personal, or any interest therein, by purchase, lease, gift, bequest, devise, or grant, or by condemnation under the provisions of sections 483 to 491, inclusive, of chapter XV, as amended, of the Code of Law for the District of Columbia, approved March 3, 1901 (31 Stat. 1265-1266) in any area of the District as to which the agency shall have made a determination that public parking facilities are necessary or expedient. Before acquiring any area for parking facilities the Commissioners shall request the National Capital Park and Planning Commission for its recommendations and it shall be the duty of said Commission to report thereon within 30 days of such request.

(b) The power to undertake, by contract or otherwise, the clearance and improvement of any such property as well as the construction, establishment, reconstruction, alteration, repair, maintenance, and operation thereon of parking facilities; to contract, by lease or otherwise, with competitive bidding, with any individual, firm, association, or corporation, private or public, for the operation of any parking facilities for such period, not exceeding 5 years, as the Commissioners shall determine, and to terminate, without prior notice, any contract in the event of any failure or omission of any party thereto to observe or enforce the rules or schedules of rates made under authority of paragraph (d) of this section.

(c) The power to sell, exchange, transfer, or assign any property, real or personal, or any interest therein, acquired under authority of this act, whether or not improved: *Provided*, That such action shall be in accordance with the general law covering the disposal of such property by the District of Columbia: *Provided further*, That the agency shall have first determined such property to be no longer necessary for the purposes of this act.

(d) The power to establish and from time to time to revise, with or without public hearings, uniform schedules of rates to be charged for use of space in each such parking facility; to provide rate differentials between said parking facilities for such reasons as the amount of space occupied, the location of the facility, and other reasonable differences; and to prescribe and promulgate such rules and regulations for the carrying out of the provisions of this act as may be necessary to keep said parking facilities subject at all times to public regulation, and to insure the maintenance and operation of such parking facilities in a clean and orderly manner and in such a manner as to provide efficient and adequate service to the public. The rates to be charged for parking of motor vehicles within said parking facilities shall be fixed at the lowest possible rates, consistent with the achievement of the purposes of this act, that will defray the cost of maintaining, operating, and administering the parking facilities; liquidate within such time as the Commissioners shall determine the cost of acquiring and improving the required property for parking-facility purposes; and provide for the acquisition and improvement of other necessary parking facilities, but without any purpose of obtaining for the District any profit or surplus revenue from the operation of said parking facilities. There shall be no discrimination in rates or privileges among the members of the public using said parking facilities.

(e) The power to secure and install mechanical parking meters or parking devices on the streets, avenues, roads, highways, and other public spaces in the District under the jurisdiction and control of the said Commissioners, in addition to those mechanical parking meters and devices installed pursuant to the authority conferred on the said Commissioners by section 11 of the District of Columbia Appropriation Act, 1939, approved April 4, 1938 (52 Stat. 192), such meters or devices to be located at such points as the Commissioners may determine, and the said Commissioners are authorized and empowered to make and enforce rules and regulations for the control of parking of vehicles on such streets, avenues, roads, highways, and other public spaces, and as an aid to such regulation and control of the parking of vehicles the Commissioners may prescribe fees for the parking of vehicles where meters or devices are installed.

SEC. 4 There is hereby created a motor-vehicle parking agency consisting of seven members, namely, a representative of the Federal Works Agency, to be designated by the Administrator thereof; a representative of the National Park Service, to be designated by the Secretary of the Interior; a representative of the Department of Vehicles and Traffic of the District, to be designated by the Commissioners, and four other members, each of whom shall have been a bona fide resident of the District for at least 3 years immediately preceding his appointment, to be appointed by the Commissioners, without regard to race or creed. The Secretary of the Interior, the Federal Works Administrator, and the Commissioners may from time to time, in their discretion, change their respective designates in office, and they shall name new designates to fill any vacancies caused by the death, resignation, or other inability to serve, of their respective designates in office. The terms of the other four members of the agency shall be 4 years each, except that in the case of the initial appointments, one shall be for a term of 1 year, one for a term of 2 years, and one for a term of 3 years. In the case of any vacancy in the position of the members appointed for definite terms the same shall be filled for the remainder of the term. The said agency shall perform the duties imposed upon it by this act and such other duties as the Commissioners may assign to it. The Commissioners are authorized to delegate to the agency any or all of the powers vested in the said Commissioners by this Act, except the powers set forth in paragraphs lettered (a) and (c) in section 1 of this act.

SEC. 5. Parking facilities may be established in any section or portion of the District except that no parking facilities shall be established upon any property zoned residential without the approval of the Zoning Commission of the District. The Zoning Commission may grant such approval only after public notice and hearing in accordance with section 3 of the act entitled "An act providing for the zoning of the District of Columbia and the regulation of the location, height, bulk, and uses of buildings and other structures and of the uses of land in the District of Columbia, and for other purposes," approved June 20, 1938.

SEC. 6. The National Capital Park and Planning Commission and the Highway Planning Survey Unit shall make available such records and factual data and make such additional surveys as the Commissioners or the agency may deem necessary to carry out the purposes of this act.

SEC. 7. All fees and other moneys collected under this act, including all fees collected pursuant to section 11 of the District of Columbia Appropriation Act, 1939, approved April 4, 1938 (52 Stat. 192), and all moneys derived from the sale or assignment of any property, real or personal, shall be deposited in a special account in the Treasury of the United States entirely to the credit of the District of Columbia and shall be appropriated and used solely and exclusively for the purposes set forth in this act, including the reimbursement of the highway fund of the District for any moneys advanced therefrom to carry out the purposes of this act.

SEC. 8. Appropriations from the highway fund of the District are hereby authorized to carry out the provisions of this act for the fiscal year ending June 30, 1942, and thereafter the Commissioners are authorized and directed to include in their annual estimates such amounts as may be required from said highway fund and the fund created by this act for the purpose of carrying out the provisions of this act, including the payment of salaries and necessary administrative expenses. The Commissioners are authorized to employ a director and such other personal services as may be necessary to carry out the provisions of this act, and the salaries of such employees, other than members of said agency, are to be fixed in accordance with the provisions of the Classification Act of 1923, as amended. The Commissioners shall fix the compensation of the members of said agency without reference to the provisions of the Classification Act: *Provided, however*, That the compensation of any member shall not exceed $500 per annum: *And provided further*, That no compensation for services as a member of such agency shall be provided for any member who holds a salaried public office or position in the District of Columbia or the Federal Governments.

SEC. 9. If any provision of this act, or the application thereof to any person or circumstances, shall be held invalid, the validity of the remainder of the Act and the application of such provision to other persons or circumstances shall not be affected thereby.

SEC. 10. This act may be cited as the "District of Columbia Motor Vehicle Parking Facility Act of 1942."

EXECUTIVE SESSION

Mr. BARKLEY. I move that the Senate proceed to consider executive business.

The motion was agreed to; and the Senate proceeded to the consideration of executive business.

EXECUTIVE MESSAGES REFERRED

The PRESIDING OFFICER (Mr. BUNKER in the chair) laid before the Senate messages from the President of the United States submitting sundry nominations, which were referred to the appropriate committees.

(For nominations this day received, see the end of Senate proceedings.)

EXECUTIVE REPORTS OF COMMITTEES

The following favorable reports of nominations were submitted:

By Mr. McKELLAR, from the Committee on Post Offices and Post Roads:

Sundry postmasters.

By Mr. WALSH, from the Committee on Naval Affairs:

Sundry officers for appointment and promotion in the Navy, and several officers for appointment and promotion to rank as general officers in the Marine Corps; and

Col. Raymond R. Wright, to be the Paymaster of the Marine Corps, with the rank of brigadier general, for a period of 4 years from the 1st day of February 1942.

The PRESIDING OFFICER. If there be no further reports of committees, the clerk will state the nominations on the calendar.

COLLECTOR OF INTERNAL REVENUE

The legislative clerk read the nomination of William J. Pedrick to be collector

of internal revenue for the second district of New York.

The PRESIDING OFFICER. Without objection, the nomination is confirmed.

UNITED STATES PUBLIC HEALTH SERVICE

The legislative clerk read the nomination of Curtis G. Southard to be passed assistant surgeon from January 17, 1942.

The PRESIDING OFFICER. Without objection, the nomination is confirmed.

The legislative clerk read the nomination of Daniel J. Daley to be passed assistant surgeon, to rank as such from March 29, 1942.

The PRESIDING OFFICER. Without objection, the nomination is confirmed.

POSTMASTERS

The legislative clerk proceeded to read sundry nominations of postmasters.

Mr. McKELLAR. I ask that the nominations of postmasters be confirmed en bloc, and that the President be immediately notified.

The PRESIDING OFFICER. Without objection, it is so ordered.

THE ARMY

The legislative clerk proceeded to read sundry nominations in the Army.

Mr. BARKLEY. I ask that the nominations in the Army be confirmed en bloc.

The PRESIDING OFFICER. Without objection, the nominations are confirmed en bloc.

Mr. BARKLEY. I ask that the President be immediately notified of all nominations confirmed today.

The PRESIDING OFFICER. Without objection, it is so ordered.

That completes the calendar.

ADJOURNMENT

Mr. BARKLEY. As in legislative session, I move that the Senate adjourn.

The motion was agreed to; and (at 2 o'clock and 40 minutes p. m.) the Senate adjourned until tomorrow, Friday, January 23, 1942, at 12 o'clock meridian.

NOMINATIONS

Executive nominations received by the Senate January 22, 1942:

SECURITIES AND EXCHANGE COMMISSION

Robert H. O'Brien, of Montana, to be a member of the Securities and Exchange Commission for the remainder of the term expiring June 5, 1945, vice Edward C. Eicher.

TEMPORARY APPOINTMENT IN THE ARMY OF THE UNITED STATES

TO BE BRIGADIER GENERALS

Col. Philip Ries Faymonville, Ordnance Department.

Col. Arthur Riehl Wilson (lieutenant colonel, Field Artillery), Army of the United States.

APPOINTMENTS AND PROMOTIONS IN THE NAVY

MARINE CORPS

Lt. Col. (temporary) William L. McKittrick to be a lieutenant colonel in the Marine Corps from the 8th day of December 1941.

Maj. (temporary) Robert B. Luckey to be a major in the Marine Corps from the 8th day of December 1941.

Capt. (temporary) Malcolm O. Donohoo to be a captain in the Marine Corps from the 1st day of March 1941.

Capt. (temporary) Ellsworth G. Van Orman to be a captain in the Marine Corps from the 8th day of December 1941.

Elbert S. Maloney, Jr., a citizen of the District of Columbia, to be a second lieutenant in the Marine Corps from the 28th day of May 1941.

Harold "K" Throneson, a citizen of California, to be a second lieutenant in the Marine Corps from the 31st day of August 1941.

Quintin A. Bradley, a citizen of Arizona, to be a second lieutenant in the Marine Corps from the 1st day of September 1941.

CONFIRMATIONS

Executive nominations confirmed by the Senate January 22, 1942:

RECONSTRUCTION FINANCE CORPORATION

TO BE MEMBERS OF THE BOARD OF DIRECTORS OF THE RECONSTRUCTION FINANCE CORPORATION

Charles B. Henderson
Sam Husbands
Howard J. Klossner
Henry A. Mulligan
Charles T. Fisher, Jr.

COLLECTOR OF INTERNAL REVENUE

William J. Pedrick to be collector of internal revenue for the second district of New York.

UNITED STATES PUBLIC HEALTH SERVICE

TO BE PASSED ASSISTANT SURGEONS

Curtis G. Southard
Daniel J. Daley

POSTMASTERS

CALIFORNIA

Edna E. Cobb, Cathedral City.
Madge M. Kearns, Sunland.

NEW MEXICO

Charles E. Gibbs, Madrid.

TEXAS

Elsie G. Parker, Azle.
Minor C. Strother, Bessmay.
Wenzel P. Skarda, Bloomington.
Ruth B. Reeves, Boling.
Henry Allen Jones, Cayuga.
Douglas P. Cain, Hallsville.
George V. Norman, Hempstead.
Vernon R. Brooks, Joshua.
Alex Jones, Keller.
Frank J. Williams, Lipan.
Fowler Magee, Montague.
Ruby N. Hart, New Boston.
Tug S. Pfeuffer, New Braunfels.
Louis H. De Mouche, Portland.
Frederick A. Benedict, Randolph Field.
Merrill L. Carlton, Ringgold.
Hattie M. Sims, Ropesville.
Rose Franger, Runge.
Thomas M. Sherman, Rusk.
Dorothy B. Statton, Skellytown.
Donald D. Oxford, Springtown.
Ralph A. Guthrie, Sundown.
Steve R. Selleh, Thompsons.
Lillian M. Bradberry, Warren.

APPOINTMENTS TO TEMPORARY RANK IN THE AIR CORPS, IN THE REGULAR ARMY

The nominations of Harvey Hodges Holland et al. to be colonels, and the nominations of Milton Miles Murphy et al. to be lieutenant colonels, which appear in the CONGRESSIONAL RECORD for January 16, 1942, under the caption "Nominations," beginning on page 446.

HOUSE OF REPRESENTATIVES

THURSDAY, JANUARY 22, 1942

The House met at 12 o'clock noon.

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

Lord God of all being, set our souls in that garden which is enriched by the flowing tides of the river of life; guard us against impatience. So often the hills are steep, the currents are strong, and the ordeals bitter. We praise Thee that Thou art "Emanuel, God with us"—our security, our hope, and our victory. The sacrificial spirit of service and a living faith cannot fail to understand the divine melody of the Psalmist: "In the time of trouble he shall hide me in his pavilion; in the secret of his tabernacle shall he hide me." Breathe into our souls Thy quickening presence that we may stand fully assured of Thy will.

Almighty God, Thy teaching has come down through the ages. He who has done a little, I will reward him greatly; he who has given a cup of water in my name, I will give him the water of life; he who has clothed the naked, I will give him the white raiment of a better world; he who has spoken the kindly word, I will put into his breast the song of Moses and the Lamb. Grant that Thy strength may be made perfect in our weakness. In our Redeemer's name. Amen.

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

EXTENSION OF REMARKS

Mr. MITCHELL. Mr. Speaker, I ask unanimous consent to extend my remarks in the RECORD on the subject of democracy at home, and to include a resolution passed by the Senate of the State of Illinois.

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

There was no objection.

PERMISSION TO ADDRESS THE HOUSE

Mr. REES of Kansas. Mr. Speaker, I ask unanimous consent that I may be permitted to address the House for 10 minutes after the regular program of the day has been completed.

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

There was no objection.

AMENDMENT OF THE CIVIL SERVICE RETIREMENT ACT

Mr. REES of Kansas. Mr. Speaker, I ask unanimous consent that I may address the House at this time for 1 minute.

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

There was no objection.

Mr. REES of Kansas. Mr. Speaker, I want to direct these remarks, if I may, to the gentleman from Georgia [Mr. RAMSPECK], the chairman of the Civil Service Committee of the House, and the remarks are with reference to the bill H. R. 3487, the conference report on which came up for consideration on yesterday. I was on the floor all day except that I was called from the floor for not more than 5 minutes when the conference report was called up by the chairman of the committee.

I realize it was not the obligation of the chairman to direct my attention to it, but he did know my feelings regarding the particular section that had to do with retirement for elective officials. In view of the fact that the chairman knew my position on this legislation, it seems to me I was entitled to the courtesy of being ad-

vised that the conference report would come up for consideration.

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

Mr. REES of Kansas. In just a moment I will yield.

I am not so much concerned now about the remainder of the bill, but I do think that if a measure of this kind is to come before the Congress it should have been presented as a separate bill and not put into a civil-service retirement measure, because I do not feel that provision belongs in a measure of that kind. I opposed this legislation in the Seventy-fifth Congress. I opposed it in committee. I am opposed to a policy whereby elected officers may accept the advantages that are available to employees under the executive department of our Government. I realize it is not compulsory, and I appreciate the fact that contributions are made by those who are entitled to its benefits; even at that I am still opposed to it.

EXTENSION OF REMARKS

Mr. CUNNINGHAM. Mr. Speaker, I ask unanimous consent to extend my remarks in the RECORD and to include therein a statement by Mr. J. B. Weede, of Des Moines, relating to national defense and peace; and, second, I ask unanimous consent to extend my remarks in the RECORD and to include therein a resolution by the Des Moines Garden Club.

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

There was no objection.

Mr. ELLIS. Mr. Speaker, I ask unanimous consent to extend my remarks in the RECORD and to include therein an article by W. C. McClure.

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

There was no objection.

DONALD NELSON IS RUNNING THE WAR IN ARKANSAS

Mr. ELLIS. Mr. Speaker, I ask unanimous consent to address the House for 1 minute and to extend my remarks in the RECORD.

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

There was no objection.

[Mr. ELLIS addressed the House. His remarks appear in the Appendix.]

TAXATION

Mr. YOUNG. 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 Ohio?

There was no objection.

Mr. YOUNG. Mr. Speaker, the senior Senator from Ohio, according to a Washington newspaper account, said "I would prefer the levying of a pay-roll tax, possibly of 10 percent, because it would be less inflationary in its effect than a sales tax." He stated "A 10 percent pay-roll tax would bring in $5,000,000,000." Of course, men whose wealth has been inherited would prefer taxes deducted from pay rolls instead of increased income taxes in the higher brackets and other forms of taxation. It is my view that nothing conceived of could be as unthinkable and atrocious as proposing to deduct 10 percent from the pay envelope, pay rolls, and salaries. This is taxing the poorest with a vengeance. Fortunately for ordinary folks, taxes must originate in the House of Representatives. Some men of great inherited wealth never overlook an opportunity to soak the poor. If a pay-roll tax is adopted the little fellow receiving $1,200, $1,500, and $2,000 a year would pay a tremendous tax. Persons who are urging a pay-roll tax, if they had to forego their inherited wealth, big incomes, and large salaries for a year and try living on $100 per month, might conclude it is better not to know so much than to know so much that is not so.

EXTENSION OF REMARKS

Mr. RAMSPECK. Mr. Speaker, I ask unanimous consent to extend my remarks in the Appendix of the RECORD by printing a speech delivered over the radio last Monday night.

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

There was no objection.

AMENDMENT OF THE CIVIL SERVICE RETIREMENT ACT

Mr. RAMSPECK. 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 Georgia?

There was no objection.

Mr. RAMSPECK. Mr. Speaker, in response to the statement made by the gentleman from Kansas [Mr. REES] I wish to say that I am sorry the gentleman was not on the floor when the matter came up yesterday, but I followed the usual procedure of consulting the Speaker of the House, the majority leader, the minority leader, and the ranking Republican member of the Civil Service Committee, all of whom were advised that it was my purpose to ask for concurrence in the Senate amendments.

I wish to advise the membership of the House that when this bill is signed I expect to ask the Civil Service Commission to station an expert on the Hill for a while in order that the Members may be informed about the procedure under this bill and how it applies to the elective officials of the Government.

Mr. REES of Kansas. Mr. Speaker, will the gentleman yield?

Mr. RAMSPECK. I yield to the gentleman.

Mr. REES of Kansas. Does not the gentleman think the matter was of such importance to the Congress, as well as to the country, that the whole problem should have had a little more consideration by the House even when it was brought up in the first instance, as well as on yesterday?

Mr. RAMSPECK. I do not agree with the gentleman. I think it was given full consideration and certainly it is not an obligation of the chairman of the committee to notify every member of the committee when he is going to bring up a matter of concurring in the Senate amendments. It would be utterly impossible to do that.

Mr. REES of Kansas. I appreciate that.

Mr. RAMSPECK. I have always tried to be courteous to the gentleman, and I think he will agree that I have been.

Mr. REES of Kansas. The gentleman knows that it was only for a few moments that I was away from the floor. Of course, I could not tell when it was going to come up and the gentleman knows my whole attitude toward the matter.

Mr. RAMSPECK. I could not know exactly when it would be taken up. You have to take such a matter up when you can.

[Here the gavel fell.]

EXTENSION OF REMARKS

Mr. KUNKEL. Mr. Speaker, I ask unanimous consent to extend my remarks in the RECORD by including an editorial from the St. Petersburg (Fla.) Independent.

The SPEAKER. Is there objection?

There was no objection.

PEANUTS

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

The SPEAKER. Is there objection?

There was no objection.

Mr. PACE. Mr. Speaker, today marks the beginning of National Peanut Week. With the consent of the Speaker, I have had placed in the Republican and Democratic cloakrooms a small exhibit to try to demonstrate some of the wonders of the peanut industry and of the things we are doing with peanuts. I hope that all the Members will not only see the exhibit, which will open their eyes, but I hope also they will partake abundantly of the samples they will find there, because there are plenty more where they came from.

USE OF POWER IN COTTON GINS

Mr. POAGE. Mr. Speaker, I ask unanimous consent to proceed for 1 minute and revise and extend my remarks.

The SPEAKER. Is there objection?

There was no objection.

[Mr. POAGE addressed the House. His remarks appear in the Appendix.]

EXTENSION OF REMARKS

Mr. EDWIN ARTHUR HALL. Mr. Speaker, I ask unanimous consent to extend my remarks and include a radio talk.

The SPEAKER. Is there objection?

There was no objection.

SPEECHES AGAINST INVOLVEMENT IN WAR

Mr. HOFFMAN. Mr. Speaker, I ask unanimous consent to proceed for 1 minute and revise and extend my remarks.

The SPEAKER. Is there objection?

There was no objection.

Mr. HOFFMAN. Mr. Speaker, the Washington Post this morning, continuing its efforts to smear the gentleman from New York [Mr. FISH] and all who opposed a policy the only result of which could be a war, prints a list of Congressmen whose speeches, as printed in the CONGRESSIONAL RECORD, were franked out through the mails. The remarks I put

in the RECORD were an argument against involvement in war.

With reference to the remarks which I inserted in the RECORD, entitled "We Burned Our Fingers Once," the Post states:

The records said Miss Boyer, HOFFMAN'S secretary, authorized the use of his frank.

It is quite true that Miss Boyer authorized the Public Printer to issue reprints to the gentleman from New York [Mr. FISH] upon the payment of the regular charge. But let it be understood that I authorized Miss Boyer to make such statement; that I am not hiding behind any woman's skirts; that I am not dodging responsibility for the act of any secretary in my office; that I have no apology to make for those remarks.

NEW LOCKS AT THE SOO

Mr. BRADLEY of Michigan. Mr. Speaker, I ask unanimous consent to proceed for 1 minute.

The SPEAKER. Is there objection?

There was no objection.

[Mr. BRADLEY of Michigan addressed the House. His remarks appear in the Appendix.]

EXTENSION OF REMARKS

Mr. BRADLEY of Michigan. Mr. Speaker, I ask unanimous consent to extend my remarks in the RECORD, including an editorial from the Soo Evening News.

The SPEAKER. Is there objection?

There was no objection.

LEAVE TO ADDRESS THE HOUSE

Mr. SHANNON. Mr. Speaker, I ask unanimous consent that after the House has disposed of all other special orders today, I be permitted to address the House for 15 minutes.

The SPEAKER. Is there objection?

There was no objection.

EXTENSION OF REMARKS

Mr. MAY. Mr. Speaker, I ask unanimous consent to extend my remarks in the RECORD and include an address delivered by the Honorable SAMUEL W. KING over station WWDC, January 18.

The SPEAKER. Is there objection?

There was no objection.

Mr. COFFEE of Nebraska. Mr. Speaker, I ask unanimous consent to extend my remarks in the RECORD and to include therein a statement by Dr. Leo M. Christiansen, research chemist of the University of Nebraska, with respect to the possibility of developing rubber from agricultural commodities.

The SPEAKER. Is there objection?

There was no objection.

Mr. RANKIN of Mississippi. Mr. Speaker, I ask unanimous consent to extend my remarks in the RECORD and to include a speech by the national commander of the American Legion.

The SPEAKER. Is there objection?

There was no objection.

PILOT PLANT TO TEST LOW-GRADE BAUXITE

Mr. RANKIN of Mississippi. Mr. Speaker, I ask unanimous consent to address the House for 1 minute and to revise and extend my remarks and include therein a bill which I have introduced and some excerpts from the Mead report.

The SPEAKER. Is there objection?

There was no objection.

[Mr. RANKIN of Mississippi addressed the House. His remarks appear in the Appendix.]

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

The SPEAKER. Is there objection?

There was no objection.

Mr. DIRKSEN. Mr. Speaker, with reference to the observation just made by the gentleman from Mississippi [Mr. RANKIN], let me suggest that in the Interior Department appropriation bill last year we inserted an item for $60,000 for the building of a pilot plant for the purpose of testing new processes to reclaim aluminum from low-grade bauxite ores. The Bureau of Mines and Minerals has been busily engaged in pursuing that matter all during the last year. About 30 days ago they made their report. They built a pilot plant and they have tested the French flotation process for reclaiming this ore from low-grade clays, and it is an entire success. It occurs to me that that process is now ready for licensing.

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

Mr. DIRKSEN. I yield to the gentleman.

Mr. RANKIN of Mississippi. That is a different kind of ore; it is high in both silica and iron, and they inform me that they will have to have a different process, and for that reason they will have to have a new pilot plant to test it out.

Mr. DIRKSEN. My understanding, from discussing the matter with those in the forefront in securing development of that pilot plant, is that it will operate on any kind of bauxite ore that is found in the United States.

Mr. RANKIN of Mississippi. That is not the information they gave me.

Mr. DIRKSEN. That is the information they gave me.

[Here the gavel fell.]

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

The SPEAKER. Without objection, it is so ordered.

There was no objection.

Mr. RICH. Mr. Speaker, I wanted to make the same statement that the gentleman from Illinois [Mr. DIRKSEN] just made with reference to the duplication of industry in government. The duplication in bureaus, the duplication of effort, the duplication of things in which the Government is interested. It is great. Its cost is large. It is not necessary. If the gentleman from Mississippi [Mr. RANKIN] had investigated what the Interior Department under the Bureau of Mines has been doing, he would have found out that we can test all of the bauxite that they have down in Mississippi and determine whether it is valuable without spending $100,000 to do this kind of work. That is the trouble with the Government. We are just duplicating and duplicating and duplicating all of our efforts. And the expense is increasing and increasing and increasing. That is the reason why we have such great cost of government as we have today, and unless and until this Congress stops this duplication of effort we will have a difficult time to prosecute the war, because we will be financially bankrupt, and we cannot continue. We must stop many things that the Members want and that the Government is now doing.

When I saw the statements made in the papers yesterday of the enormous profits being made by industries which are manufacturing boats, we ought to do something about it to stop those enormous profits. We had that up time and time again. It is time to get action. You promised the people it would not happen, but I say the New Deal promises for economy do not exist; they never did. You once promised a balanced budget; the New Deal will never have it; all they know is spend, spend, spend. Soon will be tax, tax, tax, and not long until it will be everybody broke and the Government go bust, bust, bust. I say, get some economy in government before it is too late.

[Here the gavel fell.]

INDEPENDENT OFFICES APPROPRIATION BILL, 1943

Mr. WOODRUM of Virginia, from the Committee on Appropriations, reported the bill (H. R. 6430, Rept. No. 1643) making appropriations for the Executive Office and sundry independent executive bureaus, boards, commissions, and offices for the fiscal year ending June 30, 1943, and for other purposes, which was read the first and second times, and, with the accompanying report, referred to the Committee of the Whole House on the state of the Union and ordered printed.

Mr. WIGGLESWORTH reserved all points of order on the bill.

Mr. WOODRUM of Virginia. Mr. Speaker, I move that the House resolve itself into the Committee of the Whole House on the state of the Union for the consideration of the bill (H. R. 6430) making appropriations for the Executive Office and sundry independent executive bureaus, boards, commissions, and offices, for the fiscal year ending June 30, 1943, and for other purposes, and, pending that, I ask unanimous consent that general debate be divided equally between myself and the gentleman from Massachusetts [Mr. WIGGLESWORTH], and at the conclusion of debate the bill be read for amendment.

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

There was no objection.

The SPEAKER. The question is on agreeing to the motion.

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 consideration of the bill H. R. 6430, with Mr. BEAM in the chair.

The Clerk read the title of the bill.

By unanimous consent, the first reading of the bill was dispensed with.

Mr. WOODRUM of Virginia. Mr. Chairman, I yield myself 15 minutes.

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

Mr. WOODRUM of Virginia. Mr. Chairman, the independent offices bill for 1943 is for the amount of $2,096,138,875. The bill, Mr. Chairman, provides the appropriations for the so-called independent establishments, numbering 43. In the back of the bill you will find enumerated the 43 agencies and departments included in this independent offices bill. You will see by scanning the bill and the hearings that very few of the agencies of the Government, even though they are the so-called old-line agencies, have not felt the impact of the tremendous defense effort we are making. For instance, a few years ago we were quite shocked when the amount of the independent offices bill gradually approached $1,000,000,000, but today it is $2,100,000,000. It is interesting to note in this connection, however, that 2 agencies of the 43 account for $1,500,000,000 of the $2,100,000,000; that is, $980,000,000 for the Maritime Commission, which is charged, as we know, with our vast shipbuilding program, and $600,000,000 for the Veterans' Administration to pay pensions, benefits, hospitalization, and so forth.

Mrs. ROGERS of Massachusetts. Mr. Chairman, will the gentleman yield?

Mr. WOODRUM of Virginia. I yield.

Mrs. ROGERS of Massachusetts. Has any appropriation been made for increased hospital facilities which will undoubtedly be needed to house the wounded of this war?

Mr. WOODRUM of Virginia. General Hines testified that the Veterans' Administration has something like 5,000 hospital beds that would be available if needed. We have provided in the Army and Navy appropriations a sufficient amount to supply the needed hospital facilities in the Army and Navy for the increased strength of these establishments and take into account the fact we are in war.

Mrs. ROGERS of Massachusetts. I have talked with General Hines several times, and my understanding is that he is making a survey for the purpose of increasing further the hospital facilities under his Bureau.

Mr. WOODRUM of Virginia. That is correct.

Since we are discussing the Veterans' Administration, I will insert at this point for the information of the House a chart showing the various appropriations in the bill for this activity and the purposes for which the funds are made available for the fiscal year 1943:

Veterans' Administration, fiscal year 1943

Salaries and expenses		$110,909,088
01	Personal services	70,889,905
02	Supplies and materials	19,046,030
05	Communication service	304,860
06	Travel expenses	1,370,258
07	Transportation of things (service)	1,028,360
10	Heat, light, power, water, etc	2,097,850
11	Rents	267,250
12	Repairs and alterations	2,773,707
Salaries and expenses—Con.		
13	Special and miscellaneous current expenses	$510,000
2200	Grants to State homes	1,552,800
2250	Burial expense	5,030,820
30	Equipment	1,604,025
	Transfers to other Government departments	+4,718,223
	Transfers from other Government departments	−285,000
		110,909,088
Printing and binding		138,000
Army and Navy pensions		445,000,000
Military and naval insurance		12,821,000
National Service Life Insurance		$27,770,000
Hospital and domiciliary facilities		4,557,000
Total		601,195,088

It will be noted that the largest item of appropriation for the Veterans' Administration is for the payment of compensation and pensions and the statement following under this head shows the amounts that are included in the bill for that purpose compared with funds provided for the 2 preceding years.

Pensions

By projects	Fiscal year 1943	Fiscal year 1942	Fiscal year 1941
1. Yellow fever roll of honor	$15,000	$15,000	$15,000
2. War of 1812	240	240	240
3. Mexican War	47,520	56,352	66,052
4. Indian wars	2,440,940	2,677,499	2,911,107
5. Civil War	17,063,520	19,780,554	23,208,855
6. Spanish-American War	128,019,684	128,204,978	127,416,901
7. Regular Establishment (peacetime)	20,426,340	18,987,021	17,680,426
8. Compensation (World War, service connected)	171,581,472	171,764,663	169,223,769
9. Pensions (World War, non-service-connected)	32,612,693	27,931,161	23,421,306
10. Emergency Officers' retirement pay (World War)	4,239,739	4,326,597	4,114,931
11. Death compensation (World War, service connected)	54,010,316	55,317,212	55,482,980
12. Death compensation (World War, non-service-connected)	14,542,536	12,133,704	9,780,140
Grand total obligations	445,000,000	441,194,981	433,321,707
1941 appropriation obligated in 1940			+6,216,208
Net total obligations	445,000,000	441,194,981	439,537,915
Estimated savings and unobligated balance		12,402,019	16,954,389
Total estimate or appropriation	445,000,000	453,597,000	456,492,304

Five of the forty-three agencies in this bill account for 90 percent of the appropriation. The balance is distributed between the remaining agencies.

Notwithstanding the large amount involved in the bill, for the reason which I have indicated, it has not presented a very fertile field for savings. We have been able to deduct $5,029,115 below Budget estimates, but you will find as you go through these hearings and as you go through the bill that practically all of these agencies are feeling terrifically the impact of the defense program. For instance, the Civil Service Commission we all know has increased its work almost beyond comprehension because of the vast increase in the number of Federal employees, practically all of them being under civil service. We find that the General Accounting Office, because of the large expenditure of funds for defense purposes, has had to double and triple its auditing, clerical, and investigational force. The National Advisory Committee for Aeronautics, the Selective Service System, the Tennessee Valley Authority engaged in the power program with this greatly extended effort which we are making have all had to be provided with increased appropriations. So as you look through this bill and read the report—and this is a very carefully drawn report—for an explanation of these various items you will find that the Budget and the committee have held down the expenditures of these regular agencies of the Government to a minimum, taking into account, as I say, the effect of this defense effort on each agency. In addition to that there are in this bill, and there will be in every other bill coming before the House, reflected sums which are added to each agency to take care of the administrative within-grade promotions under the so-called Ramspeck bill. In this bill the increase amounts to $2,937,672.

The committee, Mr. Chairman, conducted very careful hearings for several weeks. We went into each agency carefully, and I want to express my appreciation of the fine cooperation given by the minority members of the committee. We think we have presented a bill to the House in as good form and with as much care and pains as it is possible under the circumstances.

I believe there are not more than one or two items in the bill that will be controversial.

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

Mr. WOODRUM of Virginia. I yield.

Mr. RANKIN of Mississippi. I notice on page 77 this language:

Provided, That no part of this appropriation shall be expended for the purchase of oleomargarine or butter substitutes except for cooking purposes.

It seems to me at this late date when almost every doctor in the world, so far as I am able to find, recommends oleomargarine for certain patients—and certainly our doctors here do—and when this material is made from vegetable oils, largely cottonseed oil, soybean oil, or peanut oil, all produced in this country, when it has no ill effects, when it is free from tuberculosis germs, free from anthrax, cholera, cancer, and other infectious and contagious diseases, I cannot understand why the Congress of the United States should forbid the doctors in the veterans' hospitals from prescribing it for their patients, when other doctors in other hospitals throughout the world prescribe it for certain classes of patients.

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

Mr. WOODRUM of Virginia. I yield to the gentleman from South Carolina.

Mr. HARE. Less than 6 weeks ago my physician recommended that to me as a substitute for butter.

Mr. RANKIN of Mississippi. Certainly, and the physician of this House—and we have one of the best physicians in the country—has recommended it for scores of Members of the House and of the Senate. It is recommended everywhere else, yet somebody sometime back slipped in this iniquitous provision to try to outlaw a product that some Members felt was in competition with the products of their own districts, and the provision has been carried on from year to year.

I say this as a representative of a dairy district. I represent probably more dairy farmers than any other Member from a Southern State. I am also chairman of the Committee on World War Veterans' Legislation. I know we have thousands of patients that, if other doctors are correct, need this food as a substitute for what they are now getting.

I hope the gentleman from Virginia and other members of the committee will agree to strike this provision from the bill.

Mr. WOODRUM of Virginia. Mr. Chairman, unless there are further questions, I yield the floor.

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

Mr. WIGGLESWORTH. Mr. Chairman, in the course of his recent Budget message to the Congress the President made the following statement, which I quote:

> In a true sense there are no longer nondefense expenditures.

This philosophy seems to me to be the perfect solution to the problem confronting the Congress, at least from the standpoint of many of the departments and agencies. Nondefense expenditures are not only reduced to a minimum; they are completely eliminated—all through a single sentence.

I am very much afraid that as we go along we shall find a tendency among those coming before us for appropriations to adopt this philosophy wholeheartedly. There is evidence of the adoption of this philosophy in the bill before us today. We find that many of the agencies covered in this bill, which formerly devoted themselves to nondefense activities, now take the position that they are working largely or wholly for defense purposes. This is true even in those instances where the Budget specifically sets up one fund for normal activities and another fund for defense activities.

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

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

Mr. MAY. I intended to ask this question of the distinguished gentleman from Virginia, but I think it is pertinent to the remarks of the present speaker. To just what extent did it appear in the hearings before the Committee on Appropriations in connection with these numerous independent offices that there is a concerted effort on the part of all of them to undertake to make themselves national defense organizations and to be considered as engaged in national defense efforts rather than their proper and necessary legitimate functions?

Mr. WIGGLESWORTH. Generally speaking, I think the temptation to do this is apparent in the hearings in respect to a good many of the agencies under consideration in this bill.

Mr. MAY. I realize there are many things that are actually national defense that we have not heretofore considered to be such.

Mr. WIGGLESWORTH. That is, of course, true.

Mr. MAY. However, I got the impression from hearings of my committee—and I am unfortunate enough not to have time to read these hearings—that there is a general effort in all the agencies of the Government to try to make themselves instruments of national defense in order to get appropriations. I think that is true.

Mr. WIGGLESWORTH. Generally speaking, my impression is the same as the gentleman's impression, from the hearings we have had in connection with this bill.

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

Mr. WIGGLESWORTH. I yield to the gentleman from South Dakota.

Mr. CASE of South Dakota. Was there any agency whatever that came before the committee that did not in some large degree attempt to justify its request for funds on the ground that it is doing national defense work?

Mr. WIGGLESWORTH. It may not have been unanimous. It certainly was the general rule.

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

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

Mr. DITTER. I wonder whether I may inquire of the gentleman from Kentucky whether he meant to infer that many of the needless agencies of the Government that have been created since 1933 are presently trying to assume the cloak of national defense in an effort to continue their existence? I rather got that inference from the pointed inquiry he made. I have had the same impression but have hesitated to express it. I am gratified to know that my very distinguished friend from Kentucky, the chairman of the Committee on Military Affairs, is just as much concerned as I am about this needless effort on the part of some of these useless agencies to perpetuate themselves at the expense of the taxpayers.

Mr. MAY. If the gentleman will yield, I should like to respond very briefly to the question of the gentleman from Pennsylvania.

Some 60 days ago, I think, the Secretary of the Treasury, Mr. Morgenthau, issued a statement in which he said we ought to begin to curtail expenditures for solely nondefense activities to the extent of about $1,000,000,000. Knowing this great committee of the House of Representatives has the great task it has, I feel that its Members are constantly being bedogged, bedeviled, and maybe bedamned a little by these agencies, just as we are. I think it is time we begin to look into the question of how to save some of the expenditures that are not necessary.

Mr. WIGGLESWORTH. Mr. Chairman, I am happy to hear the gentleman from Kentucky take that position. I express the hope that in spite of the enormous appropriations we are called upon to make for defense activities, and in spite of the extreme rapidity with which we are called on to make these appropriations, we shall not lose sight of our duty to the people to reduce nondefense expenditures to the minimum and eliminate waste and extravagance from all appropriations. It seems to me particularly important in view of the findings which have been made by our Military Affairs Committee, by our Naval Affairs Committee only a day or two ago, and by the so-called Truman committee over in the other body.

The TREADWAY. Mr. Chairman, will the gentleman yield?

Mr. WIGGLESWORTH. Very briefly.

Mr. TREADWAY. I wanted to call the gentleman's further attention to what I am sure he is aware of, that this effort to secure economy in nondefense items has been reported upon to a certain extent by the so-called Byrd committee, of which the gentleman from Virginia [Mr. WOODRUM] is a distinguished member. I hope the House, under the leadership of such able men as the gentleman now speaking, will be able to fall into line with the report of that committee. The preliminary report brings out items totaling $1,300,000,000 where a saving can be made in nondefense appropriations.

Mr. WIGGLESWORTH. I may say to the gentleman that I think it is vital to eliminate all possible nondefense expenditures.

Mr. BROWN of Ohio. Mr. Chairman, will the gentleman yield?

Mr. WIGGLESWORTH. Briefly.

Mr. BROWN of Ohio. Most of this saving that is mentioned in this report comes out of the different emergency appropriations that have been made in other ways. I notice here $610,000,000 from the emergency funds appropriated to the President, and yet we have probably appropriated more money to the President in the last few months than at any other time in all history.

Mr. WIGGLESWORTH. Let me say to the gentleman in that connection that the statement from which he is reading, in my judgment, is misleading. The bill carries with it a total in appropriations of about $2,100,000,000. In addition to that, it carries $47,600,000, or thereabouts, in authorizations, and over and above that it carries about $375,000,000 for indefinite and permanent appropriations, giving us a total over-all figure of about $2,520,000,000.

When you compare that with the total in last year's bill, at the time that it passed the House, you will find the totals carried here are more than last year's totals. They exceed last year's appropriations by about $700,000,000. They ex-

ceed last year's over-all figure by $730,000,000.

If you compare the totals here with last year's totals including all supplemental and deficiency items you will find according to my figures a saving in respect to appropriations amounting to about $42,900,000 and in respect to the over-all figures amounting to about $12,900,000.

I may point out in this connection that the saving of $42,900,000 is more than accounted for by two items, that for Public Buildings Administration construction amounting to $34,700,000, and that for Public Roads Administration construction amounting to $36,500,000, a total of $71,200,000.

Of the 40 agencies covered by this bill, one shows no decrease, receiving exactly the same appropriation as last year, while 23 show actual increases. The chief reductions will be found in the Public Buildings Administration and the Public Roads Administration items just referred to; in the item for the President's emergency funds, as to the future of which no prediction can now be made; in the T. V. A. item solely because of the enormous supplemental appropriations made for T. V. A. after the passage of this bill last year, and in the Home Owners' Loan Corporation and Public Works Administration items, both agencies being in the process of liquidation.

The committee reductions amount to about $5,000,000 in appropriations and something less than half a million dollars in authorizations.

Now, Mr. Chairman, because of the position taken by many of these agencies in respect to alleged defense activities, it is difficult to bring about major reductions in the items now before us. There are various items, however, which, in my judgment, can be reduced or eliminated without hurting anyone and I hope that action to this effect will be taken under the 5-minute rule.

This bill covers, as always, a tremendous territory and develops, in the course of its consideration, a lot of information. Time, of course, does not permit me to go into detail, but I do want to take some time today to refer to some of the information developed by the committee in the course of the hearings.

GENERAL ACCOUNTING OFFICE

The recommendation for the General Accounting Office amounts to $16,900,000 as compared with $10,900,000 for the current fiscal year. The request to the Budget by this agency was about $20,000,000, the Budget seeing fit to reduce the request by about 20 percent, at the same time indicating that possibly at some time in the future further funds might be received out of lend-lease funds, and in respect to the relief work of the agency.

The cut is emphasized by the fact that there have been appropriated many billions of dollars since the estimate was submitted, and by the increase from about 11,000,000 vouchers in 1941, to an estimated 38,000,000 vouchers in 1943.

The General Accounting Office indicates that it is content to wait for further consideration from the Bureau of the Budget. Personally, however, I do not like to see the difficulty experienced by this agency is obtaining what seem to be essential funds either this year or in previous years. It seems to me the work of this agency is absolutely vital to Congress and to the people. It is the best assurance we have against waste and the illegal use of the people's money. The Congress I know has every confidence in the agency and its leadership. If there is any agency of the Government which, in my judgment, ought to be absolutely independent from Executive influence of any kind it is the General Accounting Office.

I point out incidentally that the report of this agency shows a suspension of accounts for the United States Maritime Commission to the extent of about $4,900,000 and for the W. P. A. to the extent of about $11,000,000.

The record indicates in connection with the latter that material was sent by this agency to the Department of Justice as a result of the W. P. A. investigation, with the anticipation that criminal action for embezzlement and conversion of materials would result. Up to the time of the hearings that action had not been taken.

The report also shows an abuse to a considerable extent of the use of Government automobiles, and brings out also the matter referred to on the floor 2 or 3 days ago, namely, the practice of taking persons not on the Federal pay roll at all and placing them on the rolls of this or that agency for the purpose of working and working solely for congressional investigating committees. This practice is condemned by the General Accounting Office and also by your committee.

BUREAU OF THE BUDGET

Passing now to the Bureau of the Budget, for which the recommendation is $1,982,000, as compared to $1,315,000 for the current fiscal year, as a result of the enormous increase of work for this agency, I want to speak for a moment on the cost of informational and propaganda work in the Government. As the members of the committee know, for a number of years I have done what I could on this floor to hold down this cost.

Two years ago in December 1939 I asked the Budget Bureau to give me a statement showing the cost in this connection by departments and agencies. I renewed that request in December 1940. The statement finally arrived about the close of the last fiscal year.

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

Mr. WIGGLESWORTH. Mr. Chairman, I yield myself 15 minutes more.

I anticipated that I would receive a few typewritten pages. When the document arrived, it was 164 pages in length, and here it is.

It is prepared on the thinnest possible paper. It is about 15 inches wide, 20 inches long, and about half an inch thick. It shows a total expenditure for the fiscal year 1941 of $27,770,000, broken down into 14 items, which I shall insert in the RECORD at this point.

Publications	$13,751,800
Press service	1,170,700
Radio broadcasts	435,600
Group contacts	2,573,000
Paid advertisements	13,500
Exhibits	839,600
Motion pictures	600,600
Lantern slides and lecture materials	146,200
Photographs	$380,900
Correspondence	3,118,600
Individual contacts	3,577,300
Educational cooperation	510,800
Posters	99,600
Miscellaneous and other	551,800

Of this sum, the Department of Agriculture anticipates expending $11,887,700, or 42.9 percent of the total.

Of the total, $19,463,000 is for salaries and expenses and $8,306,000 for other obligations. It indicates full-time employment of this character for 2,995 people, and part-time employment of this character for 31,618 people, or a total of 34,613 people.

I think, Mr. Chairman, the report is all right as far as it goes. I am confident, however, that it does not give us anything like a complete picture in this connection.

For instance, it specifically states that the Office of Emergency Management is not included, because that agency was then in the formative stage. We all know that Mr. Horton, of the O. E. M., runs one of the largest publicity set-ups in the entire Government. In 1942 he has an organization of something like 249, at a cost of something like $705,000 annually. There are other agencies under O. E. M. which should be included here.

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

Mr. WIGGLESWORTH. I yield.

Mr. CASE of South Dakota. Do I understand from the gentleman's figures that there are approximately 35,000 people now engaged in the information services of the various branches of the Government?

Mr. WIGGLESWORTH. On full or part time, yes.

Mr. CASE of South Dakota. I notice in the hearings that the Office of Government Reports proposes from the funds requested, to increase the number of employees considerably, and to add employees in States where they are not now operating?

Mr. WIGGLESWORTH. That is correct.

Mr. MICHENER. Will the gentleman yield?

Mr. WIGGLESWORTH. I yield.

Mr. MICHENER. Just what is the nature of the information that these 35,000 people gather and disseminate?

Mr. WIGGLESWORTH. This is supposed to include information, propaganda, promotion, publicity, reporting political trends or whatever other description you want to use for that type of work. It is supposed to refer to approximately all the agencies of the Government for the fiscal year 1941.

Mr. MICHENER. In other words, then, if a new agency is set up by act of Congress or by Executive order, that new agency sells itself to the Government, to the people, through this propaganda agency? Is that correct?

Mr. WIGGLESWORTH. Well, I think that is a fair interpretation in many instances.

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

Mr. WIGGLESWORTH. I yield to my colleague from New York.

Mr. FITZPATRICK. Is it not a fact that many of the people throughout the country write in to these agencies and ask for information, and because of that they publish certain information that is distributed?

Mr. MICHENER. Will the gentleman yield?

Mr. WIGGLESWORTH. I yield.

Mr. MICHENER. Is it not a fact that this agency does not answer any private correspondence other than to say that it is an agency of the Government and furnishes information to the various branches of the Government and puts out in behalf of the Government such propaganda information as the agency feels is most apt to sell the policy of the Government?

Mr. FITZPATRICK. It is information that has been requested by the people of the country and because of that they have sent it out.

Mr. WIGGLESWORTH. Of course, there is a certain amount of legitimate expenditure in this field, but this figure I am giving is for the entire Government, and in my judgment is a preposterous figure and entirely unjustified for the work in question.

Mr. CASE of South Dakota. Will the gentleman yield further?

Mr. WIGGLESWORTH. I yield.

Mr. CASE of South Dakota. On page 1154 of the hearings I note that "personal services in the Office of Government Reports" for the current year includes 531 employees, and it is proposed to add 404. Further, that offices are now maintained in 32 States. A table that follows indicates the present employment in different States and what is proposed to be added during the balance of the fiscal year 1942 and the fiscal year 1943. The Office of Government Reports will be expanded from 32 States to all of the States with a considerable increase of personnel in the offices where they already have offices.

Mr. WIGGLESWORTH. The expansion requested is very great.

Miss SUMNER of Illinois. Will the gentleman yield?

Mr. WIGGLESWORTH. I yield.

Miss SUMNER of Illinois. I would like to ask two questions: First, is this a new development and, if so, how long have we had this system of public relations, press agents, and so forth, to distribute propaganda? The second question is, Is this set-up similar to the one operated by Goebbels in Germany and, if not, in what way is it distinguishable?

Mr. WIGGLESWORTH. I will say to the gentlewoman in answer to the first question, that when I was in the Treasury Department, if the Secretary of the Treasury had some information for the press, he rang for a stenographer and dictated what he wanted to give out. The development of this enormous publicity set-up all through the Government, has been a development almost exclusively of the past 9 years, with a view to advising the people as to——

Miss SUMNER of Illinois. As to how to vote?

Mr. WIGGLESWORTH. This has no doubt been one objective. To a large extent, the work has been sheer propaganda, as distinguished from legitimate information in my judgment. Of course, it has been carried on by an enormous staff of expert writers and radio commentators placed in this or that agency or department of the Government and paid for by money of the taxpayers.

As to the second question, I am afraid I am not sufficiently versed as to the set-up in Germany but the objectives sought would seem to be similar.

Mr. DITTER. Mr. Chairman, will my colleague yield?

Mr. WIGGLESWORTH. I yield.

Mr. DITTER. Does the gentleman have time to permit of an observation in reply to the statement made by the gentleman from New York [Mr. FITZPATRICK]?

Mr. WIGGLESWORTH. I yield briefly to my colleague.

Mr. DITTER. As the gentleman from New York was trying to make that excuse for the existence of this over-all agency, I was reminded of that story when the woman was asked who broke the beautiful mantel mirror that adorned her living room. She said, "Why, my husband. He ducked when I heaved a large vase at him." I think the effect of my friend from New York to try to justify this thing is just the ducking, so to speak, that is breaking the mantel mirror.

Mr. FITZPATRICK. I do not have to justify it, because many Members of Congress receive letters from their constituents asking for those reports. No doubt the gentleman who just spoke has often taken advantage of the same service.

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

Mr. WIGGLESWORTH. I yield.

Mr. TREADWAY. I understood the gentleman to say he considered the total of this item preposterous; that a certain amount was legitimate, but that much was preposterous. How does the gentleman differentiate between that which is necessary and that which is preposterous?

Mr. WIGGLESWORTH. That is a pretty difficult question to answer. I believe it is an expenditure which could be largely eliminated without impeding the proper functions of the Government to the advantage of the taxpayers of the country.

In this connection, let me point out that in the statement which was furnished by the Budget nothing is included for expenditure of mailing under the penalty privilege of this mass of propaganda.

The total cost of penalty mail in the year 1940 amounted, I am advised, measured in terms of loss of revenue, to $41,500,000.

Mr. FITZPATRICK. Mr. Chairman, will the gentleman yield there?

Mr. WIGGLESWORTH. I cannot yield; I have not the time.

Adding a fair amount for the cost of mailing and the amount expended by O. E. M. in this connection to the total of $27,770,000 in the survey by the Budget, it seems to me that the over-all total might well amount to as much as $45,000,000 or $50,000,000 for the year in question.

It should be noted in this connection that the Budget specifically reports that none of the departments or agencies keep any records segregating costs for these activities; that they are found in various complex patterns, making it difficult for many of the agencies to arrive at any clear segregation of the expense involved.

It seems to me that at this time, when the legitimate press of the country and other paper users find themselves confronted with the prospect of not being able to obtain the paper they need, there is an added reason for curtailing this overdone activity of the Government.

I hope that the survey will help the Bureau of the Budget and the Congress to make some headway in reducing this expenditure to a reasonable point.

Mr. FITZPATRICK. Mr. Chairman, will the gentleman yield at that point?

Mr. WIGGLESWORTH. I yield briefly.

Mr. FITZPATRICK. It appears from the report of the Post Office Department that from the year 1940 the use of the penalty privilege by all departments amounted to $16,986,112.02; our subsidy to the second-, third-, and fourth-class users in that year was $133,482,882.23. What is the gentleman going to do about that subsidy? Is he opposed to it?

Mr. WIGGLESWORTH. I do not see that that is in any way connected with this question.

Mr. FITZPATRICK. Yes; it is. It is a penalty on the taxpayers of this country of more than $133,000,000.

For the year 1941 the penalty of these subsidies was $124,826,996.86. How does the gentleman feel in that respect?

Mr. WIGGLESWORTH. I cannot yield further to the gentleman except to say that every subsidy, of course, is a burden on the taxpayers of the country. The question is whether it is justified or not justified.

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

Mr. WIGGLESWORTH. I yield.

Mr. BENNETT. With respect to the question raised by the gentleman from New York, I should like to inquire if this appropriation does not cover the cost of the many tons of stuff that is mailed out to the country papers of the Nation? I frequently receive letters from newspaper publishers in my district wanting to know if something cannot be done to lessen the vast amount of material sent by these departments to them. They tell me that they could not give space to one-thousandth part of the material they receive. They do give some space, which is their stock in trade, and this has something to do with the subsidy the gentleman speaks about.

Mr. WIGGLESWORTH. I may say to the gentleman from Missouri that the objective he has in mind is the same that I have.

Mr. BENNETT. It is a waste of costly effort and paper.

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

Mr. WIGGLESWORTH. I yield.

Mr. CASE of South Dakota. I just want to add briefly that I received a letter from one of the papers in my State

saying that in one mail they received five identical copies of one release from one department. Apparently the information offices are more efficient in pouring the material out than in revising their mailing lists.

Mr. WIGGLESWORTH. I call attention to another survey made by the Budget Bureau at my request, a brief survey, which will be found on page 1108 of the hearings. This is a survey of the cost of personnel work in the various departments and agencies with particular reference to the increase since the Executive order of 1938.

This survey shows an increase in personnel as between 1938 and 1940 of 100 percent as compared with an increase in the number of Government workers of 55 percent and an increase in per capita cost of 29 percent. The total number of workers engaged in personnel work for the year 1940 was 15,005, at a cost of $25,400,000 or thereabouts.

[Here the gavel fell.]

Mr. WIGGLESWORTH. Mr. Chairman, I yield myself 10 additional minutes.

The Bureau of the Budget states that the increase in per capita cost is not normal, and that the reasons for it are not apparent.

The Bureau points out that its Division of Administrative Management has been making studies of individual departmental operations. Surely, there is a tremendous opportunity in this field.

We have had a mass of red tape and lack of coordination in the whole O. P. M. set-up. We have had some eight different agencies charged with responsibility in respect to priorities. We have today some 12 different outfits contributing to the defense housing picture. We have a number of activities like the Office of Education, N. Y. A., and W. P. A., all engaged in what seem to be more or less duplicated training activities. We have 100 or more statistical units which the Bureau tells us are in many cases competing. I hope the Bureau will be able to contribute substantially in this field as a result of the increased appropriation which is carried in this bill.

The Bureau also reports the creation of a defense project unit, set up in November 1940 for the purpose of investigating all defense construction projects, and that this unit as of October 1, 1941, had actually examined 1,341 projects, including cantonments, air fields, ammunition plants, shipyards, and other kinds of construction, with great savings resulting. It is very difficult to reconcile this statement with the findings of the 3 investigating committees to which I have already referred.

EMERGENCY FUND OF THE PRESIDENT

The committee will find on page 1120 of the hearings a rather complete statement of the allocation of all emergency funds appropriated for expenditure by the President. This bill carries $25,000,000 more, plus unexpended balances, as compared with $100,000,000 of appropriations and $25,000,000 in contract authorizations a year ago.

My understanding of the general appropriation for this purpose is that the funds are to be expended for emergencies, and for emergencies affecting the national security and defense, and for these purposes only. I suggest that the Members consider the tables to which I have referred. To my mind, in instance after instance there are allocations which are apparently not of emergency character and which could just as well have come to this Congress for consideration before allocation. There are other instances for which, in my judgment, there is no basis for a strictly national defense classification.

It seems to me, Mr. Chairman, if further funds of this character are to be appropriated it should be done on the distinct understanding that they will be spent only for emergencies, and only for those emergencies affecting the national security and defense, in accordance with the original appropriating language. To go further is simply to surrender our proper responsibilities.

NATIONAL RESOURCES PLANNING BOARD

The recommendation of the committee for this agency is $1,108,845, as compared with $1,101,390, a reduction below the Budget estimate of $300,705.

I have never been sold on much of the work done by this agency. A certain amount of planning is, of course, vital; but it seems to me that much of the work involves duplicating or merely coordinating that done by other agencies, and that much of it also involves invading a sphere which properly belongs to the several States.

The Budget recommendation is in two parts, $708,845 for regular activities and $400,000 for defense activities. The attitude of the agency in this connection affords a good example of the philosophy referred to at the opening of my remarks.

Mr. Eliot, Director of the agency, states that—

> The whole thing is really one, as I interpret it; this separation of appropriation items makes a pretty artificial distinction between regular and defense where planning is concerned.

Again he says:

> The major activity for the next fiscal year will be the preparation for whatever situation may confront the Nation after the present war emergency

Again he attempts to justify the increase requested by "various special tasks" and for "unforeseen problems," and adds that—

> The only safe assumption to make is that other problems will arise and that funds should be available to cover these unforeseen requirements.

It is difficult to escape the feeling that the national emergency is resorted to as a basis for increased appropriations largely for nondefense purposes.

FEDERAL COMMUNICATIONS COMMISSION

Let me say a word about our old friend the Federal Communications Commission, for which there is a recommendation here of $4,991,219, as compared with an appropriation of $5,068,729 for the current fiscal year.

Time after time I have stood in the Well of this House and inveighed against the practice of the Commission of giving its approval to the transfer of stations or the control of those stations for considerations far in excess of the value of the physical assets so transferred—a practice, in other words, involving the sale of Government licenses, with all the possible dangers to the public that we have seen involved in the capitalization of licenses in other fields. May I point out in this connection that the tables furnished on page 334 of the hearings indicate clearly that this practice still continues.

There are a number of instances in which the figures establish this fact, including one transfer of a station valued at $425,000 for stock of the value of $950,000 plus and $175,000 in cash.

I call attention also to the authorization of the transfer of a station valued at $74,000 for a monthly rental of $1,125 for a period of 11½ years. This station reports a yearly profit of some $75,000. What possible authority there is for approving a lease for a period of 11½ years under existing law, I, for one, do not know.

There are other similar examples.

Under the general topic of the monopoly which the Commission has allowed to grow up under its jurisdiction in the broadcasting field, I may point out that the record indicates that 95 percent of the available nighttime power is now controlled by stations affiliated with networks.

Furthermore, in spite of the licensing jurisdiction of the Commission, practices seem to have the Commission's approval under which the affiliates are compelled to turn over to the networks as much as 40 percent of their time and earnings obtained from charges for their time to the extent of from 62½ to 100 percent.

Mr. Fly was rather vague on this matter, but a bill of complaint filed by N. B. C. in the Federal District Court for the Southern District of New York sets forth a standard contract under which the affiliate is compelled to turn over to N. B. C. 100 percent of the first 16 unit hours, 80 percent of the next 25 hours, 70 percent of the next 25, and 62½ percent from all time over 66 unit hours.

Mr. Fly apparently takes the position, in spite of his licensing power, that these matters are not within the jurisdiction of his Commission.

Several times on this floor I have advocated the imposition of a reasonable tax on those engaged in this industry who are making enormous profits out of franchises for which they pay not one red cent. A year ago, as the Members may recall, the Treasury Department made a study in this connection and as a result of that study it recommended an excise tax on the industry which would have amounted to about $10,000,000. The House approved that recommendation, but the Senate committee rejected it, after Mr. Fly had appeared before the committee in opposition to the proposed tax. It is my understanding that it was understood at the time that the Treasury and F. C. C. officials would get together and recommend a tax in lieu of that which was deleted by the Senate committee.

[Here the gavel fell.]

Mr. WIGGLESWORTH. Mr. Chairman, I yield myself 10 additional minutes.

Mr. Fly, however, now apparently takes the position that it is entirely up to the Treasury, that it is hardly the job of the Federal Communications Commission to recommend revenue measures.

In a recent letter received from Mr. Fly he admits that the net profits of this industry for 1940 amounted to practically $33,300,000 on an investment or present worth of about $40,000,000. Therefore, even if the proposed tax of $10,000,000 had been imposed, there would still have been a return to the industry of approximately 50 percent. It seems to me entirely illogical and unreasonable to allow this industry to continue to obtain any such return from licenses for which they pay nothing under present conditions in this country.

Attention is also invited to page 343 of the hearings, telling of the pending litigation between the three big networks, the Federal Communications Commission, and the Department of Justice. The record indicates that N. B. C. is represented by Mr. John Cahill, former United States district attorney for the southern district of New York. It indicates also the recent appointment of Mr. Samuel Brodsky as Special Assistant Attorney General to represent the Government in this connection. Mr. Brodsky formerly served as an assistant in the district attorney's office under Mr. Cahill.

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

Mr. WIGGLESWORTH. I yield.

Mr. BENDER. Was an appropriation approved for Dr. Goodwin Watson in connection with his activity as foreign broadcast agent for this Commission?

Mr. WIGGLESWORTH. The gentleman refers to the recent appointment of Dr. Goodwin Watson in a key position with the Federal Communications Commission. I wish every Member of this House would read the testimony before your subcommittee in this connection beginning at page 321 of the hearings conducted by the distinguished gentleman from Alabama [Mr. STARNES] and including the replies to his interrogations by Mr. Fly.

The evidence introduced in the RECORD by the gentleman from Alabama, unrefuted, leaves absolutely no doubt that Dr. Watson is totally unfitted for the position in question, both by reason of past subversive affiliations and by reason of past statements indicating his lack of sympathy with the American way of life and his belief in the totalitarian principles.

I may add in this connection the full committee, although opposed in general to this type of amendment, adopted this morning an amendment denying funds for the payment of any salary to Dr. Watson. This seems to be the only recourse open to the committee in view of the apparent unwillingness of Mr. Fly and the Federal Communications Commission to take any action in the matter. The testimony should be noted not only for the evidence in respect of Mr. Watson, but in respect of the statements made by Mr. Fly, as Chairman of the Commisison, in attempting to justify the appointment which he had made some 3 months ago.

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

Mr. WIGGLESWORTH. I yield.

Mr. STEFAN. Was the Chairman of the Commission put on notice regarding documentary evidence in reference to this individual to whom the gentleman refers and what he had replied to those communications?

Mr. WIGGLESWORTH. The gentleman means Mr. Fly?

Mr. STEFAN. Yes.

Mr. WIGGLESWORTH. The gentleman from Alabama [Mr. STARNES], at the time of the hearings, which I think was December 10, placed in Mr. Fly's hands file after file, a mass of information, including quotations from the writings of Dr. Watson and other documentary evidence. Mr. Fly, as I understand it, had the evidence in his possession for a month. A message was sent to him recently indicating the probability of the adoption of such an amendment as was adopted in committee this morning and requesting to hear from him in that connection if he had anything to say. A second message was sent him, I am advised, 2 days ago. Up to this morning no word had been received from him.

Mr. STEFAN. Do I understand the gentleman to say that this documentary evidence has been sent to the Chairman of the Federal Communication Commission along with a message requesting some information and no reply has been received from him up to this moment?

Mr. WIGGLESWORTH. Chairman Fly was advised of the probable action of your committee and was asked to advise us if he had anything to say.

UNITED STATES MARITIME COMMISSION

The United States Maritime Commission is to receive, under this appropriation, $980,380,000 in addition to a contract authorization of $90,000,000, the latter due to increased construction costs. This sum compares with an appropriation for the current fiscal year amounting to $858,840,000.

The Commission has no less than 7 programs of ships to construct, including as of December 31, 1941, a total of some 1,422 ships. Of this total, 999 had been awarded or placed under contract, 272 had had keels laid, 154 had been launched, 123 had been delivered. The number of ships has been materially increased since the date in question.

The Commission is faced by a tremendous program of the most vital importance under present conditions.

Several times in committee the question has been raised as to the propriety of continuing to allow operating differentials. The record shows that this differential has been recently reduced arbitrarily from $19,000,000 to about $6,100,000. The question remains if any differential is justified hereafter under existing conditions.

The Commission has furnished the committee with many tables and statistics. As to some of these I confess that the picture is not entirely clear to me.

It is not clear to me, for example, why with a general average per termination of $8,100 for the contemplated operating differential in the table on page 252 of the hearings, the Oceanic Steamship Co. is to receive an average differential of $60,000 and the President Lines an average differential of $67,000. It is not clear to me why the builders of ships for the President Lines under contract for less than $3,000,000 per ship should be paid $3,891,000 per ship. It is not clear why the Commission, having paid a construction subsidy of $24,000,000 in respect to about 35 cargo ships, should reimburse itself from the Navy Department to the extent of $75,000,000. It is not clear to me why, with excess profits realized to the extent of $37,000,000, the Commission should have only recaptured $1,300,000. Nor is it clear to me, in spite of a recent letter from Admiral Land, why the steamship *Seneca*, sold by the Coast Guard on September 1, 1936, to the Boston Iron & Metal Co., of Baltimore, for $6,605, should be repurchased by the Maritime Commission on January 8, 1941, for $45,000.

There is probably an explanation of all these matters. The closest financial supervision of large operations seems to me highly important under present conditions, particularly in the light of the findings of the three committees to which I have already referred.

The record on December 9, 1941, at page 297, refers to the expenditures in the past in connection with launching ceremonies. A special release to the Herald Tribune under date of December 14, 1941, indicates the elimination of these expenses on that date.

The recent request by the President for the production by the Maritime Commission of 8,000,000 deadweight tons during 1942 and 10,000,000 deadweight tons during 1943 places a tremendous task on the Commission and on the shipbuilding industry of the Nation.

Knowing something of the shipbuilding industry and of the magnificient work done in the past and now being done by the workers in this industry in my own congressional district, I have every confidence that the ships essential in the present World War will be delivered on schedule or ahead of schedule.

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

Mr. WIGGLESWORTH. I yield.

Miss SUMNER of Illinois. I would like to ask the gentleman a question on housing in relation to the matter of cutting out nondefense expenditures. I notice here there are 77,000 units of United States defense housing and then there are 7,500 rural units and 4,500 other units. Will we have an opportunity to strike that out in a future bill? I notice this refers only to administrative expenditures. In what way can we attack the problem so as to eliminate the nondefense expenditures? It seems to me that 77,000 units is enough in the way of expenditure for low income housing.

Mr. WIGGLESWORTH. As I recall the testimony, there is a total of 89,000 units in the program, of which 12,000 have been stopped with the intention of diverting them to defense housing rather than nondefense housing, the balance of 77,000 units being for projects either in

critical defense areas or in nondefense areas so well along in construction that it seemed wiser to finish them than to discontinue them and for a small number for the so-called token program in rural areas.

Miss SUMNER of Illinois. What is a token program?

Mr. WIGGLESWORTH. I thought perhaps the gentlewoman could tell me that. I have not a very clear idea myself, but, apparently, there was some representation made that the program of this agency would be carried on both in the city and in the rural areas and, as a matter of fact, it has been largely in the city areas and these few units have been started in rural areas as a so-called token program to comply to some extent at least with the original representations.

Miss SUMNER of Illinois. Then I may take it that these units of nondefense housing mentioned in the report are not going to be constructed except as to those units that are so far along that it would not be economical not to finish them.

Mr. WIGGLESWORTH. That is my understanding.

Mr. KEAN. I notice on page 51 an appropriation for $1,350,000 for Foreign Service pay adjustment. In the hearings the justification for that seems to consist of about 50 percent for payment to people in Germany. Certainly the people we have in Germany now will be back in this country before the end of the fiscal year 1942.

Mr. WIGGLESWORTH. That item represents the loss in terms of exchange, as the gentleman probably knows, by our agents and representatives abroad. It is my impression that the specific answer to the gentleman's question is to be found in the contemplated transfer of those returning from Europe to Latin American countries, where there is a greatly increased need for representation at this time as a result of recent developments.

The CHAIRMAN. The time of the gentleman from Massachusetts has again expired. The gentleman has 5 minutes remaining.

Mr. WIGGLESWORTH. Mr. Chairman, I will take those 5 minutes.

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

Mr. WIGGLESWORTH. Yes.

Mr. STEFAN. I think I can answer the inquiry of the gentleman from New Jersey. It is very doubtful when our people who are interned in Germany will come back. They might be there for a longer period. I think the justification for this amount is all right, in view of the uncertainty of the future. There is negotiation going on now to bring these people here, but I am sure that this is justified.

Mr. KEAN. And may I ask one more question in respect to the Security and Exchange Commission. I notice the gentleman was active in questioning in that respect. The amount of trading on the security markets has been going down and down and down, so that now it is probably about only one-third of what it was 2 or 3 years ago. Yet I do not see that the appropriation for the Securities and Exchange Commission is going down in any way.

Mr. WIGGLESWORTH. The total is the same as for last year. I had the same reaction as the gentleman had when this item came before us. The justification presented was based on the fact that the Commission now has, I think, seven different acts to administer, and that while the work under one or two of them has admittedly decreased, the work under the Holding Company Act, for instance, has materially increased, that the work under one or two of the more recent acts has not yet become standardized, and that the net did not warrant a reduction in the total appropriation.

Mr. KEAN. Was the gentleman satisfied with that explanation?

Mr. WIGGLESWORTH. I think that the item might be somewhat reduced, in view of the obvious reduction of work under the 1933 act.

Mr. Chairman, I don't think I will take any further time. Under leave to extend my remarks I include at this point certain comments as to other agencies contained in the bill. I reserve the remainder of my time.

BITUMINOUS COAL CONSUMERS COUNCIL

The recommendation for this agency is $172,530, as compared with an appropriation for the current fiscal year of $205,000. The agency expires April 26, 1943.

Minimum prices under the Coal Act were made effective October 1, 1940. The record indicates an advance of 17 cents per ton over the average selling price prior to that date, or an added burden to the consumer of about $35,000,000 for the period from October 1, 1940, to April 1, 1941. It also states that—

> It is estimated that $33,000,000 went to the producers and $2,000,000 went to wholesalers and middlemen. From October 1, 1940, to April 1, 1941, there was no change in the rate of pay for coal miners and, therefore, labor did not participate in the foregoing amount.

CIVIL SERVICE COMMISSION

The amount recommended for 1943, exclusive of retirement funds, is $13,585,935, as compared with $12,895,460 for the current fiscal year. The basis offered for the increase is the increase in work in connection with the expansion of defense agencies and under the Ramspeck Act. The Commission estimates that 182,000 positions will be covered into the civil service under title 1 of the Ramspeck Act and that the classification system will be extended to between 281,000 and 317,000 positions in the field. It also estimates that boards of review, to be set up in connection with this act, will be called upon to pass upon 3,600 to 4,000 appeals as to efficiency ratings.

Attention is called to the fact that no one is entitled under the act as a matter of right to take the examination for civil-service status. The examination can only be taken with the approval of the Department or agency head. This would appear to be a serious defect in the law and to open the door to injustice and discrimination.

Attention is also called to the table appearing on page 808 of the hearings, showing the steady increase in appropriations for this agency from $1,617,805 in 1933 to the present level of $13,585,935.

The total civil personnel in the executive branch of the Government as of June 30, 1941, is given as 1,358,150 as compared with a total of 568,345 as of December 30, 1932.

HOME OWNERS' LOAN CORPORATION

The recommendation for this agency is $15,153,712 as compared with an authorization for the current fiscal year amounting to $19,400,000. The reduction would be $1,150,000 more but for the Ramspeck Act.

The record indicates a total of about 1,000,000 loans, amounting to about $3,200,000,000. Of this, there is outstanding about $1,500,000,000, or 50 percent. One hundred and nine thousand loans, or 10 percent, have been repaid in full; 342,000 loans, or 33 percent, have been extended under the Mead-Barry Act or otherwise. Foreclosures as of June 30, 1941, numbered about 195,000, or 19 percent; 48 percent of the loans are delinquent to the extent of 12 months or more; 30 percent to the extent of 18 months or more. The Corporation is in the red to the extent of about $70,000,000, having sustained a loss of about 25 percent, exclusive of commissions and selling expenses, on 140,000 properties carried at a book value of $652,000,000 and actually sold at $484,000,000. The properties now on hand are carried at a book value of $283,000,000, indicating a further loss of at least $70,000,000 on the same basis.

RECONSTRUCTION FINANCE CORPORATION

The recommendation for this agency is $10,355,292, as compared with an authorization for the current fiscal year of $9,890,680.

The Corporation gives roughly the following statement as of November 30, 1941:

Total authorizations	$15,900,000,000
Disbursements	9,600,000,000
Repaid (68.3 percent)	6,500,000,000
Outstanding	3,000,000,000

The status of the several classes of loans is described in detail as are the defense activities through the Rubber Reserve Company, the Metals Reserve Company, the Defense Plant Corporation, the Defense Supplies Corporation, and the Defense Housing Corporation. Total defense commitments aggregate about $6,000,000,000. Earnings of the Corporation to date amount to about $363,000,000.

Attention is called to the record, pages 1037 to 1038, in reference to the loan of $30,500,000 to the Todd-California Shipbuilding Corporation or its successors, in respect to which there has been recent discussion before the Truman committee in the Senate, with particular reference to security furnished and fees realized.

The security offered appears to consist chiefly of potential profits on work done for the Government.

The record indicates that the Commission attempts to regulate attorneys' fees by requiring in all applications an agreement on the part of the applicant that no fees will be paid without its consent, that consequently bills are normally submitted to the Commission for approval. In this instance, the corporation,

in executing the required applications represented that it had not "directly or indirectly paid or agreed to pay, or procured any person to pay or agree to pay any bonus, fee, or commission in any form in connection with the application for or the obtaining of the loan." It appears that the name of Tommy Corcoran was not submitted to the Reconstruction Finance Corporation by the corporation as having rendered any services for which it had paid or agreed to pay any compensation. In this connection, the record indicates that Corcoran, whose fee to date, according to his own testimony, is $65,000, with more to come, made this statement:

My compensation was paid to me by the lawyers who retained me to assist them and who, in turn, paid their own clients. No part of their compensation nor my compensation for my services in the enterprise was paid out of the proceeds of the loan from the Reconstruction Finance Corporation nor out of any other funds of the applicant to the Reconstruction Finance Corporation nor otherwise out of Government funds.

Attention is also directed to the fact that the Lafayette Building, in respect to the financing of which there was so much discussion in the past, is now the property of the Federal Government. It was acquired by purchase of the guaranteed 5-percent capital stock of the corporation at a discount from the four stockholders of the corporation; namely, the contractor, the heating engineer, the architect, and the architect's associate. This is the final step in a financial program in which the Reconstruction Finance Corporation, according to previous testimony by Secretary Jesse Jones, "played almost all the instruments in the band."

In this connection, I am including at this point copy of a letter to Mr. Jones dated April 30, 1941, copy of a letter from Mr. Jones dated October 29, 1941, and a brief extract from page 1039 of the committee hearings, allowing them to speak for themselves.

APRIL 30, 1941.

Hon. JESSE H. JONES,
Secretary of Commerce and
Federal Loan Administrator,
Washington, D. C.

DEAR MR. SECRETARY: Some time ago we exchanged some correspondence with reference to the financing and rental of the building on the corner of Vermont Avenue and H. Street, the details of which I was endeavoring to clarify.

Recently, the matter has again been brought to my attention. I have been informed, among other things, that The RFC Mortgage Company made two loans to the Lafayette Building Corporation in connection with the construction of the building, one in the sum of $5,610,000, the second in the sum of $400,000, and that subsequently the R. F. C. Corporation guaranteed the 5-percent stock of the Lafayette Building Corporation of the par value of $100. I am further advised that to secure repayment of the loans in question, the Lafayette Building Corporation executed two deeds of trust to employees of the Reconstruction Finance Corporation, or R. F. C. Mortgage Corporation, as trustees, under which the Lafayette Building Corporation undertook not only to repay interest and amortization on the loans, but taxes, assessments, water rents, repairs, premiums on fire insurance for the full insurable value of the building, premiums on windstorm insurance to a minimum of $100,000, and other items in connection with the operation of the building. I am also informed that under the lease executed by the Lafayette Building Corporation as lessor and The RFC Mortgage Company as lessee for a period of 10 years from August 1940, no specific rentals were specified, but that in lieu of stated rentals, The RFC Mortgage Company obligated itself to pay all interest charges, amortization payments, taxes, assessments, water rents, repairs, insurance, servicing charges for all incumbrances on the building, operating expenses of the building and of the Lafayette Building Corporation, including executive salaries, legal and accounting expenses, all income taxes of the corporation and, in addition, sums equal to 5 percent per annum as dividends to the stockholders of the corporation.

I should greatly appreciate it if you would be good enough to advise me—

1. If the foregoing information is correct; and if not, in what respect it is incorrect.

2. As to the total amount which the Federal Government, the Reconstruction Finance Corporation, or the R. F. C. Corporation has invested in the building.

3. As to the estimated value of the building at present and at the end of the amortization period, which is, I am told, 20 years.

4. As to the total amount paid to the Lafayette Building Corporation under the so-called rentals referred to above.

5. As to the amount of each item; taxes, assessments, insurance, etc., covered by the so-called rentals.

I should also like to have the name, address, and amount of stock held in the Lafayette Building Corporation by each of its stockholders.

With kindest regards, believe me
Sincerely yours.

FEDERAL LOAN AGENCY,
Washington, October 29, 1941.

Hon. R. B. WIGGLESWORTH,
House of Representatives,
Washington, D. C.

DEAR CONGRESSMAN WIGGLESWORTH: Receipt is acknowledged of your letter of October 16.

I have been fairly busy since our talk, but had intended to write you again when more pressing matters were out of the way.

There is little I can add to my letter to you of July 1, 1940, and my letter to Speaker Bankhead of March 15, 1939, which was printed in the CONGRESSIONAL RECORD.

For your convenience, I attach copy of my letter of July 1, 1940, and quote that part of my letter to Speaker Bankhead relating to the building:

"When this loan was tentatively applied for, we were told that the property (a large plot opposite the Veterans Building, fronting the entire block on Vermont Avenue from H to I Streets) could be bought for $3,000,000, or possibly a little less, and that the proposed building company could furnish a substantial cash equity, in addition to builders', engineers', and architects' fees. The applicants stated that they could readily rent the building for commercial purposes on a profitable basis.

"After consideration by our directors and a conference with the President, I advised the applicant that if the property could be bought for approximately $2,000,000, which upon investigation we thought would be a conservative but fair price, and the borrower would provide $500,000 cash equity, in addition to the builders', engineers', and architects' fees, the Reconstruction Finance Corporation Mortgage Company would lend the balance of the cost up to $5,600,000, provided it could lease the building at a satisfactory rental and have an option to buy it at cost. When the space is no longer needed for Reconstruction Finance Corporation activities, it can be rented easily for sufficient to pay interest and amortization on our mortgage.

"We have been badly in need of adequate quarters for several years, occupying space in 4 buildings, none of which is very well suited for our purposes, nor convenient and economical in the administration of the Corporation.

"After several months' negotiations, the court and the trustee for the estate owning the property approved the sale at $2,030,000, although the interested parties testified at the hearing before the court that it should be worth substantially more than this price.

"Mr. Corcoran Thom, president of the American Security & Trust Co., trustee, testified that members of the executive committee of his bank were of the opinion that $2,500,000 was a probable value; that an offer of $3,000,000 some years ago had been refused; and that the recent $2,000,000 offer submitted by the prospective borrower was originally declined. Mr. Thom further stated that his committee, in view of the heavy obligations of the estate owning the property, felt that while the price was not full value, taking everything into consideration, they should recommend the sale.

"Rear Admiral Mark L. Bristol, committee for Edward B. McLean, filed an answer in the proceedings stating that the price offered, $2,000,000, was inadequate. He testified at the hearing that since a trust of $1,500,000 had been placed on the property, it must have been considered by the people who had put that trust upon it as being worth close to $2,500,000 or $3,000,000.

"I recite these facts to show the value of the land securing our loan.

"Our directors regard the loan as a thoroughly sound investment and, in addition, it creates a substantial amount of work, both in its construction and in the preparation and fabrication of materials required, fully in keeping with the purposes of the act and the efforts of the administration.

"The architects' and engineers' fees aggregate only 5 percent of the cost of the building, which is 1 percent less than the standard rate fixed by the American Institute of Architects. The builder, one of the oldest and best-known construction companies in the country, is to have a fee of 8 percent of the actual cost of the building, which includes its overhead. This is a reasonable contractor's percentage and not all profit.

"The $500,000 cash provided by the building company, together with all fees and services by the contractors, architects, and engineers, and the conservative price at which the land was bought, gives the Mortgage Company a margin substantially in excess of $1,000,000.

"The rental on the building is to be sufficient only to cover interest on our mortgage, taxes, 5 percent per annum on the equity, plus approximately 1 percent per annum to cover depreciation on the building and amortization of the investment.

"The Mortgage Company has an option to buy the building at cost, the construction and cost of which will be at all times under the supervision of its engineers. Under these conditions and the terms of the trade, there can be only a moderate profit to the builders, engineers, and architects, and that will be invested in the equity of the building.

"In view of the crowded condition of many governmental agencies and the inadequate and uneconomical quarters that they are forced to occupy, we would be glad to finance the construction of other such buildings in Washington on similar terms."

After occupying the building for the better part of a year and finding it in every way satisfactory, we exercised the 5-year option taken when the loan and lease were negotiated and acquired the property May 26, 1941, through the purchase of the capital stock of the building company at some discount below the option price.

Including the architects' and builder's fees, the building cost $4,975,385.03 and the land $2,036,616.27, making a total of $7,012,001.30. With the saving through the purchase of the capital stock of the building company at a discount and the depreciation taken, the property stands The RFC Mortgage Company $6,896,344.34.

The Reconstruction Finance Corporation borrows its money at 1 percent per annum, which makes our space cost only $68,963.44 a year, plus taxes and service. The building contains 272,000 square feet of choice office space, 7,200 square feet of valuable store space, and 58,000 square feet of storage and garage space.

No more efficiently planned or better constructed building can be found anywhere. This fact, together with its excellent location and reasonable cost, makes it a sound investment either for the Government or for private interests. It could be sold or rented at a very handsome profit to the Reconstruction Finance Corporation.

With the exception of store rentals on Fifteenth Street, which bring in about $35,000 a year, the building is entirely occupied by the Federal Loan Agency, Reconstruction Finance Corporation, the RFC Morgage Company, Federal National Mortgage Association, Metals Reserve Company, Rubber Reserve Company, Defense Plant Corporation, Defense Supplies Corporation, Defense Homes Corporation, Electric Home and Farm Authority, Disaster Loan Corporation, and the Export-Import Bank. Due to expanding defense activities, we are having to occupy additional space in the Department of Commerce building.

The total amount of rent paid to Lafayette Building Corporation prior to the take-over was $407,806.94; $79,266.78 was for taxes, $3,361.45 for insurance, and $214,314.28 to meet interest on the mortgage, which amount was paid to RFC Mortgage Company, and, in effect, reduced the rent by that amount less the cost of the money to the Reconstruction Finance Corporation at 1 percent. The mortgage carried an interest rate of 4½ percent.

The entire capital stock of the Lafayette Building Corporation was held by Thompson-Starrett Co., Inc., for benefit of the contractor and architects.

As pointed out in my letter to Speaker Bankhead, the building was constructed and leased with the prior approval of the President, and he also approved the purchase.

Sincerely yours,

JESSE H. JONES,
Administrator.

JULY 1, 1940.

Hon. R. B. WIGGLESWORTH,
House of Representatives,
Washington, D. C.

DEAR CONGRESSMAN WIGGLESWORTH: The lease on the Lafayette Building calls for a rental of 5 percent on the cost of the property, plus a charge in lieu of amortization equal to approximately 1 percent of the cost of the building, which is substantially less than the depreciation allowance by the Bureau of Internal Revenue. Since the law provides that rents for buildings to be occupied for Government purposes shall not exceed 15 percent per annum of the fair market value of the rented premises, obviously the RFC Mortgage Company lease is an unusually favorable one.

The loan on the building bears 4½-percent interest, and store rentals on the ground floor amount to about $35,000 a year, so that it works out a very favorable rental arrangement for the Federal Loan Agency, the Reconstruction Finance Corporation, the RFC Mortgage Company, the Disaster Loan Corporation, the Export-Import Bank, the Federal National Mortgage Association, and the Electric Home and Farm Authority.

The building is being constructed under the supervision of the Public Buildings Administration. The contractors, Thompson-Starrett Co., Inc., receive cost-plus-a-fee of 8 percent, which includes its overhead. The architects, A. R. Clas Associates & Holabird & Root, receive a 5-percent architect fee.

The building will be operated by the Public Buildings Administration. The tenant pays taxes, water rents, insurance, and other such assessments.

The RFC does not ordinarily send its records out, but will be glad to have you call and examine the lease if you care to do so.

With best wishes.

Sincerely yours,

JESSE H. JONES,
Administrator.

LAFAYETTE BUILDING

Mr. WIGGLESWORTH. Mr. Mulligan, coming back to the Lafayette Building, I understand that when you took over that building in May, you took it over by purchasing the stock of the company at a discount. When you revise your remarks, will you insert in the record a statement indicating why the corporation was willing to sell that stock at a discount; and also break down the sum of $407,806.94 paid by The RFC Mortgage Company to the corporation as so-called rental during the period of occupancy, in terms of the rental agreement.

Mr. MULLIGAN. Very well.

SALE OF STOCK AT A DISCOUNT

The stock was not owned by the Lafayette Building Corporation, but by four stockholders—the contractor, the heating engineer, the architect, and the architect's associate. None of them were in the business of owning and operating office buildings. It is assumed that they deemed it preferable to sell at a discount for cash, the stock which they held in the Lafayette Building Corporation rather than retain it as an investment.

RENTAL

The lease provided that the rental to be paid by The RFC Mortgage Company to the Lafayette Building Corporation would be equal to the sum of the following items. For the period August 2, 1940, to May 25, 1941, inclusive, these items were as follows:

Taxes	$79,266.78
Insurance	3,361.45
Interest on loans (real estate)	214,314.28
Amortization of loans (real estate)	30,105.57
Interest on notes	20,937.50
Retirement of notes	45,138.89
Dividends accrued on capital stock	13,969.97
Trustees' fees	712.50
Total	407,806.94

FEDERAL POWER COMMISSION

The amount recommended for this agency is $2,303,125 as compared with an appropriation for the current fiscal year of $2,250,000.

This is another agency in respect to which appropriation items for normal activities and defense activities are apparently considered almost indistinguishable, although the Budget indicates a total of $519,255 for national-defense activities.

Under its general wartime responsibility to assure an adequate and dependable supply of power during the emergency, the Commission submitted to the President on July 16, 1941, a report embodying a complete program to provide the necessary power supply for the defense program through 1946, the program calling for an increase of 8,000,000 kilowatts to be produced by steam and 4,000,000 kilowatts to be produced by electric power.

The record indicates a total installed capacity for the Nation of 42,800,000 kilowatts, a dependable capacity of 36,500,000 kilowatts, a prospective deficit in 1942 of about 2,000,000 kilowatts and in 1943 of about 4,000,000 kilowatts. It also indicates that the percent of available power now utilized for defense purposes varies from 15 to 60 percent in different parts of the country. Under these conditions, with from 40 to 85 percent of all available power utilized for nondefense purposes, it would seem that anticipated deficits in the next 2 years could be easily supplied through proper rationing of available nondefense power with reduction of unnecessary lighting for residences, office buildings, show windows, signs, street lighting, duplication in broadcasting, and so on.

PUBLIC ROADS ADMINISTRATION

The recommendation for this agency is $88,500,000 as compared with an appropriation for the current fiscal year for comparable items of $126,000,000. The expenditure in respect to Federal-aid highways, secondary or feeder roads, public-land highways, and the elimination of grade crossings is all to be in respect to items deemed essential to national defense. There is at least $50,000,000 additional available from the recent appropriation in the Third Supplemental National Defense Act of 1942 for access roads.

The record indicates a tremendous variation heretofore in the number of miles constructed and in the average cost per mile in the several States. The tables furnished your committee a year ago, for example, indicate for the preceding year that New Jersey obtained only 15 miles of Federal-aid highway construction and 12 miles of secondary roads, that Massachusetts obtained only 25 miles and 9 miles, respectively.

The tables indicate an average cost per mile for Federal-aid highway construction running all the way from $15,000 per mile in Minnesota to $46,000 in Illinois, $54,000 in New York, $117,000 in New Jersey, and $126,000 in Massachusetts.

For feeder or secondary roads the average cost per mile runs all the way from $7,500 in Minnesota to $16,000 in Illinois, $20,000 in New York, $30,000 in New Jersey, and $40,000 in Massachusetts.

It is difficult to understand how any such variations can be justified, particularly in the light of the statement by Mr. MacDonald, public roads commissioner, appearing on page 846 of the hearings on the agricultural appropriation bill for 1940 to the effect that the highest type pavements of all widths of Federal-aid construction averaged then about $37,000 per mile.

PUBLIC WORKS ADMINISTRATION

The recommendation for this agency is $75,000 as compared with an appropriation for the current fiscal year of $620,000, the amounts in question being reappropriations.

This agency is in the process of liquidation, there being only 11 projects

which will not, in all probability, be completed by July 1, 1942.

Attention is called to the table appearing on page 553 of the hearings, showing during the period 1936–41 a total of 58,378 instances of kick-backs, underpayments, and improper rates involving recommended refunds to labor of over $1,000,000.

The agency also furnishes a statement as to the wide variation, both in percent of Federal loans plus grants in terms of projects and in percent of grants in terms of total Federal aid as between the several States.

UNITED STATES HOUSING AUTHORITY

The amount recommended for this agency is an authorization of $4,526,500 as compared with an authorization for the current fiscal year of $3,470,000.

The agency reports a program of 190,000 housing units, of which 89,000 units are not completed and occupied. Of the 89,000 units, 65,000 are in critical defense housing areas, 4,500 are in nondefense areas but well along in construction, and 7,500 are in rural areas and committed as a "token program." The balance of 12,000 units in nondefense areas have not yet gone into construction and have definitely been stopped.

The agency states that aside from a few rural units it is directly under control of the Office of Production Management and the Office of the Defense Housing Coordinator.

The record indicates the most detailed supervision in the field of the activities of the agency by the central office, including assisting in the selection of surveyors, appraisers, and title searchers, assisting in the negotiation of utility rates and even the maintenance of tenant selection advisers to assist in the selection of tenants. It would seem that economy and efficiency would both be served by a reduction in this detailed supervision.

The agency desires to maintain a racial-relations division at a cost of $43,520 and a labor-relations division at a cost of $72,180. It would seem that both might be eliminated. The racial-relations work would appear both unnecessary and un-American. The labor-relations work would appear to be a duplication of functions already provided for under the Labor Department and other labor set-ups.

Attention is directed to the table giving a recapitulation of completed land acquisitions and to the fact that in the past the amounts paid for land in instance after instance appear as very much in excess of the assessed valuations of the land for tax purposes, including land located in the larger cities of the country where assessed valuations are apt to be far in excess of market values. A more detailed explanation than is afforded by the record would appear to be necessary in this connection.

TENNESSEE VALLEY AUTHORITY

The recommendation for this agency is $136,100,000 as compared with an appropriation of $166,800,000 for the current fiscal year. The total is, roughly, broken down into $53,700,000 for normal activities and $82,400,000 for emergency activities.

The total cost for all projects is now given as $615,000,000.

An ultimate over-all installed capacity of 2,750,000 kilowatts with 1,500,000 kilowatts of continuous power is anticipated.

The recommendation includes funds for 7 additional dams authorized during the current fiscal year; 4 on the Hiwassee River and tributaries, 2 of which will be completed in the fiscal year 1942, the other 2 in the fiscal year of 1943; the Fontano Dam to be completed in 1945 and the South Holston and Watauga Dams recently authorized, the completion of which is hoped for in the early summer of 1943. It also covers 14 additional hydroelectric units, 3 additional steam units, and a diversion dam at Fort Lowden, across the Little Tennessee River. It also includes about $25,000,000 for transmission and other electric plant. The total for navigation, flood control, and power amounts to about $123,706,000 as compared with about $158,460,000 for the current fiscal year.

The amount requested for the fertilizer program is about $7,300,000 as compared with about $4,300,000 in the current fiscal year, the difference being accounted for by an item of $3,000,000 for a new phosphorus plant at Mobile, Ala., considered essential for immediate national defense needs.

The related property-operations program and the development-activities program call for $756,000 and $1,737,000, respectively, the identical amounts provided for the current fiscal year. These programs include, among other things, provision for fish and game readjustments, the development of recreational facilities, studies of forest resources and management, the reforestation of private lands, tree nurseries for private lands, studies of local government problems and community planning. It is believed that items in both these programs could well be eliminated as nondefense expenditure.

Attention is also called to the fact that the agency still maintains an information office at a cost of $205,691.44.

The reduction of $30,700,000 in the over-all recommendation for this agency as compared with the appropriation for the current fiscal year is, of course, explained entirely by the very large supplemental appropriations made since the passage of this bill a year ago.

SELECTIVE SERVICE SYSTEM

The amount recommended for this agency is $34,745,000 as compared with $33,500,000 for the current fiscal year.

The increase is due, for the most part, to the creation of personnel and research and statistical divisions regarded as essential to the work of the agency. It also reflects a change in the system of giving physical examinations prior to induction involving the expense of travel of the selectee from his home to the Army examining board and return and thereafter to the training center. Heretofore, between 13 percent and 25 percent of those passing local physical examinations have been subsequently rejected by the Army authorities.

The estimate was based on the induction of 688,000 men into the service during the year in question.

VETERANS' ADMINISTRATION

The over-all recommendation for the Veterans' Administration amounts to $601,195,088 as compared with $609,335,287 for the current fiscal year.

The over-all figure includes $110,909,088 as compared with $105,369,037 for administrative expenses, the increase being accounted for by additional personnel and supplies in connection with additional hospital beds, by additional personnel for the National Service Life Insurance work and by within-grade promotions under the Ramspeck Act.

The record indicates an increase in available hospital beds of 1,479 and in domiciliary beds of 14 during 1942 and 1943, making the total beds then available 63,328 and 19,120, respectively.

The over-all recommendation also includes $4,577,000 as compared with $3,500,000 for the current fiscal year for repair and new construction of hospital and domiciliary facilities. A list of contemplated projects appears on page 418 of the hearings.

The record indicates as of December 6, 1941, 727,000 applications for National Service Life Insurance, aggregating $2,444,744,000. It also indicates the placement of veterans in employment during the last year to the extent of about 150,000.

Mr. Chairman, I yield 30 minutes to the gentleman from Illinois [Mr. DIRKSEN].

Mr. DIRKSEN. Mr. Chairman, I must confess difficulty in discussing a bill that contains so many agencies and such a variety of governmental interests. There are 43 agencies in this bill, and if within stated limitations of time one were to undertake a rather full discussion of every item, it is a matter that would run into days. I recognize also the difficulty on the part of the membership in wading through a thousand pages of hearings, including many tables in fine print, and of making an attempt to dig out the meaty portions of the hearings in the interest of the public welfare. That is a real problem. I remember the occasion many years ago of a debate between a celebrated divine, Dr. John A. Ryan, of the faculty of St. Thomas University, and a very eminent Socialist, Mr. Morris Hillquit, at one time a candidate for mayor of the city of New York. When they reached the rebuttal stage of this debate, Dr. Ryan said, "The arguments of my learned friend remind me a good deal of the modern diaphanous gown, which seems to be indigenous to the age of flaming youth, one of this class of gowns that touches everything and covers nothing." When it came time for Mr. Hillquit to make rebuttal he said, "The argument of my learned friend reminds me somewhat of the old Mother Hubbard gown, which covers everything and touches nothing."

So, if a person undertakes to analyze the 43 agencies that are dealt with in this bill, he will find himself on both sides of that anecdote.

I want to say what a pleasure it has been to serve on the subcommittee on independent offices under the chairmanship of the gentleman from Virginia [Mr. WOODRUM]. At best, this is arduous

work, dealing with figures day after day, which embraces hearings both morning and afternoon for a long period of time. There has always obtained in that subcommittee a kindly felicity which eased the work and detail. No politics ever enter into the deliberations of that committee. I am happy today to pay testimony to him as chairman of the subcommittee, for the generous, considerate, fair, and courteous way in which he has always dealt with the minority.

I would feel derelict if I did not pay testimony also to the other members on the majority side and also to that rather winsome, genial clerk, Mr. Duvall, who does so much for our subcommittee. So today it is a privilege to pay testimony to that fine fellowship that has prevailed year after year, that makes this arduous labor a happy and interesting service.

I shall ramify somewhat in these observations, but I hope perhaps I can classify some of the agencies of this bill so that one will get a better pattern. They almost beggar classification, of course, but first on the list one might put the Federal Works Agency, which is a consolidation under the Reorganization Act of those agencies of government that deal with work and construction. It excludes the Maritime Commission, which is a construction agency largely, but which is considered separately.

The second group would be the Federal Loan Agency, also provided for by Reorganization Plans Nos. III and IV, which embraces all the loaning agencies of the Government.

Another broad distinction would be those regulatory agencies, such as the Federal Power Commission, the Federal Trade Commission, the Securities and Exchange Commission, and many others that deal with the regulation of such instrumentalities, as public utilities, stock exchanges, and so forth, that now come within the purview of governmental regulation by reason of legislation enacted since 1933.

The fourth broad classification would be those agencies that subserve the Government itself. Office of Government Reports, the Budget Bureau, The National Archives, and some others render service to other agencies of government.

Another separate classification would be those agencies that more nearly serve the public rather than the Government.

I think those four or five broad classifications make it possible to give at least some little grouping to the 43 agencies with which this bill deals.

The measure contains something in excess of two thousand million dollars. When we say two thousand million instead of $2,000,000,000, I believe we get a more adequate appreciation of the astronomical figure that is here involved. Of course, it provokes sentiments of economy. I have wrestled with it as you have. The Byrd committee has wrestled with it for a long time. I find it difficult to come to any satisfactory conclusion as I look into the future, and I will tell you why. If we will analyze for a moment the heavy expenditures in this bill, we will find that 5 agencies account for 92 percent of the expenditure. The Tennessee Valley Authority calls for $136,000,000. The Maritime Commission for $980,000,000 for its ship-construction program. The Veterans' Administration calls for $601,000,000. The Bureau of Public Roads, $88,000,000. Civil-service retirement, $121,000,000. There are 5 of the 43 agencies, yet those 5 consume 92 percent of the entire appropriation.

As we project ourselves into the future a little in the hope that we can see some light on constructive and substantial economy, there is no ready, fulsome promise in those items. So long as the war continues, the Maritime Commission will continue. So long as vessels are torpedoed and sent to Davy Jones' locker, other vessels will be built. I do not know at what point we will finally get out from under the long-range program calling for thousands of vessels, calling for hundreds of millions of expenditures, but it will not be very soon. Nor would anyone wish to curtail this appropriation, since it involves defense and efficient pursuit of our war effort.

Look for a moment at the Veterans' Administration. Year after year the estimates increase. For 1943 it will be $601,000,000. If we examine the tables in the bill, we will find that there are on the rolls today 622,386 veterans. Just fasten that figure in mind for a moment—622,386. In addition, there are on the rolls today 237,953 dependents of veterans. There are, therefore, on the rolls as of January 1942, 860,839 veterans and dependents, and the number increases progressively as time goes by. This is grim testimony to the continuing effects of war.

Now, if there were any hope of substantial economy at that point let us not be unmindful of the fact that there will be another group of veterans fairly soon, and the boys who were in the slaughter at Pearl Harbor, those who were wounded at Wake, those who are being daily wounded in the operations in the Pacific, will have a just and legitimate claim upon the largesse of this Government, because they were willing to go forth as soldiers and patriots in the interest of the defense of this country and the preservation of the principle of democracy. In the language of Abraham Lincoln, having borne the brunt of battle, there will come a day not far distant when they will have a claim upon the benificence and generosity of our common country. So we can figure, as we move into the future, that this amount will increase and not diminish.

A few years ago Congress assumed the responsibility of matching funds with those who were on the Federal pay roll for the purpose of retirement. In the same proportion as there is collected from the pay check of every classified employee who comes within the jurisdiction of the civil service retirement provision we as a Congress appropriate and place into that fund an equivalent amount which for the year 1943 will be $121,000,000. As the Government pay roll expands and as more people are brought within the jurisdiction of the merit system is there any particular hope for diminution in this item?

I made note of the number of people who were on the pay roll and it is an interesting increase over the years. When the last World War ended, November 11, 1918, there were on the pay roll of the Federal Government 917,760 people. Let me repeat that figure—917,000 plus. There were on the pay roll of the Federal Government on June 30, 1941, 1,358,000 people. The number is more than 440,000 persons over and above the peak that was reached in the first World War on November 11, 1918, and that figure, mind you, is for June 30, 1941, which was almost 7 months ago. It has been indicated to us time and time again that not only have there been generous increases in the last few months but it is proposed to bring into the Nation's Capital between now and the 1st of July another 45,000 employees and their families. Thus for practical purposes when we arrive at June 30, 1942, we shall have 500,000 more Federal servants in the executive branch of the Government than we had in the peak period of the first World War. The provisions of the Ramspeck Act will apply to many; and so, as it expands, the retirement fund will grow and the amount of money that must be appropriated for the retirement fund will increase. There is therefore no hope whatsoever for a decrease in this item for it represents a definite obligation of government.

When on occasion hands have been laid upon the appropriation for highways for grade separations and for feeder roads, Members of Congress objected and challenged the President, and told him he must not touch the highway item. In other years it was always $150,000,000. Last year it was $80,000,000. May I venture to say that in the event we cut the fund substantially it would be defeated in the House and in the Senate. From these large items there is little hope for broad reductions. Thus, as I analyze 92 percent of the appropriations carried in the bill I see no substantial reductions in these items in the immediate future, but, rather, I see increases in some of these items as the inexorable result of the present conflict. This does not mean however, that we should be insensible to wasteful or extravagant spending; and I will point one extravagance which I think in a rather material way might be reduced:

There is included in the items listed in this bill the sum of $1,104,000 for printing and binding. This is for the printing and binding of books and pamphlets that go upon the reference shelves, that look so nice, but which so often are never read. They become a kind of dusty repository, and after a little while they are committed to the responsibility of those who dispose of waste and unnecessary and useless executive papers, and finally they find their way to some junk pile as waste paper. This does not include those agencies that come to justify their administrative expenditures but who utilize their own funds for printing and binding, and for whose printing and binding no separate amount is included in this total. If all the money chargeable to printing and binding were included in one item, it would probably amount to the sum of $1,500,000. This is an enormous sum.

Let me remind you in Washington, D. C., that in the humble city where I live and other cities in the land the school children and the Boy Scouts are going about after school gathering up paper in paper sacks and hauling it down to a central depository where it is sent away to the paper mills so they can continue to operate. The Government, however, is the most wasteful instrumentality there is when it comes to using paper. Here are great groups of patriotic youngsters with devoted hands going around to gather up paper to eke out a few cents for the school fund so they can have an entertainment or buy a flag or add a few books to their library, yet the Government wastes paper by the ton. I have assembled some figures this last week on this matter.

For the fiscal year 1939 the Government Printing Office used 91,000,000 pounds of paper, and that is by no means all. In 1941 it was 138,000,000 pounds, and when 1942 came along they entered an order for 94,000,000 pounds of paper for the first 6 months of the fiscal year. Think of it. Extend that for 365 days and it means 188,000,000 pounds of paper, or 94,000 tons. It would be possible for one to take that much paper and write a letter to every man, woman, and child of the 132,000,000 in our population on every working day in the week for an entire year.

The order was so huge that the paper manufacturers finally indicated that they can take care of only 60 percent of that order in the first 90 days of 1942. I am informed that the pulp and paper section of the O. P. M., before it felt the ax of decapitation a day or two ago, was instituting a special study to see what could be done about reducing the quality of paper so that the paper mills will have capacity to meet the needs of the country.

Paper is essential in the scheme of national defense and for the purpose of carrying on this grim conflict. Every agency ought to economize, and that includes the Congress of the United States. We can refrain from inserting some of the editorials in the CONGRESSIONAL RECORD. We can keep the bulk of the RECORD from assuming the proportions it does. Let us be the first, by precept and example, to set a lesson for some of the other agencies of the Government.

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

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

Mr. GIFFORD. I do not want this bill to pass by without my asking my usual two questions. I see you have no justification printed here for the rudderless Securities and Exchange Commission. I am wondering if they did justify their work and existence. You comment on it not at all.

Mr. DIRKSEN. My good friend from Massachusetts raises the question of whether that agency, which he denominates the rudderless Securities and Exchange Commission, has justified the expenditure of some $5,000,000 carried in this bill. Well, it is a matter of opinion. I do know that, starting with 1933, we have laid in the lap of the Securities and Exchange Commission first one type of authority and then another. Not only have we authorized them, for instance, to clean up the securities market, to provide for registration statements, to examine and explore fiscal conditions of the dealers and the brokers of the country to make them give an accounting of their fiscal stability, to investigate reorganizations of corporations and reorganization plans, but we have added a great many other duties. We expect them to get results. They come before us and say, "This is what we have done and that is what we have done. As far as the money goes, we have examined the condition of the dealers and brokers of the country. We are trying to set up a policy whereby the conditions that prevailed in the securities market in former years under which people were bilked out of their money by virtue of blue sky stock and shaky bonds will not obtain again in this country." This agency has undertaken a huge, far-reaching, and delicate task and has in many respects performed a salutary service.

Mr. GIFFORD. The assignment of jobs is all right, but have they justified what they are doing?

Mr. DIRKSEN. I think they have done a good job. Let me make one further observation. I do say, however, that they have laid a tremendous burden upon the business structure of the country because of the involved statements and registration requirements they have demanded from year to year. I asked them to send to my office not so long ago some of the forms they use, and it would be a pile a foot high which must be executed and filled in before one can qualify under the provisions of some of the acts they administer now. However, the S. E. C. is cognizant of this matter and is working to simplify and streamline the required forms.

Mr. GIFFORD. I do not want to interrupt the gentleman too much, but I still have the suspicion that they have made more trouble than their accomplishments justify. I shall drop that, however. I simply bring it up at this time to let them know we are not forgetting them.

Let me speak of this other matter, and then I am done. I notice that the F. H. A. mortgages have vastly increased, with $300,000,000 here, and you are putting up money for administrative expenses to be taken not only from fees but from the insurance premiums. I am wondering if the insurance premiums are getting proportionately high enough to take care of that great volume. I speak of it simply to let them known that we are watching it a little bit, we are not forgetting it.

Mr. DIRKSEN. Let me say to my good friend from Massachusetts that I did raise that question with Mr. Ferguson of the Federal Housing Administration at the time he was before the committee. We may differ with him as to how much there must be in the reserve as a sort of future cushion against the possible dislocation of values of property. That will be a tax upon that fund. They contend that it is adequate, that it is growing progressively from year to year. The gentleman and I, who think in terms of more secure ways of financing the construction of property, may disagree, but the F. H. A. feels that the reserve is adequate.

Mr. GIFFORD. Yes; but we do not want to be fooled by appropriations for these purposes. It is supposed to take care of itself. There will be no boastful day here for me on the success of that when the figures are finally analyzed and we find we have actually appropriated money to hide those expenses, which ought to be met out of the fees and out of the services rendered.

Mr. DIRKSEN. With that I agree entirely, that they ought to be self-sustaining services.

Now let me say a word about the Maritime Commission. When one reads the Truman report on defense spending, he will find under the caption of "Maritime Commission" these significant words in the last paragraph.

> The Maritime Commission has done a good job.

It is one of the few if it is not the only agency operating in the field of national defense for which the Truman committee said a kind word. Those are rather significant words and a fine recommendation for the work of this agency:

> The Maritime Commission has done a good job.

Certain it is that they have had a job of real magnitude, beginning with the act of 1936 for the creation of a merchant marine, then extending through three additional acts which authorized the construction of 1,422 vessels. They now have 123 vessels completed, 876 under contract, and 423 that will be under contract by the 30th of June 1942.

I have been one of the first in years past to lay the whiplash of criticism on Admiral Emory S. Land for any inefficiency in that agency, and I would do it all over again, but I do believe he is eminently deserving of commendation for the speed with which he has operated the huge shipbuilding program authorized by the Congress. I am glad to add my encomium to those that were showered on him by the Truman committee only this month.

Let me bring to the attention of the House the question of decentralization of Federal agencies. Whether or not that issue will be raised in the future I do not know, but it has been raised acutely in recent days. The subcommittee of the Committee on Public Buildings and Grounds has taken testimony on the subject; a joint committee of the House and Senate District Committees has dealt with it; and we have closely explored the wisdom and the advisability of the policy of decentralizing and removing nondefense agencies from the Nation's Capital. There are many who take a view contrary to my own, but as long ago as 2 years, when it was reported to me by the Budget Bureau that the Federal travel allowance for a single year was $150,000,000 and that it was growing and would probably reach $200,000,000 as we went along, I felt that something ought to be done to bring those agencies closer to their work base, and I suggested at

that time the advisability of moving these agencies from the Nation's Capital. The situation became acute as new defense agencies came in and so the President, wisely and with firmness, insisted that there be 12 nondefense agencies moved out of Washington. I hope he increases the number because there is space in Chicago, there is space in Pittsburgh, there is available space in Philadelphia, and in Cleveland. There is available space in New York City and elsewhere that can be gotten at a price much cheaper than the price that must be paid in the Nation's Capital. Besides, if another 45,000 people come into the Capital what are we going to do with them? Where shall we find housing facilities? Where will they erect the office buildings where they shall work? It becomes one of those problems that can be met only by vacating a lot of those stations and moving them to other sections of the country. If one wants some authority on the subject, he will find in the hearings a rather extended statement by Mr. W. E. Reynolds, Commissioner of Public Buildings, whom I regard as the outstanding space expert in the service of the Government. He says that it is a thing that ought to be done, and I recommend that you read Mr. Reynolds' testimony.

The other day I had occasion to observe upon a matter that I would like to suggest to the attention of the House, and that is the consolidation of Federal power agencies. I would like my friend the gentleman from Mississippi [Mr. RANKIN] to listen.

It has occurred to me, since we have power agencies all through the Government, and that three separate subcommittees of the Appropriations Committee deal with these agencies, and since various legislative committees deal with the legislative authority, we will go nowhere in giving proper direction to the power policy of the country or setting up the kind of background of information that is necessary unless they be consolidated.

We have now, for instance, the National Power Policy Committee, on which there is representation from the R. E. A., the F. P. C., the T. V. A., and a great many other agencies. Then we have the Rural Electrification Administration. Then we have the Federal Power Commission, which ranges all over the country, makes studies of power development, power surveys, and handles the matter of licensing private power facilities on navigable streams. In addition we have Grand Coulee, we have Bonneville Dam in the Interior bill, and, finally, we have the Tennessee Valley Authority.

As we look at all of them, they deal, first, with power policy; secondly, they deal with the development of power sites and related interests. Next, they deal with the generation and transmission of power; and, finally, they deal with the setting up of cooperatives to take that power and distribute it among the farmers of the country.

We have under Reorganization Plans Nos. III and IV consolidated all the work agencies in the Federal Works Agency, set up an Administrator and I believe it has worked out very well.

Secondly, the President by Executive order took the loan agencies and put them in the Federal Loan Agency under the administratorship of Mr. Jesse Jones. They, too, have given a good account of themselves, and I believe that that consolidation has been in the interest of economy.

I see no reason now why the Federal Power Policy Committee, the Federal Power Commission, the Rural Electrification Administration, the Tennessee Valley Authority, the Bonneville Dam Administration, Parker Dam, Fort Peck Dam, Grand Coulee Dam, and others should not be lumped under a Federal power agency, so that the matter gets good direction, good administration, and that we carry all those agencies in one basket.

It is my privilege as a member of this subcommittee to sit on the justifications of the Federal Power Commission and the Tennessee Valley Authority. A second subcommittee on appropriations for agriculture on which I serve deals with Rural Electrification Administration. After awhile the Interior Department subcommittee will take up an appropriation bill dealing with these various dams, scattered throughout the country, and as a consequence, there is no considered appropriation policy, and no considered legislative policy whereby we deal directly with the whole power matter. I suggest a study of that matter in the belief that we will subserve that interest best, that it will be made efficient, and that it will save money and will be in the interest of better administration if these agencies are lumped into one group. I yield now to the gentleman from Mississippi.

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

Mr. WIGGLESWORTH. Mr. Chairman, I yield the gentleman from Illinois 10 minutes more.

Mr. RANKIN of Mississippi. Mr. Chairman, the gentleman from Illinois [Mr. DIRKSEN] left out the most important and the most dangerous one that ought to be taken over and regulated and controlled, and that is the Power Trust, that has assumed the prerogatives of a supergovernment, and now attempts not only to control national affairs, but tries to control all State and local affairs. Let me say to the gentleman——

Mr. DIRKSEN. Oh, wait a moment. After all, has not the Federal Power Commission been set up to deal with that very matter?

Mr. RANKIN of Mississippi. I am surprised by that question coming from the very erudite gentleman from Illinois, for the reason that Congress did not give the Federal Power Commission the right to regulate retail rates.

Mr. DIRKSEN. But the gentleman is now talking about authority that does not exist in the law.

Mr. RANKIN of Mississippi. I am talking about the fact that the Power Trust has been powerful enough to prevent any agency in this Government from regulating the retail rates, with the result that they are overcharging you people a billion dollars a year.

Mr. DIRKSEN. And let me remark to my friend that I would be the last to ever stand on the floor of this House and make a confession that your Government and mine is not big enough to deal with any agency in this country if it violates the law and if it does not follow certain guidelines laid down by the Government. I think a person never ought to make that kind of a confession, unless he is willing to confess that the whole democratic process is a failure—and that is what the gentleman is doing right now.

Mr. RANKIN of Mississippi. And let me say to the gentleman that if he had waited he would have seen the step that I propose to take. It is to give to the President of the United States the power now to take over the power dams and transmission lines in this country in the name of the Federal Government, pay whatever they are actually worth—not for the watered stock, but what they are actually worth—and then see to it that this power is distributed to the American people at rates based upon the cost of generation, transmission, and distribution. Will the gentleman vote for such a bill?

Mr. DIRKSEN. The gentleman asks about something that is not in the law. That authority does not exist, and the thing that I have been trying to delineate to the House is to take the agencies that do exist today that have authority, and lump them into one group, before you want to add to and expand their authority. That is another matter.

Mr. RANKIN of Mississippi. And none of them would have had authority if we had waited for the gentleman from Illinois to vote that authority, as the record will show.

Mr. DIRKSEN. Oh, let us look at that. I voted for rural electrification.

Mr. RANKIN of Mississippi. Not on a roll call.

Mr. DIRKSEN. Oh, yes.

Mr. RANKIN of Mississippi. Go back and look at it. The roll call will show that the gentleman is wrong.

Mr. DIRKSEN. It will show that the gentleman from Illinois is right; and if at any time I ever opposed it, it was not the principle but some separate item which seemed unsound and unfair.

Mr. RANKIN of Mississippi. And every time we have attempted to build a dam on the Tennessee River, on which we have had to call the roll, you will find that the gentleman from Illinois was on the opposite side—every time.

Mr. DIRKSEN. Wherever it appeared to be outrageous extravagance and unsound, I have opposed it. It was never a matter of policy; it was always a matter of the abuses that crept into the expansion of power or failure to proceed on a sound and fair basis.

Mr. RANKIN of Mississippi. The gentleman from Illinois can find more fault with righteous activities and do less to help to rectify wrong than any other man of his ability I ever knew.

Mr. DIRKSEN. Oh, my good friend drags a carload of red, white, and blue herrings across the trail and seeks to divert the issue. I leave to the gentleman whether or not he will go along with a proposal that is constructive and in the

interest of economy instead of indulging in opinions which he alone shares.

Mr. RANKIN of Mississippi. It will be constructive in the interest of the American people, as our power program has been from the very beginning, from the creation of the T. V. A. and the Rural Electrification Administration down to the present time.

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

Mr. DIRKSEN. I yield.

Mr. CASE of South Dakota. I am very much interested in the proposal that the gentleman makes, because anyone who has attempted to look at what we are doing in the power field today will recognize that there are not only many agencies but that there is a struggle among those agencies to see who will be the top one. I did not notice that the gentleman included the Corps of Engineers, the Army engineers. In the control that they have over navigable streams they have authority to construct dams, and in that connection they have built dams with generating equipment for power. Would the gentleman also include the Army engineers?

Mr. DIRKSEN. I suppose that only those functions of the Army engineers directly relating to this matter of power and power exploitation ought to be put into an agency of that kind. As the gentleman knows, the Army engineers are used in an advisory capacity, and I doubt whether properly they should be taken out of the War Department. But every other function ought to be put into some such central authority.

Mr. CASE of South Dakota. For example, take Fort Peck, that was constructed by the Army engineers. You have got related problems there, so that it seems to me if you want to coordinate you have to recognize that there is an overlapping of purposes in a multiple-purpose dam, whether irrigation, navigation, or flood control. So that the power question does enter into the normal activities of many agencies.

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

Mr. DIRKSEN. I yield.

Mr. RANKIN of Mississippi. Let me say to the gentleman from South Dakota [Mr. CASE] that the Army engineers do a very splendid job building these dams. I am one of the Members who was largely responsible for retaining the Army engineers in charge of the operation of the Bonneville Dam.

Mr. CASE of South Dakota. I do not want the gentleman's reply, in saying the Army engineers are doing a good job, to infer that I might think they were not. I think they are doing a very good job. I do not want to see them eased out of the picture. That was why I mentioned them.

Mr. RANKIN of Mississippi. I did not intend to infer that. One reason why I preferred to leave the Army engineers in charge of Bonneville was that I knew it was rather close to the Pacific coast, and I wanted somebody in charge of that dam who, if anyone attempted to sabotage it, would have the right and the courage to run a bayonet through him and turn it around. I am a member of the Committee on Rivers and Harbors, and in the pending rivers and harbors bill we provide for the Army engineers to build the dams involved. We cannot take the Army engineers off of all their work, because we are at war now. They are needed in a great many other fields. So if we have other engineers, which we have, who can do this work, we should utilize them and not take the men who are needed for Army service.

Mr. DIRKSEN. Now, let me allude to another matter that was stricken from the bill by the subcommittee.

Mr. RANKIN of Mississippi. Will the gentleman yield right there just before he proceeds? The gentleman a moment ago referred to the appropriation for the Veterans' Administration. I want to call attention to the fact that we are going to have to expand our hospital program if this war continues and gets worse.

Mr. DIRKSEN. I do not believe there is any doubt about it.

Mr. RANKIN of Mississippi. In order to take care of the load.

Mr. DIRKSEN. I thank the gentleman.

An effort was made under an Executive order in 1939 and 1941 to set up a special committee for the purpose of qualifying lawyers who are now in the Government service or who might hereafter enter the service. That committee consists of 11 persons: 2 law-school deans, 2 practicing attorneys, 5 heads of Government legal establishments, and 2 members from the Civil Service Commission. They came before the committee this year and asked for an appropriation of approximately $86,000 for the purpose of getting this work started. The record is rather refreshing and rather interesting if you will take the trouble to examine it. As I indicated to the full committee this morning, there is more authority and more power in that proposal than anything that has come to my attention in a long while. If I wanted to shape the policy of the Government of the United States I would ask nothing more than to be executive director of a committee or commission that will sit on the qualifications and social viewpoint of the lawyers who are taken into Federal service.

If you will examine the record you will find that a very fine young man with a very brilliant mind has been at least tentatively selected as executive director of that Commission. He has been on the faculty of the law school at Columbia University. He was for a time clerk to one of the Justices of the Supreme Court. He speaks with a preciseness and fluency that is positively enamoring and intriguing, but when the gentleman from Alabama [Mr. STARNES] began to interrogate him about former affiliations with the international labor defense, with certain cases of one kind and another, and with the International Juridical Association, he was frank to say that he did have some identity with them, and then he proceeded to explain how it came about and furnished a statement for the record.

It is not my particular purpose to pass upon the qualifications of the gentleman in question for this particular position, but rather to submit to the Congress that if a special agency is to be created to qualify attorneys now in the Government service or who may hereafter make application for the Government service and to keep a minute record of the training, experience, viewpoint, and education of such attorneys, such an agency would wield a vast amount of power. The attorneys in the various departments of the Government pass on questions of policy. They indicate the limit of Federal jurisdiction in given matters. They advise the administrators. They counsel with policy-making officials and it would not be difficult to disqualify or discriminate against an attorney because he failed to share the governmental philosophy of the administration or an agency of the administration. I am not unaware of the fact that this matter needs attention because lawyers of competence and ability should at all times be secured. On the other hand, the method of selection and qualification should be surrounded with such safeguards as will assure to every attorney who may wish to enter the service of the Federal Government an equal opportunity to do so, even though he may not be a graduate of a law school with an impressive name or subscribe to a definite concept of governmental philosophy. The committee therefore deleted this item from the bill in the belief that it should have further study. It is important enough to merit special legislative treatment.

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

Mr. DIRKSEN. I yield.

Mr. RANKIN of Mississippi. Did the gentleman say this man made an argument before the Supreme Court of the United States?

Mr. DIRKSEN. Yes. That was the Herndon case.

Mr. RANKIN of Mississippi. Is that the same court before which Wendell Willkie argued the other day that being a Communist should not disqualify a man from becoming a citizen of the United States?

Mr. DIRKSEN. It is the identic court. Does my friend from Mississippi suggest that Mr. Willkie be made executive director of this commission we are now talking about?

Mr. RANKIN of Mississippi. I mention it only owing to the prominence of the case. I do not know where the commission will be located, but distance, of course, would have a great deal to do with my answer to that question.

Mr. DIRKSEN. It is scarcely necessary for me to make reply to the observation of my friend from Mississippi. I was really trying to point out to the Congress that here is a matter that really needs attention, and that if we are going to give direction to it then it is high time that we think in terms of legislation that will control that kind of situation.

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

Mr. DIRKSEN. I yield.

Mr. HARE. Does the gentleman not believe it would be better to have an

examining committee charged with the responsibility of inquiring into, you might say, the philosophy of every applicant, and determine collectively who should be chosen rather than to have them selected indiscriminately by this man or that man, or the other man as has been the case for the last few years?

Mr. DIRKSEN. I believe so. I think it is a matter which must have attention, but I want to be sure that the right kind of body is set up and that the policy that is adopted will be in the interest of the type of Government we have today and afford an equal chance to all.

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

Mr. DIRKSEN. I yield.

Mr. RANKIN of Mississippi. I agree with the gentleman that it depends on the kind of committee. Back in the old Southwest they were trying a horse thief. The jury was composed of 12 of his friends. After the evidence was in the jury brought in this verdict: "We, the jury, find the man who stole the horse not guilty."

Mr. CASE of South Dakota. Mr. Chairman, I yield the gentleman from Illinois 10 additional minutes.

Mr. DIRKSEN. There is only one other matter I want to allude to and it is a little divergent from the subject matter of the bill. We are passing on administrative appropriations in this bill for the Rubber Reserve Corporation, which is a subsidiary of the Reconstruction Finance Corporation. Rubber has assumed a very important place in the public mind today. We have heard a great deal about synthetic rubber in recent days, a great deal about the guayule plant, and about possible sources of synthetic rubber. I make so bold as to say that today in the light of recent experiments that are already in the pilot-plant stage it is not too much to believe that a portion of our rubber will be supplied by the corn fields and the soybean fields of the Middle West. One of the greatest things this Congress ever did was to make provision for the four regional agricultural laboratories in the Farm Act of 1938.

These laboratories managed to gather up the finest chemical talent in the country, men who have forsaken the laboratories of universities and industrial plants that they might delve around in research and give to the world the benefits of their findings. So, out of the laboratory in Peoria, for instance, there has come now that degree of experimentation in the field of deriving a rubber substitute or a rubber extendant from the fatty acids in corn oil, in soybean oil, and for that matter, in other vegetable oils, that gives fair promise that a good deal of the rubber substitute supply of the country might be produced in the areas of the Middle West.

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

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

Mr. RANKIN of Mississippi. I saw in the paper a day or two ago that Foreign Minister Aranha, of Brazil, said there was enough rubber in the forests of Brazil to supply the entire world at this time. Has the gentleman made any investigation of that subject and can he give us any information on it?

Mr. DIRKSEN. Yes. There is some difficulty. At the present time about 14,000 tons of para rubber are being produced in the Amazon Valley of northern Brazil. One of the difficulties there is the leaf blight. That was one of the reasons why as early as 1876 they took the seedlings of the so-called hevea tree to the Malay Peninsula and to the Dutch East Indies, because evidently the leaf blight was not a serious malady there. That is one reason why the whole rubber activity was transplanted to the expanses of the southern Pacific.

At the present time field stations are working on the development of the so-called disease-resistant type, with seeds from the Philippines and also from Liberia. That is a long way in the future. Not too much progress has been made.

In addition to that, about 7,000 tons of rubber are produced in Mexico. Less than 1,000 tons are derived from the guayule plant today. We have before us at the present time a known process for the derivation of synthetic rubber from the benzol in petroleum, which, I think, added to the expansion of the guayule culture and the other things that are now coming out of the laboratory, will ultimately take care of the rubber needs of the country.

Mr. RANKIN of Mississippi. May I say to the gentleman from Illinois that, according to Mr. Aranha, these trees in Brazil are already grown?

Mr. DIRKSEN. That is right.

Mr. RANKIN of Mississippi. He said, I believe, that there are 20,000,000 of them. Perhaps he said 20,000,000 acres. I know he used the figure 20,000,000. In all the East, the rubber plantations they are trying to protect now amount only to 9,000,000 acres, if I recall correctly. If the trees in Brazil are already grown, it seems to me we could make arrangements to utilize that rubber to take up the slack, shall we say, until we can develop our synthetic rubber or grow rubber trees in Puerto Rico, in Panama, in southern Florida, or in other tropical areas under the flag.

Mr. DIRKSEN. The gentleman must not forget the inaccessibility of the jungles of northern Brazil. That is one of the reasons, in combination with the labor problem there, that they had to get extremely high prices for that rubber and when the price dropped, the Brazilian rubber industry could not compete and gradually faded to its present extent.

Mr. RANKIN of Mississippi. Mr. Aranha said in that connection, if I recall correctly, that the rubber in the jungles of Brazil could be produced for 20 or 25 cents a pound.

Mr. DIRKSEN. It has never been produced for that price before, and it would be rather interesting to see the method by which that could be achieved. The rubber can be gotten out, but we may as well make up our minds that it will be done only at a price which is well above present levels. However, when the exigencies of the war are before us price is not a determining factor when we have to have the rubber. The action of the Rubber Reserve Corporation in moving toward an immediate expansion of the synthetic rubber capacity of this Nation plus the potentialities of the guayule plant plus the potentialities of deriving rubber substitutes from the vegetable oils derived from corn, soybeans, and other commodities gives every evidence that we shall meet this problem in a satisfactory way.

This has been a rambling discourse and let me end on the note which I expressed at the outset by expressing my appreciation and that of my minority colleagues to the gentleman from Virginia who has presided over the deliberations of this subcommittee for his considerate and courteous treatment. It has been the common aim of the committee to serve the interest of defense and war preparation, the interest of efficient Government operation, and make adequate provision for those functions of Government which the Congress has authorized.

PUBLIC POWER

Mr. FITZPATRICK. Mr. Chairman, I yield 10 minutes to the gentleman from Mississippi [Mr. RANKIN].

Mr. RANKIN of Mississippi. Mr. Chairman, in reply to the gentleman from Illinois on the power question. I wish to say at the outset that we have come to a power economy in this country. There was a time when we considered ourselves as being on an agricultural economy. Later it was said that we had adopted an industrial economy. Today we are in a power economy, probably for all time to come. The industrial, the commercial, and the domestic life of every community from this day forward will be geared to a power economy. Its prosperity and its importance in the world will be measured to a large extent by the availability, the volume, and the rates the people have to pay for electric light and power.

I do not hesitate to say that I have been for public power practically ever since I have been a Member of Congress. It was my efforts in this House, in conjunction with the efforts of Senator NORRIS in the Senate, that resulted in the passage of the law creating the Tennessee Valley Authority in its present form.

If that policy had been spread to every section of the country the American people today would be saving $1,000,000,000 on their electric light and power bills alone—even on the present load. They would be using many times the amount of electricity now consumed, and they would be enjoying the use of those appliances necessary for the comforts and conveniences of every home and every business establishment.

Last year, 1941, we used about 160,000,000,000 kilowatt-hours of electricity in the United States. There are 230,000,000,000 kilowatt-hours of annual production of undeveloped water power alone in the United States that is absolutely going to waste. I am for developing every kilowatt-hour of it and using it for the benefit of the American people. In the States of Louisiana, Texas, Arkansas, and Oklahoma, there is enough natural gas going to waste to generate a sufficient amount of electric power to almost supply the entire Nation, and yet the very

elements in our national life that are opposed to the T. V. A. and to Rural Electrification are doing everything they can to keep the Government and the people from harnessing that gas and using it for the benefit of the people of the country.

I was largely responsible for the creation of R. E. A. It adopted the policies we had put into practice in the district I represent 2 years before the R. E. A. was created. It was my amendment that gave us the first $100,000,000 that really started R. E. A. on its way to successful operation, and if I had my way we would expand that service until we reached every home in America, every farm home, every home, if you please, that can be found by the tax gatherer or that we can reach by the draft. When you get that far, I am willing to slow down on rural electrification; but not till then.

Power can be produced with gas in Texas, Oklahoma, Louisiana, or Arkansas at around 1 mill a kilowatt-hour. It can be produced with water power throughout the Nation at from 1 to 2 or 2½ mills a kilowatt-hour. It can be produced with bituminous coal at the mouth of the mine at from 1 to 2 mills a kilowatt-hour. Every engineer that came before our committee who knew what he was talking about testified that you could transmit power for one-half a mill a kilowatt-hour for each 100 miles, 200 miles for 1 mill, 300 miles for a mill and a half. That included the line loss and paid for the amortization of lines. We can supply electricity to every person in this country at the T. V. A. yardstick rates. Remember that the power that is being sold by the Tennessee Valley Authority will not only amortize the power investment in those dams, but it will amortize the entire investment in the Tennessee Valley Authority within less than 50 years.

The gentleman from Illinois [Mr. DIRKSEN] asks about coordinating these facilities. I am willing to coordinate them and provide for a power department with the head of it in the Cabinet, provided he will vote for a law that I have introduced today to take over all the water power of the Nation, to take over the big generating plants, to take over the transmission lines, pay what they are worth, and coordinate and use them for the benefit of the people in every section of this great land, sell back the distribution systems to the municipalities or the local cooperative associations, and then sell them power at wholesale just as the Tennessee Valley Authority is doing now. But I notice that the men who are now clamoring for the centralization of these power agencies are opposing the rivers and harbors bill which provides 13,000,000,000 kilowatt-hours of electricity a year at a time when we are in need of more power, at a time when there is not only a scarcity of electric power, but at a time when there is little hope of meeting that scarcity except by the development of hydroelectric power in every section of this country.

The power business is a public business; it is not a private affair. These gentlemen talk about the power business being a private business. Electric power has become a necessity of life and it must be handled by a monopoly. You cannot have four or five different outfits distributing power in the same community. It must be handled by a monopoly. Being a monopoly of a necessity of life, it is a public and not a private business, especially when it is generating and distributing hydroelectric power from a navigable stream that already belongs to the Federal Government. It is a public business; and these private enterprises, these private interests, that are trying to drive out and destroy the Rural Electrification Administration, trying to destroy the Tennessee Valley Authority, trying to destroy the Columbia River set-up—these great, selfish interests are not fighting to keep the Government's hands out of private business, they are fighting to keep their hands in a public business that affects the economic and social life of every person under the American flag.

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

Mr. RANKIN of Mississippi. Yes; I yield to the gentleman from Arkansas.

Mr. ELLIS. Is the gentleman familiar with the present fight that the Arkansas Power & Light Co. and 10 others who have united in a huge pool out there have been putting up to keep the Federal Government from delivering its own power from the Grand River Dam to its own aluminum plants in Arkansas?

Mr. RANKIN of Mississippi. Yes; and I congratulate the gentleman from Arkansas on the success he has had with Donald Nelson in that fight. Donald Nelson's actions in this matter justify what I said about him on the floor of the House a few days ago.

Mr. ELLIS. The House will be interested to know that the distinguished gentleman from Mississippi went with me to see Mr. Nelson.

Mr. RANKIN of Mississippi. Yes; and I shall be glad to go again, and if these gentlemen on the other side get religion and are willing to really serve the people they represent I will go with them. I have not been partisan or sectional in my fight for cheap electricity for the American people or for rural electrification.

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

Mr. FITZPATRICK. I yield the gentleman 5 minutes more.

Mr. RANKIN of Mississippi. I understand that my friend, Senator NORRIS, is going to retire at the end of this session. God bless him. He has been the greatest friend the common people have had in the United States Senate in your day and mine. I wish he would stay there for 20 years longer, but I say now that without his help we never would have had the T. V. A. and the American people would be paying an extra billion dollars a year for what electricity they are using at the present time, and the farmers would still be in the dark.

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

Mr. RANKIN of Mississippi. Yes.

Mr. KEFAUVER. The gentleman discusses the great saving coming to the American people by the sale of power at reasonable prices. I think the gentleman overlooks sometimes the fact that by increasing the purchasing power of the people in a great many sections that helps business all over the country, even in those sections where the people are against public power.

Mr. RANKIN of Mississippi. Certainly; the people in my town use an average of twice as many electric refrigerators as do the people in New York City, Philadelphia, Boston, or Baltimore, because we have reduced electric rates down to where the people can afford to use refrigerators. Ninety-four percent of the people in my town have electric refrigerators in their homes. When we have cheap electricity in every home in America it will not only improve living conditions but it will give a market for these appliances, on the sale of which many enterprises must depend for their existence.

If I had my way, I would have the Government take over every dam on every navigable stream or its tributaries, and take over the great generating plants that generate power that goes into interstate commerce, take over the transmission lines and pay what they are worth, not for the watered stock but what they are actually worth, and then sell the distribution systems back to the local communities, develop the power on streams and their tributaries to the fullest extent, generate this extra 230,000,000,000 kilowatt-hours of electricity, and distribute it throughout every community in America. I would then have these lines built into the rural districts heavy enough to run such machinery as they must have in the years to come. I would build throughout this country whatever electric facilities as are necessary not only to furnish the sinews of war without having to pay all the graft that these huge enterprises are demanding, but to furnish the sinews of war now without such tributes, and then when the war is over make America the leading nation of the earth so far as the interests, the comforts, and the prosperity of the people are concerned.

I yield back the remainder of my time and ask unanimous consent to revise and extend my remarks.

The CHAIRMAN. Is there objection?

There was no objection.

Mr. CASE of South Dakota. Mr. Chairman, I yield 7 minutes to the gentleman from Kansas [Mr. REES].

Mr. REES of Kansas. Mr. Chairman, I rise at this time to call attention of this House to the great increase in the number of civilian employees on the rolls of our Government in order to carry on the war effort.

I shall propose a method to help alleviate the congested situation that is resulting from it, and that will help prevent a shortage of labor in the Government, as well as out of it.

The total number of Government employees, outside of armed forces, is approximately 1,800,000. It is 400,000 more than a year ago. The large group, as well as the increase, is in Washington. There are now about 210,000 persons employed in the executive departments in Washington. This is 50,000 more than a year ago. New ones are coming at the rate of 7,000 a month. It is estimated 60,000 more will be needed this year.

In addition to the 210,000 employees in the executive departments, we have 6,200 more in the legislative and 2,600 more in the judicial departments, and then we also have in Washington about 5,000 Army, Navy, and Marine Corps officers. This makes a total of about 223,000 Government workers in the District. Most of these people are white-collared workers. More than two-thirds are in clerical positions. A great share of the work is not strenuous or particularly difficult.

Until recently the employment in Washington has been 39 or 40 hours per week, the ordinary schedule being from 8:30 to 4:30, with Saturday afternoons off duty. Recently some of the departments have increased the period to 44 hours per week. The War and Navy Departments are scheduled soon to go on an 8-hour-day schedule for 6 days per week.

It is my proposal, Mr. Chairman, that all office workers employed in all departments in Washington, comprising about 180,000 of the entire 223,000, go on the 8-hour-day schedule during the war emergency. That would mean from 8 o'clock in the morning until 5 in the evening, with an hour at noon. They could be paid additional wages for the added time employed.

I believe, if the Government would follow this proposal, it could save the additional employment of forty or fifty thousand new people that are being brought to a city that is already overcrowded. If the same method were employed to about 600,000 or 700,000 office employees outside of Washington, where additional help is contemplated, it is easy to see that new employment, to a great extent, could be shifted to places where it is needed.

We could thereby save the employment of a lot of inexperienced people, and in many cases people who are not really efficient. Office congestion would be relieved.

Mr. Chairman, I submit the further proposal that a complete investigation be made of the departments in our Government, with a view of eliminating, or at least reducing, during the war emergency, every activity of the Government that is not really necessary at the present time. I know you will agree with me that there are many so-called services and gadgets that may have some use but could well be eliminated, without any injury to the people of this country, and are not necessary for carrying on the war program.

I do not want to cripple or injure any department that should be maintained, but you know very well that there are a number of these activities that should be curtailed, especially right now. Employees in these places could be transferred to departments where their work is needed.

Let me direct your attention to one of the activities I have in mind. Almost every bureau and department has its publicity division, from which tons of mail, largely propaganda, are sent every day. Some of this publicity mail may have some value, but volumes of it are certainly not needed now. There are many other places in our Government where we can economize in manpower as well as in expenditures, if we have the mind to do it. We must do it in order to carry on our war program.

I submit, Mr. Chairman, that since the heads of these departments of our Government are not prone to economize or curtail their activities, that an investigation and survey be made by a group of competent persons under the direction of this Congress with a view of cutting nonessential activities to the bone.

It is my judgment, Mr. Chairman, that as much as 15 or 20 percent of the present employment in Washington could well be diverted to places where their services are really needed, and save new employment to the extent of twenty-five or thirty thousand employees. We ought to do it.

Mr. Chairman, it is not my province to require anyone in government to perform more than a fair day's work. That is all that should be expected of anyone. He should receive a decent wage for his services. But Mr. Chairman, no injury could be inflicted by asking this group of people to work 8 hours a day for 6 days a week, especially in view of the stress of the times. And that stress is going to get worse. I am informed that during the first World War the period of working hours in many cases was even longer than 8 hours. The Government must have all help that is necessary, but we must give our attention to doing the things necessary under a war program.

Mr. Chairman, we are advised that present plans include Army increases to 3,500,000 men this year. The Marine Corps and the Navy are to be strengthened tremendously. Our arms program is to be increased beyond our comprehension. There is bound to be an acute shortage in employment everywhere.

Mr. Chairman, the President has said that all people will find it necessary to work hard and to make some sacrifice in order to bring victory at the earliest possible date. He is right in that statement. It hardly comes even within the category of sacrifice for a person in a comfortable job at a fair wage to increase his working day for an hour. I think all employees will be glad to do it. The country will benefit by it.

Mr. Chairman, since we are asking millions of our men and boys to give their time, their energy, and their lives, if need be, for the sake of our beloved country, it behooves every one of the rest of us to put forth more effort and energy and thought in the prosecution of this war. It is the obligation of every man and woman in this country to do everything possible to contribute to the successful prosecution of this war. We have got to win it, and we will win it.

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

Mr. REES of Kansas. I yield for a question.

Mr. CURTIS. Does not the gentleman feel that if we eliminate some publicity agents on the part of the Government it will do a great deal to help out on the paper shortage, as well as lessen the burden on the United States mail?

Mr. REES of Kansas. The gentleman from Illinois [Mr. DIRKSEN] called attention to the fact that the demand for paper on the part of the Government is about 90,000 tons this year, and even the Government can only get about 60,000 tons.

[Here the gavel fell.]

Mr. CASE of South Dakota. Mr. Chairman, I yield 10 minutes to the gentleman from Wisconsin [Mr. GEHRMANN].

Mr. GEHRMANN. Mr. Chairman, the Subcommittee on Appropriations that handles this independent offices appropriation bill has done a good job in explaining the bill, and I am not going to attempt to talk on any phase of it. So I hope I will be permitted to talk about another matter that will soon be before us; that is, the conference report on the so-called price-fixing bill.

Very soon this House will have to vote upon the conference report on H. R. 5990, the so-called price fixing bill. The main controversy in that is whether or not the Price Administrator is to have the right to set prices on agricultural products without having at least a floor or a yardsick laid down by Congress. The House did put a yardstick into this bill which was not less than 110 percent of parity. The Senate evidently knows more about the way parity is figured than we do, and placed a new definition on how to figure parity by adopting the O'Mahoney amendment. That amendment should by all means be retained in the bill, and even then prices on most agricultural products would be less than the average cost of production. Really the only fair way to treat the farmer would be to provide in this bill that no ceiling shall be placed upon any agricultural product until it has reached a price at least equal to the average cost of production. Such an amendment was offered by Congressman STEFAN, of Nebraska, when the bill was up for discussion and he, as well as Congressman HULL and myself, spoke in support of that amendment. Those that opposed it gave no good reason why this should not be used as a yardstick in placing a floor under farm prices, the same as we have placed under wages. It will be worth your while to look up the debate on the cost-of-production amendment. It is in the RECORD of Friday, November 28, and I am sure that what Mr. STEFAN, Mr. HULL, and myself said that day is fair and reasonable and should be considered by all in a fair and impartial way. So many people do not seem to think that it is possible to figure the average cost of production, but I can assure you that it is just as simple to figure that as it is to figure parity; yes, I believe it is easier. The Department of Agriculture has those figures compiled each year and can be found in the Year Book statistical section. The RECORD of that day shows that by a rising vote the amendment carried 71 to 62, but then absent Members were brought in and on a teller vote we lost by a vote of 82 to 93. Sooner or later we will have to abandon all subsidies and artificial manipulation in an attempt to aid the farmer and adopt the only reasonable and fair yardstick, namely, the cost-of-production principle. No business large or small can

operate successfully for long without receiving cost of production.

Now, who clamors for this ceiling on farm prices? Naturally, all the consumers have been led to believe that the high prices they pay for many agricultural products are directly traceable to the farmer. The fact is that the speculators, brokers, and commission men blame the rise on the farmer, and the large metropolitan newspapers have the housewife believing that unless some one sets a top price on farm products, retail prices will skyrocket. Well, let me assure the worried consumer that retail prices will keep on climbing even with a price ceiling unless the Price Administrator sets a price on every single article and every single processing stage, as well as every transaction until it reaches the final consumer. Agricultural statistics show that in 1939 the farmer received 39 cents out of the consumer's dollar. That included 58 main items of food and clothing. That, you understand, is the average for the whole country, and it includes what the farmer and his family consume on the farm, which is charged up to the farmer the same as if he had bought it. It includes all the rural communities where the consumer gets a large proportion of food nearly direct, or not more than the retailer in between. No transportation, commission, brokerage, extremely high rents, or delivery charges have been added there. Therefore I feel certain that out of every dollar the housewife pays out for food in large cities the farmer does not get more than 25 cents. Those that bought meats during the war in 1917–18 will remember that meats, especially fancy cuts like chops and steaks, were no higher than they are now, but the farmer got nearly twice as much for his live hogs then. They went up to around 22 cents, while now they seldom have been over 11 cents. Why should canned goods climb continuously, when the farmers this past season got about as little for their vegetables as they have ever received? Of course, everything has gone up that makes up the finished product, including labor and materials, but why must that be taken out of the farmer? It is amusing to be in a store where a crowd of people are shopping, and when they discover that a can of tomatoes has gone up 2 cents over the previous week, or if pork chops are a couple cents higher, to hear them say, "Darn these farmers; they certainly are making the money now." It simply shows that the average housewife knows nothing about what the farmer gets out of that product, but all she can think about is that the farmer is getting this increase.

I believe that too many social-science workers, medical associations, boards of health, and other groups have educated the city consumer to demand certain sanitary services and packages that in no way are, or should be, chargeable to the producer. I am not arguing that they should be abandoned, but I am simply reminding the consumer that those things cost money and must be paid for by the people that demand them. Everything the large city consumer buys is put up in small, convenient, sealed packages. Butter and cheese is bought by the quarter pound or less. The wrapping and packaging of this takes as much time as it would 1 pound or more. Meats the same way; nearly everybody wants the fancy cuts. And then we have developed a system of distribution where we have altogether too many wholesalers, brokers, and commission men, all under a heavy business expense, and expecting a profit. I have stated this same thing on this floor and outside of here so many times that I hate to keep on repeating it, but a way must be found to bring producer and consumer closer together. Any one of you can look back, and you will find that gradually the farmer gets less for his product, while the consumer has to pay more and more.

We have become so used to this method of doing business that it will be hard for us to change. It appears almost impossible for us to even think that we may not have automobiles to use in a year or so, but I am sure we will find a way to get along. So it is with our entire standard of living we will have to find a way to serve ourselves and do away with some of the conveniences. But if we demand and get those convenient packages and services we must expect to pay for them; the farmer has not instigated them. What will happen to the national program of raising more and still more food? Yes; the farmers are as loyal as any group; but there is a limit to what the individual farmer can do. You cannot blame their sons for accepting a job in a factory at several times the wages dad could possibly pay him. Thousands of renters and small farmers are selling their livestock and accepting jobs in industry. They know that they can make some money for the next few years and are taking advantage of it. I wonder how many in the large cities that think the farmer is getting rich would change places with him, invest at least $10,000 or more to have a medium-sized dairy farm, then get up not later than 4 every morning and work until dark, and then run the chances of drought, disease, and prices which most of the time are less than it costs him to produce. Oh, yes; you say the farmer usually has something to eat; yes; as long as he is able to keep up the payments on the farm, interest, taxes, insurance, and wages for hired help—unless he has minor children that will work for their board and a few inexpensive clothes.

But how many thousands have struggled for years and were finally evicted and are now objects of charity, being too old to enter industry or to even rent a farm again. Remember there is no retirement pay for the farmer.

I feel certain that no one would have any objection to placing a floor under farm prices if they understood what it is all about. What I fear is because of the misunderstanding of the farmers' problems by the city folks and the lack of understanding of the workers' problem by the farmer, the two producing groups will drift still farther apart to the definite injury of both. If the laboring groups refuse to give the farmer the same protection that they enjoy—namely, a fair floor under farm prices—then agitation will continue to place a ceiling on wages; and while I am opposed to it, as my past record will prove, it may be brought in here and passed the same as the drastic antilabor bill passed not so long ago. I plead with you all to be fair, and therefore I hope you will support a provision in the price-control bill that will give the farmer the protection he is entitled to, and that is a price somewhere near what it cost him to produce the commodity.

[Here the gavel fell.]

Mr. CASE of South Dakota. Mr. Chairman, I yield 10 minutes to the gentleman from Pennsylvania [Mr. DITTER].

Mr. DITTER. Mr. Chairman, I was very much interested in a press dispatch last night which quoted a statement made by one who has heretofore held high place in the Democratic Party and who, I believe, today commands the respect and esteem not only of large numbers of those identified with the Democratic Party, but who is regarded and esteemed by Republicans as well. I refer to the former chairman of the Democratic National Committee, Hon. James A. Farley.

The day was when Jim Farley, as he was affectionately known, had considerable influence in party councils. For some reason or other that day seems to have passed. Just when the passing was I cannot say, but I am rather inclined to think it was associated in some way with the days of the convention in Chicago in 1940.

I want to pay my personal respects to Jim Farley for the kind of things that he stands for, the principles of government that he espouses, and certainly for the declarations that he made at the Clover Club in Philadelphia a night or two ago when he said that the preservation of the two-party system of government was essential to the continuation of our representative scheme of government.

Fortified with that statement from the former distinguished chairman of the Democratic National Committee, I venture into a field today that in the past month or so has been looked upon with a degree of suspicion and characterized by some as unpatriotic. I have in mind the duty which I believe is the duty of the minority to check and audit and police the party in power. I believe today provides the opportunity for doing just that thing. In doing so I refuse to acknowledge that either patriotic purpose, devotion to country, or loyalty to its ideals can in any way be questioned by reason of constructive criticism of governmental policies. I repeat, buttressed with this very frank and positive declaration by the former Democratic national chairman, I approach this problem of critical analysis of the bill now before us.

The distinguished gentleman from Illinois [Mr. DIRKSEN] indicated 92 percent of the amount of the funds carried in the present appropriation bill represented the needs of five establishments of government, and he seemed rather pessimistic that any possible savings might be made. I am not taking issue with the gentleman from Illinois, but I am approaching this problem of Government cost in the light

of the established record of the Administration now in power.

The administration now in power has boasted, it has delighted, in carrying to the people of the country the idea that it is an easy spending outfit, that the matter of extravagances and wastefulness were secondary considerations. It seems to me that we might draw on a trite expression and apply it to the problem of today as the demand for economy presents itself. That trite expression is this: "Where there's a will there's a way." I question very much whether the administration now in power has demonstrated any real desire to bring about any economy in government. We can skim the surface, we can look at the veneer, but that means absolutely nothing until we get down underneath and determine basic philosophies which prompt the operations of the present administration. I submit the basic philosophies are not in the direction of economy. There is no will to save.

Mr. KNUTSON. Mr. Chairman, will the gentleman yield at that point?

Mr. DITTER. I yield to my friend.

Mr. KNUTSON. I am sure every Member of the House is very much disturbed in reading the report of the Truman committee, the majority of the members of which were Democrats. According to this report profits on war contracts run all the way from 40 to 360 percent. Has the committee, of which the distinguished gentleman from Pennsylvania is such a valuable member, looked into these exorbitant profits that are going to result in this war's costing us perhaps 30. 40, or 50 percent more than it should?

Mr. DITTER. I am, of course, mindful of the care and scrutiny with which my distinguished friend from Minnesota approaches these problems. I recognize that as a result of his long years of experience here and the record he has established he speaks with authority. He has reached the conclusion that the load which is going to fall on the taxpayers' shoulders is a load which could have been avoided had the administration followed the admonition and suggestion of the gentleman from Minnesota and others on the minority side of the House. That Truman report will be looked into and I believe that savings will be effected because of the work of that committee.

Mr. KNUTSON. I am sure that with the gentleman from Pennsylvania a member of that committee it will be looked into and the extravagances wherever possible eliminated.

Mr. DITTER. The point I want to make today is that until there is a change and a demonstrated change in the approach to this problem we cannot expect to see any improvement. We can have these special committees of the House and the Senate, we can have the suggestions of the Brookings Institution, but until the basic philosophy of the administration in power is changed we shall continue to be an extravagant, wasteful people in our governmental operations.

[Here the gavel fell.]

Mr. CASE of South Dakota. Mr. Chairman, I yield 10 additional minutes to the gentleman from Pennsylvania.

Mr. DITTER. I believe there is another side of this problem that we should not overlook. It is not only economy in dollars and cents we should achieve, but I think that going hand in hand with this is the possible economy in effort which can be brought about. In other words, if we eliminate useless agencies or useless activities of agencies and save the productive hours, either brain or brawn, of those who are identified with them, we are making a contribution to the productivity of the country in this war effort in which we are engaged. I believe this matter has been lost sight of entirely as these stupendous figures come to us of an ever-increasing, ever-enlarging Federal pay roll. New clerks, new stenographers, new economists, new analysts, in every category and classification people added and pyramided on others in this centralization of power.

Let us look at this Office of Government Reports. What purpose does the Office of Government Reports really serve? Some have said that it dispenses information. I recall very well when the Director of this activity was before the committee approximately a year ago. I remember that in his frank, forthright way he admitted that the real purpose of this Office of Government Reports was to get the pulse of the public, to take the pulse of the public and tell the administration what the public was thinking on controversial issues. It seems to me that we can get the pulse without the millions of dollars that are being spent for it. Is pulse taking necessary? What goes for the Office of Government Reports goes also for every one of the activities where these publicity and propaganda agencies carry on their work. I was about to say, but I will not use the word—I was going to say "nefarious activities," but probably that would be a rather hard word, and so I will not use that word; but instead I will say they are subtle, and they are very insidious activities not for the interest of the taxpayers but for the interests purely of the party now in power.

Mr. WILLIAM T. PHEIFFER. Mr. Chairman, will the gentleman yield?

Mr. DITTER. I yield.

Mr. WILLIAM T. PHEIFFER. I should like to call my colleague's attention to a striking example of exactly what he is talking about. The gentleman will recall that we were attacked ruthlessly. The following day we accepted the war challenge of Japan. On that very day the President approved this great, vital project, at a cost to the taxpayers of $254,628:

> To conduct engineering field surveys and prepare photographs of parcels of real property owned by the city of New York. Work includes preparing record drawings of the information obtained and filing, indexing, and transcribing these and other relevant records.

This is a survey of property that has been owned by the city of New York for perhaps the last 200 years, to prepare records that will simply be placed on shelves to gather dust. That was the very day we entered the greatest war this world has ever seen, and that is what the people are getting for $254,000.

Mr. DITTER. That is the tragedy of the thing. That with this problem, this critical national situation, before us, just at this time there seems to be a disregard of the principle that first things should be first and opportunities for political advantage relegated to the rear.

We are at war. Let us forget some of the things we were doing when luxury and ease and extravagance and elegance and wastefulness and prodigality characterized the operations of the present administration. Let us forget those things. Why not a complete about face? Sacrifice and extravagance do not go hand in hand.

I challenge the majority in this hour of national peril to redeem its own fair name, redeem the reputation of a Cleveland, redeem the reputation of a Wilson, redeem the reputation of—I venture into this because of the intrusion of my friend from Virginia—redeem the fair name of the distinguished gentleman from Virginia who is the chairman of this committee, none other than my friend, Mr. WOODRUM. Redeem his reputation before the country by the elimination not only of the waste in dollars and cents but the waste as well of the effort and endeavor which are necessary as a part of this profligacy, this wastefulness, and this extravagance.

I plead today for common sense and sanity, for honesty in government, and for care and caution in the expenditure not only of our money but our effort, as the peril of the country impresses itself upon us.

On December 24, 1941, the Joint Committee on the Reduction of Nonessential Federal Expenditures reported to Congress and the President that about $1,415,000,000 could be saved in nondefense expenditures during the next fiscal year. A few days later Mr. Henry P. Seidemann, of the Brookings Institution, published a pamphlet entitled "The Curtailment of Nondefense Expenditures," which asserted that $2,085,000,000 could be saved in nondefense expenditures. The President in his Budget message submitted to Congress early this month said that close to a billion dollars could be saved in nondefense expenditures. Now we have presented to us the first appropriation bill making funds available for the fiscal year 1943. This, of course, is for the independent offices. Does this appropriation bill indicate that there are being made adequate reductions in nondefense expenditures? On the basis of one appropriation bill it is hard to say whether during the forthcoming fiscal year nondefense expenditures are going to be reduced as much as the President said they could; as much as the joint committee of Congress said they could, or as much as the Brookings Institution recommended as possible. This bill, of course, covers only a few of the items that were set forth in the report of the congressional committee.

Expenditures of the Federal Government are classified in the Brookings report on the basis of functions, and the recommended reductions are made on a functional basis. Consequently to determine whether the recommendations of the Brookings Institution are being

carried out in this bill it is difficult to say. It will not be possible to tell whether the recommendations are being followed until all appropriations for the year are in and one has a chance to classify the appropriations on the basis of function.

Of course, it is impossible to compare appropriation bills for succeeding fiscal years to indicate any actual reduction in expenditures for what might appear to be a reduction now might ultimately be an increase because of supplemental appropriations.

In the report of the Appropriations Committee it is stated that the appropriation bill for 1943 carries an appropriation of $2,096,138,000 as against a Budget estimate of $2,101,167,000, which is a reduction of $5,029,000 below the Budget estimate. The report also goes on to state that the current bill is a reduction of $1,257,000,000 less than the same appropriations for the fiscal year 1942. But it should be noted that the report itself points out that all of these reductions are in defense appropriations. In 1942, $635,000,000 was appropriated for emergency funds for the President for national defense; $300,000,000 for defense public works and $300,000,000 for national defense housing. No comparable items are contained in the bill submitted for this. Consequently $1,235,000,000 of this bill in 1942 is not comparable to items contained in the current bill.

In the report of the Budget Bureau on October 15, 1941, to the joint congressional committee it was stated that if nondefense expenditures of the Federal Government were reduced one and a half billion, executive and administrative expenses would be reduced from $830,000,000 to $730,000,000 or a reduction of $100,000,000. The Brookings report asserts that if $2,000,000,000 were saved, $5,000,000 could be cut in executive and other general activities. How much does this present bill reduce administrative and other general expenditures?

Only a hasty analysis of the bill based upon the committee report has been made. This indicates that there is no reduction made in general executive and administrative expenditures but that actually some increases are made.

A number of agencies that have no clear connection with the defense program are permitted to have increases in this bill. For example, the Board of Tax Appeals is given an increase of $23,637. The Federal Power Commission, on the plea of defense activities, gets an added appropriation of $234,255. Now concerning the so-called defense activities of the Federal Power Commission the justification book for this establishment for the last previous year clearly indicates that these so-called defense activities are nothing but ordinary nondefense activities that the Commission has desired to carry on for years, and it is now able to carry them on under the guise of national defense. The Interstate Commerce Commission is receiving $128,165 in additional funds for 1943 on the grounds of national defense. It is hard to see how this can be justified when the President has created a special defense transportation agency with funds made available from defense appropriations.

Agencies attached to the executive office of the President are not suffering any reductions for the fiscal year 1943. An increase of $1,076,000 over the 1942 appropriation is being allowed for these agencies. Of course this is $300,000 less than the Budget estimate. The lion's share of this increase is going to the Bureau of the Budget which would receive $667,000 more than it is receiving for 1942. According to the committee report $387,000 of this is for its normal activities, that is for its nondefense activities; $280,000 of this increase is for national defense purposes. If it is so desirable to reduce nondefense expenditures, why should the Bureau of the Budget be given $387,000 additional funds for carrying on nondefense activities? This is certainly a bad example to set for agencies subject to the control of the Bureau of the Budget.

For the Office of Government Reports the committee is allowing $1,500,000 which is slightly under the amount allowed for the current year but the report clearly intimates that about $900,000 from emergency funds at the disposal of the President will be allocated to this agency during the fiscal year 1943. Consequently the slight reduction that appears in this appropriation bill from current expenditures is entirely misleading for more funds will be spent by this agency during 1943 than in 1942.

Of course, it should be remembered that in the fiscal year 1943 there will be a Congressional election. The work of this political agency has always increased tremendously during the fiscal years in which Congressional or Presidential elections take place.

Relative to the Federal lending agencies, the joint committee report recommends a reduction of $170,000,000 in loan activities. There is nothing in the appropriation bill that indicates any reduction in the lending activities of the Federal Government. In fact the funds made available to these establishments under Federal agencies are in many cases larger than they were during the fiscal year 1942.

One agency, the Electric Home and Farm Authority, will have its appropriation cut in half, being reduced from $402,000 to $200,000; but certainly, when there is such a scarcity of electrical appliances as we have at the present time it does not seem that we need any Federal agency to encourage the consumption or utilization of any such instrumentalities. Consequently it would seem that the whole appropriation could be terminated rather than merely cut in half.

The appropriation for the Export-Import Bank is being increased by $50,000, from $220,000 to $270,000. The Federal Home Loan Bank Board has a very slight increase over 1942.

For the Federal Housing Administration administrative expenses, $15,041,000 is being provided. This is $286,890 more than expenditures during the fiscal year 1942. The amount of the defense activities of the F. H. A. is very small and it would not seem that it would be necessary to increase the appropriation for administrative expenses. One million dollars more is being provided to cover payment of claims on guaranty of loans made under title I of the F. H. A. Act. For the Federal Savings and Loan Insurance Corporation administrative expenses, $450,000 is provided. This is an increase of $60,500 for this agency over 1942. No claim is made that this agency has any defense activities. The Home Owners' Loan Corporation, of course, is in the process of liquidation. Administrative expenses for this corporation for 1943 are $15,153,000.

For the Reconstruction Finance Corporation an increase of $444,612 for administrative expenses is being allowed. This brings the figure up to $10,335,000. The plea is made that the Corporation has many defense activities but certainly at the same time that its defense activities are increasing its nondefense activities are declining.

In the field of public works it is generally believed that extensive reductions could occur. Exactly how much of these reductions should take place in the Federal Works Agency is not clear, for not all of the appropriations for public works are contained in the appropriation for this item. There are a number of increases here which seem incongruous. For general administration of the public buildings administration there is an increase of about $400,000. For the repair and maintenance of public buildings there is practically no decline. An increase in the items for the administration of the protection of public buildings in the District of Columbia amounting to $1,974,000 is shown. Obviously there are more buildings in the District of Columbia at present than there were a year ago and obviously the number will increase during the course of the next year. It may be doubted, however, whether this item should be increased by almost $2,000,000. There is an increase of $145,000 in the comparable item for buildings outside the District of Columbia.

When it comes to public roads, the report of the Brookings Institution recommended a reduction could be made in this expenditure of about $171,000,000. Not all of the items for public roads are carried in the public roads appropriation. Some are carried in the National Parks and some in the Forestry Service appropriations. The joint committee report recommends that the amount be reduced by 50 percent, that is, by $64,000,000. How much is actually appropriated for grants-in-aid to States for public roads by this bill? The sum is $88,500,000. This is a reduction of only $37,500,000 below the amount carried in the bill for 1942. It is quite apparent that this is only about 50 percent of the reduction provided for in the joint committee report and it is but a small part of the reduction that is recommended in the Brookings Institution report. The Brookings report recommends that practically all public roads money of the Federal Government should be withheld during 1943.

For the United States Housing Authority an increase of $6,000,000 is provided

in subsidies to local housing authorities to provide for repayment of grants made by the U. S. H. A. Of course, some of this increase is really a consequence of contract obligations. It is difficult to eliminate all increase of this item but the item should be viewed in a most circumspect manner. The Brookings report recommends that practically all public works that are not connected with defense should cease at the present time. It does not appear from the appropriation contained in this bill for the Federal Works Agency that this policy is being followed at present. Similarly, the joint committee recommends:

> The committee believes all appropriations and authorizations for all public works * * * not directly essential to national defense should be deferred until after the emergency.

This recommendation, of course, is being ignored.

There is another large item in this bill for public works—that is the Tennessee Valley Authority; $136,000,000 is being requested for this establishment. During 1942 there is available for this agency about $166,000,000, of which it will spend about $145,000,000. For the fiscal year 1941 there was appropriated but $65,000,000. It is quite evident then that the appropriation for the T. V. A. has more than doubled in the course of 2 years. This agency now considers itself a defense agency engaged in producing power for manufacturing purposes. Consequently, all of its expenditures it regards as of a defense nature. On the plea of national defense its appropriations have been doubled in the past 2 years although in reality with this money the agency is only carrying out its long-time program that has been well demarcated for 5 or 6 years. Defense is but a plea for carrying out its regular nondefense activities. One thing to be noted is that an appropriation is provided for a fertilizer plant. An appropriation of $3,000,000 is made for this item and the report states that the plant will cost $4,800,000 to complete. With our present agricultural surpluses it is hard to see how a normal agricultural fertilizer plant can be justified as a defense undertaking. Apparently the dam for this agency is being constructed at more than the normal rate despite the need of materials for defense purposes. Ten new hydroelectric generating units are being installed despite the fact that it is very difficult to secure such equipment at the present time.

Mr. Chairman, I repeat, "where there is a will there is a way." If economy in government is an objective which it is sought to attain, efforts could be made to reach that end by a reversal of the policy, the free-spending policy of the administration. And it can be done in no other way.

Mr. CASE of South Dakota. Mr. Chairman, I yield 5 minutes to the gentleman from Vermont [Mr. PLUMLEY].

Mr. PLUMLEY. Mr. Chairman, I am not so strong for redeeming any individual's reputation as I am for saving my own and possibly that of the Committee on Appropriations. With all due respect to the distinguished gentleman who has just preceded me, and to whose remarks I add a ditto, I say that, although I may be criticized for following the recommendation of the subcommittee and full committee that we block out this man Watson by excluding him from the pay roll, although it may not be the right way, if it is the only way, then ipso facto it is the thing to do, and it should be done now.

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

Mr. PLUMLEY. I yield to my colleague the distinguished gentleman from Pennsylvania.

Mr. DITTER. I should just like to make the observation that I think I speak the voice of the entire membership of the House when I say that the gentleman's reputation could never be hazarded.

Mr. PLUMLEY. I trust this may be so, but am so modest I do not know just what to do or say in response to my friend. I am blushing. That should be sufficient appreciation. But, as I was about to say when I was interrupted and embarrassed, I was reading the report last night of the scientists of the Smithsonian Institution with respect to the use of sulfanilamide, a most dangerous yet most effective drug—one of the wonders of the age. In connection with many things the scientists had to say, this particularly appealed to me. It—the drug—is a preventive, they said, as against certain types of pneumonia, but they cautioned that no patient ought ever to be submitted or subjected to the medication of that drug for whom you have any—even the slightest—hopes that without its use the patient will live. Now, that theory is one justification for my voting for this amendment to save my reputation. And I also feel, although I do know that it is unusual to do as we are undertaking to do, that to arbitrarily cut this man off the pay roll is the only way for us to proceed in order to save the life of this Republic.

Insidiousy, from all sources, from everywhere, we have had infiltrated into this Government, despite all our legislation to the contrary, a group which, as individuals, as a whole, and as a mass, are nothing but festers, sores, and cancers on this body politic. Desperate ills require that some desperate methods will have to be adopted to remove them from the body politic.

I am embarrassed, also, as a member of the legislative department of this Government in undertaking to do something which should have been long ago done by the executive department. I stand ready to do it, although I shall not offer an amendment to that effect, to cut this man Fly, as accessory, off the list, because in law and before a jury a man who would employ such a man as this man Watson, who, by his own language and from his own mouth, is condemned as one who would wreck this Government, and yet, at the hands of Fly, is at the head of the system which controls propaganda as section head of the Foreign Broadcast Monitoring Service, should be continued no longer in office. This man Watson was employed by this man Fly, why, I ask any man, why? He knew or ought to have known before he employed him to what un-American ideologies he was submitting us. "How long," as Cicero said, as against Cataline, "will we submit"? The situations are not too different, though the years are long. We still could learn something if we were so inclined.

I say this man Fly either knew, or should have known, more and better, than to have employed Goodwin Watson, or else he is an accessory both before and after the fact.

Now, Mr. Fly's skirts are not clean. He has treated the chairman of the subcommittee contemptuously. That is a matter of record. You do not have to take my word for it.

In days of old, "when men were bold," many a man was charged and found guilty of conspiracy for lesser things than could be brought and proven against this man Fly, as evidenced by what he has done and said and by what he has failed to do in the premises.

I make no charges, but could it be that he purposely afforded this exponent of communism, Watson, the opportunity to destroy us, deliberately and with malice prepense? Let him answer. That is what he has declined to do up to date. And why?

Are we like dumb, driven cattle? I ask you. All this procedure as recorded in the hearings and as resulting therefrom, and as evidenced by things which speak louder than words, show the artistic way these people who would undermine us and destroy us go about their sabotage.

I say I make no charges; yet I have been doing a lot of wondering. I wonder why Mr. Watson was employed when it is common knowledge that he is what he is. I wonder why he was employed without an investigation by the Civil Service Commission, which investigation would have disclosed more incriminating facts with respect to his un-Americanism and his hatred of everything that is American and his determination to undermine everything that is American and overthrow it, than anything which I have offered or suggested, and all and every one of these things out of his own mouth, and to be found of record with the Dies committee or in the record of the hearings. Why was he appointed without investigation to this most responsible, vital position? Was it because the investigation which the Civil Service Commission might have made would have disclosed his complete unfitness for the job at a time when only 100-percent Americans should have been on guard? Let Mr. Fly answer. And up to date he has contemptuously declined to do so.

My wondering assumes the character of more than idle curiosity for that it is a serious business in which we are involved, this saving of lives and liberties against the Hitler aggregation and from those who would destroy us from within. We cannot afford to have on guard those who are enemies within our gates, who can as effectually attack us as was the *Arizona* attacked by the same kind of people, although not of the same racial color.

In this bill wherein we undertake to protect ourselves by excluding this man from the Federal pay roll, we have struck

a trail which should be explored and followed to the very end in order to protect the things we cherish, for all these things are at stake. While the amount involved is small, the principle is great.

We cannot afford complacently to submit to the depredations of these official saboteurs. They are the peril within our gates. Watson is certainly one, and in permitting him to remain Fly is at least an accessory. I do not care how big he is or how great or how important. That is all the more reason that he should be suspected on the basis of the facts which anyone may read.

For one, I doubt his real Americanism. I challenge him to show the Congress why he is not equally as communistically inclined as the man he employed as his tool to do the job of sabotage of propaganda.

Now, I am not scared of free speech. I am scared of the attempt to put a man at the head of this department under consideration who can prevent free speech, who can do everything to obstruct the rights guaranteed to us because of the fact that he controls the situation, all the while not believing in our form of government or in our Bill of Rights.

As I said before, it is a serious matter. I make no charges, but this man Watson and his accessory Fly could easily be at the head of the most insidious, dangerous fifth column in this country. It is easy to believe that might be true about Watson by reason of what he says about himself and concerning his beliefs. He almost admits, and with effrontery suggests, it is true. Since this is so, we must be rid of him. We must get rid of him any way and in whatever way we may do so. We should send him to a concentration camp for the duration and watch him if we were not so complacent and so dumb as not to know enough to protect our own interests.

The peril of the Republic is found first in the fact that we are so dumb, and in just such men as this fellow Fly and his man Watson. We just cannot close our eyes to the situation any longer. This is the place and now is the time to let the ax fall; let the chips fly where they may.

So I am going to vote for this bill. I expect I will vote for any and all bills of this nature, providing this is the only way to rid ourselves of these bloodsuckers that have attached themselves to the body politic and these barnacles on the ship of state. I cannot tolerate them. I hate them.

Have not we Americans any rights in the United States, which we can protect?

Mr. CASE of South Dakota. Mr. Chairman, I yield 10 minutes to the gentleman from Michigan [Mr. HOFFMAN.]

FOR WHAT IS A MAN PROFITED, IF HE SHALL GAIN THE WHOLE WORLD, AND LOSE HIS OWN SOUL?

Mr. HOFFMAN. Mr. Chairman, on Tuesday, January 20, President Roosevelt told a press conference that we were preparing to carry on war on every continent and in all the seven seas.

While a glance at a map of the world will show how far-flung this war will be; how, from our eastern coast, it crosses the ocean, skips England, overruns Europe, Africa, and Asia; crosses the China Seas, swings around the Indies, darkens Australia and comes on back around the world by way of the Philippines, Hawaii, continues eastward across the Pacific to the coasts of California, Oregon, and Washington, it brings not the slightest conception of the magnitude of that war nor of its cost.

This war which we are to wage throughout the whole world, on every continent and on every island of importance, on every sea, is to be fought, we are told, to carry the "four freedoms" to the uttermost corners of the world.

On the 4th day of July 1776, more than 165 years ago, our forefathers, "with a firm reliance on the protection of Divine Providence," declared the independence from British rule of the 13 United States of America and, in support of that declaration, the signers of that document mutually pledged to each other their lives, their fortunes, and their sacred honor.

By sacrifices and efforts which have seldom been equaled, never surpassed, after 8 long years of suffering and of bloodshed, success crowned their efforts and their independence was acknowledged.

In the twelfth year of our independence and on the 17th day of September 1787, George Washington, President of the Convention, and the delegates to that Convention, adopted a Constitution, which, with subsequent amendments, has for 150 years guided our destinies.

Of that Constitution, the great English statesman, Gladstone, in 1878 said:

> The American Constitution is, so far as I can see, the most wonderful work ever struck off at a given time by the brain and purpose of man.

A government under that Constitution, so accurately described, the Axis Powers and those who now advocate the surrender of our independence and the establishment of a United States of the World would destroy. What difference is there between those who would destroy our independence by force and those who would do it by argument?

The spirit, the courage, the endurance, the determination of our people, following the principles laid down in our Constitution, made these United States of America the citadel of liberty. From every corner of the earth, to this land of freedom were turned the eyes of every oppressed man, of every liberty-loving man, of every man who had thought for his children.

And so, when war came again, as come throughout the ages it always has recurrently to the people of Europe, dreamers of dreams conceived the idea, notwithstanding the lessons of the former World War, that we could accomplish the task which Christ and 2,000 years of Christianity had failed to accomplish—Peace on earth; good will toward men.

And so it was determined that we should carry the "four freedoms" to all the people of the earth; fight and win this war, no matter what the cost in material things or in lives and, after the war had been won, establish peace and police the world.

But what shall it profit our Nation if, in carrying the four freedoms to the world, we destroy our independence, lose all the freedoms which we have won?

Of what profit to these United States of America if, in establishing a form of representative, republican government or a form of democracy in China or in Russia, we learn that we have established a dictatorship here at home or have surrendered our independence to the mercies of a congress of a United States of the World and a president of a United States of the World?

To the winning of this war we have, as did our forefathers, pledged "to each other our lives, our fortunes, and our sacred honor." But this latter pledge is no justification for the violation of the pledge made by our forefathers, and to which we are parties, to maintain our independence and preserve our Government under the Constitution.

It has been said that the purpose of the Axis Powers is the destruction of our way of life and the acceptance of that statement at its face value is but added reason for the keeping of the pledge made by our forefathers and assumed by us.

Our duty now and the duty of every patriotic citizen is not only to devote our utmost efforts to the winning of this war, to the defeat of the Axis Powers, but to the preservation of our independence, of the four freedoms, and to see to it that, while spreading their blessings abroad, they are not lost to us.

Of what profit to us as a people, as a Nation, if, in carrying the four freedoms to the utmost corners of the earth, they are spread so thin that here at home a free press, freedom of speech, freedom from want, freedom from oppression, freedom of religion, the right and the opportunity to earn a livelihood, become as the morning mist before the rising sun and disappear in the glare of a world dictator or become submerged by the greed, by the intolerance, the quarrelsomeness, of the people of other nations?

Yes; we have enemies to fight, not only in Hawaii, in the Philippines, in Malaya, in Australia, in Japan, in Asia, in Africa, and in Europe; we not only have submarines off the Pacific coast and the Atlantic seaboard, but we have those who would destroy our independence here at home.

And those who would destroy our independence by false argument, by subtle sophistry, by boring from within, are just as dangerous and against their wiles we should be just as vigilant and just as active as against the armed forces of the Axis Powers.

The thing that the American people must remember, must never forget, is that they should preserve their independence, maintain for our guidance, the principles enunciated in our Constitution. It matters not at all to us if our independence be destroyed, if the Constitution be overthrown, how that comes about. The method, the manner, is of no consequence, if once the fact be accomplished.

It is now an established fact that, in this Government of ours, in positions of responsibility, paid from Federal funds, there are Communists, who do not believe in the principles of our Government. The party to which they owe allegiance has advocated the overthrow of this Government by force and, beyond question, that party, its members and its adherents in this country, some of whom are on the Federal pay roll, are seeking, and will continue to seek, as long as the opportunity offers, to destroy our constitutional form of government.

There are others, and among them some most distinguished men, who openly advocate that we should surrender our independence, join with China and Russia and other nations, and permit those other nations to determine our course of conduct.

In the Evening Star, published here at Washington, on Monday, January 5, appeared a full-page advertisement. The caption running across the page is in these words:

> In union now lies power.

The word "now" is underscored to give it emphasis.

That advertisement is in the form of a petition and the first paragraph is in these words:

> That the President of the United States submit to Congress a program for forming a powerful union of free peoples to win the war, the peace, the future.

The second paragraph reads as follows:

> That this program unite our people, on the broad lines of our Constitution, with the people of Canada, the United Kingdom, Eire, Australia, New Zealand, and the Union of South Africa, together with such other free peoples, both in the Old World and the New, as may be found ready and able to unite on this federal basis.

Referring then to the Declaration of United Nations, put forth by President Roosevelt after his meeting with Churchill, and calling attention to the need of a united effort to win the war, the advertisement continues:

> But in meeting this need let us, in the present formative period, take care to open—not close—the way to immediate union of the democracies within the broader anti-Axis coalition.

It further referred to the alliance between the British and French and called attention to the fact that an alliance was not enough, and then stated, and I quote:

> There already exist carefully studied concrete plans for just the kind of emergency union that we need * * *. They work out the details and assure the American people a majority in the union congress at the start.

Reference is then made to the fact that the Soviet States have a common government and, after admitting that immediate extension of our democratic Federal principles to all our war associates is impractical, these words are used:

> But common sense says to unite at once with those practiced in democracy while cooperating with the others in the best way we can, until they desire and can apply our principles.

> We gain from the fact that all the Soviet Republics are already united in one government, as are also all the Chinese-speaking people, once so divided.

Here are a group of men who ask us to abolish the Declaration of Independence, to surrender our independence, and to join with, among others, China and Russia in the United States of the World.

Further down in the advertisement we find this sentence:

> Let us begin Now a world United States.

And "now" is capitalized.

It concludes with this statement:

> Inviting you to help create now a living, growing World United States.

The advertisement is sponsored by Federal Union, Inc., and it purports to be signed by A. J. G. Priest, chairman; Clarence K. Streit, president; P. F. Brundage, secretary; John Howard Ford, treasurer; E. W. Balduf, director; Patrick Welch, acting director.

It is endorsed by Robert Woods Bliss, Grenville Clark, Gardner Cowles, Jr., Russell W. Davenport, Harold L. Ickes, Owen J. Roberts, Daniel Calhoun Roper, William Jay Schieffelin, John Foster Dulles.

Hitler and Germany, Italy and Japan, all, according to the President of the United States, seek our destruction as an independent nation. Each one, and all, would destroy our independence. They are enemies, armed and recognized as such. Their purpose, according to the President, is the overwhelming by force of these United States of America. Their purpose is to wipe out what the President terms our democracy, which, in reality, is a representative, republican form of government, where the people rule.

The purpose of this advertisement, as set forth in its terms, is to destroy our independence by surrendering it to a United States of the World, with a president of the United States of the World.

These gentlemen, whatever may have been their standing in the past, are now advocating the surrender of our independence—the independence of the United States of America, as declared in the Constitution, as maintained by our people throughout the years, and the granting to a Congress of the United States of the World of the right to rule us.

Instead of remaining a free and independent nation, as established by our forefathers, as fought for by our people, these men—one of whom is a member of the President's Cabinet, Secretary Ickes—would surrender that independence to the tender mercies of the rulers of China, of Russia, and of other warlike peoples, who have everything to gain, nothing to lose, by the formation of a United States of the World.

What matters it to us whether our independence be taken from us by the force of Germany and Japan or stolen from us by a Streit, an Ickes, and their associates?

Let this war be fought. Let this war be won. The cost in material things the imagination of no man living can conceive. The cost in human suffering, not only to soldiers, but to widows and orphans, the cost in lives, no living man can tell. And, when that cost has been imposed, when the war has been won, when peace has been restored, shall the farmer following his plow in the furrow, as he looks to the rising sun, lift his eyes to see a world wherein there is no longer a free and independent United States of America, but, in lieu thereof, a United States of the World?

Shall the clerk behind the desk, the worker in the factory, the miner coming from the depths of the earth, all those millions who have toiled throughout the day, go to their homes at night only to remember that no longer have they a government of the people, by the people, for the people; but that perhaps in South America, in England, or on the continent of Europe, there sits a president and a world congress of the United States of the World, elected to govern us here in America—not by the votes of the people of these United States, but by the votes of the Chinaman, the Australian, the Russian, the Spaniard, the Belgian, the Englishman, and all the others who may be taken into this United States of the World?

What shall it profit us, if, in the days to come, the mothers of America, as they nurse their babies, as they rock them to sleep, as they dress their children for school, remember that we have lost our independence; that those babies and those children no longer owe allegiance to the government of a Washington or a Lincoln?

What shall it profit the fathers if, as they toil day after day to give to their sons and their daughters, as always Americans have toiled, greater opportunity for material, intellectual, and religious advancement, they are forced to remember that, however strenuously they may toil, however great their personal sacrifices, whatever they may accumulate, they must share the earnings of each day to maintain and aid the people of the other nations of the United States of the World?

What profit it the fathers and the mothers of America, if, under this new order, this United States of the World, their sons and their daughters are to march arm in arm, shoulder to shoulder, in business, in pleasure, and in religious activities, with the children of the Communists of Russia, with the Chinese, with the Indians of India, with all the peoples of Asia and of Africa and the islands of the sea, all equal as individuals in political power; all with equal voice in the unified government?

Of what profit to our people shall be all the toil and all the effort and all the sacrifices, if, in the opinion of the congress of the United States of the World or of the president of the United States of the World, another war is to be fought, and their sons must once again march forth to die wherever the warlords may play their game?

Yes, the task confronting our people is a stupendous one. It is one the magnitude of which we cannot conceive. It is one the results of which we cannot know.

The armed forces of the enemy must, and will, be courageously met and, if we do our full duty, we will nail this attempt

to create now a United States of the World as the treasonable plot that it is and fight it with as much vigor and as openly as we meet the armed forces of Germany and Japan.

Mr. WIGGLESWORTH. Mr. Chairman, I yield 5 minutes to the gentleman from Michigan [Mr. WOODRUFF].

Mr. WOODRUFF of Michigan. Mr. Chairman, within the past 2 weeks the necessity of supplementing our rubber imports by developing a synthetic rubber industry in the United States has been brought sharply before the Nation. We have on hand at this time barely a year's normal supply of the natural product. How long this will meet war needs is a problem. No one can logically question the necessity of having at all times a source from which our rubber needs can be supplied, regardless of what those needs may become and regardless of how the war terminates. At the moment the Japs are supposed to have taken over much of the rubber-producing areas in the Dutch East Indies, and apparently intend to complete their occupation of all those rubber-producing areas.

If the war program of the Allies is to be continued and the subjugation of Hitler is to precede that of the Japs, it naturally follows that our supply of outside rubber will soon depend entirely upon the amount procurable from countries to the south of us. Experts say we cannot hope to develop more than 100,000 tons a year from that source.

Today, because of the mechanization of armies throughout the world, they are moving on rubber. What the demands for rubber will be in our rapidly expanding war machine, or how long such demand will continue, no one knows.

Almost the entire population of this country moves on rubber Motor transportation, during the past few years, has caused literally millions of our people to move from the cities into the countryside. Many of them live 10, 15, and even 30 miles or more from their work. Practically all these people are faced with loss or jobs or change of residence because of Leon Henderson's freezing of automobiles and tire supplies, now no longer available to the general public. Obviously people cannot walk 10 or 20 miles or more in the morning to work and the same distance back home at night.

The situation is an exceedingly serious one. It is aggrevated by the ban on house building.

As I stated on January 8, all this rubber privation is unnecessary. That we can produce synthetic rubber in any quantity was admitted by the Secretary of Commerce in his statement of January 12, when he announced that the oil companies have perfected a process of making synthetic rubber from petroleum. He stated that he was setting aside $400,000,000 to build plants to accomplish this.

The Secretary either forgot or was not aware that synthetic rubber of superior quality can be produced in any quantity from both petroleum and agricultural products in this country. Corn is one great raw material for rubber. For instance, there is a carry-over of 900,000,000 bushels of corn from last year's crop. The chemists can produce 10 pounds of superior rubber from each bushel of corn. There are 160,000,000 bushels of wheat in storage in this country which must be moved to make way for this year's crop if it is to be properly stored when harvested. And I may say that the same number of pounds of synthetic rubber can be produced from a bushel of wheat as from a bushel of corn. Thus we find we can produce artificial rubber from various available materials. It is now vitally necessary that we utilize those sources from which the larger quantities can be manufactured. In the situation which confronts us the first consideration, of course, is speed of production. The second consideration must be quality. The third consideration should be cost at which it can be purchased.

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

Mr. WOODRUFF of Michigan. Yes.

Mr. GORE. Will not the gentleman also recall that in the statement of the Secretary of Commerce referred to, it was pointed out that these plants to produce synthetic rubber from petroleum would not be ready for production before the middle of 1943?

Mr. WOODRUFF of Michigan. I have no means of knowing how long it will take the petroleum companies to provide the necessary facilities with which to produce rubber from petroleum. However, I do have information from sources that propose to manufacture synthetic rubber from agricultural products, that those facilities will be provided in much less time.

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

Mr. WOODRUFF of Michigan. Yes.

Mr. FULMER. It may be of interest to state to the gentleman that we have had some witnesses before our committee stating emphatically that they have already perfected synthetic rubber, made out of corn and wheat, and that it can be done perhaps at a cheaper price than it can out of oil, and perhaps the rubber would be somewhat better than the type of rubber produced from petroleum.

Mr. WOODRUFF of Michigan. I am very familiar with the situation the gentleman speaks of, and I think I am justified in saying that synthetic rubber produced from agricultural products can be had for less money than we have been paying for the natural product itself.

Mr. FULMER. And in the meantime the refuse could be used in feeding?

Mr. WOODRUFF of Michigan. That is correct.

We are assured by the scientists that the finest quality of synthetic rubber can be produced from corn, wheat, sorghum, and so forth, at not to exceed 20 cents per pound, which is considerably below the regular market price for the natural product. And I am assured by these same scientists that securing this synthetic rubber at 15 cents a pound is not among the impossibilities. Quality considered, the cost of synthetic rubber would be much below the natural product. It is obvious that the 160,000,000 bushels of wheat which we must move to make way for this year's crop would produce 800,000 tons of rubber.

The $400,000,000 the Secretary of Commerce proposes to allocate to create new facilities may or may not be sufficient to do the job. If more is needed, it should promptly be made available and without quibbling about it.

Mr. WOODRUM of Virginia. Mr. Chairman, may I inquire how the time stands?

The CHAIRMAN. The gentleman from Virginia has consumed 25 minutes; the gentleman from Illinois [Mr. DIRKSEN] has consumed 2 hours and 52 minutes.

Mr. WOODRUM of Virginia. Mr. Chairman, the majority has taken only 25 minutes. The minority has taken 2 hours and 52 minutes. I state that to show that we have been extremely liberal with Members who wished an opportunity to speak on the bill, and I express the hope that the committee will permit the bill to be read expeditiously. I do not believe there is any controversy that will develop, but if there is I trust the members will cooperate in permitting the bill to be read as rapidly as possible.

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

Mr. WOODRUM of Virginia. I yield.

Mr. DITTER. I would like to say on behalf of the minority that the attitude of the distinguished gentleman from Virginia is only characteristic of his usual generosity.

Mr. WOODRUM of Virginia. I thank the gentleman from Pennsylvania for his kind reference to myself.

Mr. HOFFMAN. Will the gentleman yield to me?

Mr. WOODRUM of Virginia. I yield to the gentleman.

Mr. HOFFMAN. I just wanted to endorse that statement and say to the gentleman that undoubtedly those States represented by the Republicans will pay that tax in about the same proportion as the time consumed in debate.

Mr. WOODRUM of Virginia. I hope so.

Mr. HOFFMAN. Well, we will. We always have.

Mr. WOODRUM of Virginia. The Clerk may read, Mr. Chairman.

The Clerk read as follows:

For compensation of the Vice President of the United States, $15,000.

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

Mr. Chairman, we Republicans are grateful for the time we have been allotted on this bill. I wanted to make one comment with reference to Col. H. C. Kress Muhlenberg which I made yesterday to the court-martial proceedings in the RECORD at page 513, and that my fears were all for nothing because of the fact that the court martial has exonerated Colonel Muhlenberg and has vindicated him. So I congratulate the 10 colonels who composed that court of court martial.

Now, the independent offices appropriation bill is before us. It contains 43 agencies of the Government. Over half of them have been set up by the present administration since they took office in 1933. This bill calls for the expenditure of over $2,000,000,000. Two billion dol-

lars is an awful lot of money. In a half a day we can appropriate the money, which may seem lax. I believe we should cut out a lot of the departments that have been set up since 1932. Certainly if we are going to economize in the operation of government, that is the only way to do it, because I think this committee tried to do a good job in cutting down. They will have to cut out. However, if you are going to try to keep this Government solvent you will have to eliminate a great many of these bureaus. It should be done. We have too much government today.

In 1932 the present administration said that in a couple of years they would balance the Budget. They were criticizing President Hoover, but every year since 1932 you have gone in the red on an average of three and one half billion dollars. This last year they went in the red five billion. This year they will go in the red about 15 billion. How are you going to keep this country solvent if we spend money that way? You are only wrecking our financial structure.

Now, you are going to get a tax bill shortly and you are going to tax the people of this country as they have never been taxed in all the history of this Nation. It will be one tax upon another and it will have to be so if this country is to survive. Tax! tax! tax! tax!

From July 1 last until January 19 this year you have gone in the red $8,542,782,355.89. That is a terrible sum of money. But the year is only half gone and by the time June 30 rolls around the deficit will be fifteen or eighteen billion dollars. A new tax bill which raises $9,000,000,000 certainly is not going to cure the situation when our expenses are growing faster and faster. Eventually they will reach such a proportion that we will not be able to go on. We will be bankrupt.

Yesterday I was talking about the Muhlenberg case and then I went down to lunch. While I was down at lunch they passed a bill granting Members of Congress and granting all government employees a pension after they had served a certain length of time. If I had been on the floor unanimous consent would never have been granted to agree to those Senate amendments and to pass that bill. I think it is terrible that you put a bill like that through, where you give everybody a pension. How will the poor folks back home pay the bill? You will kill them all with taxes. It is unjust in my judgment.

Mr. SMITH of Ohio. Mr. Chairman, will the gentleman yield?

Mr. RICH. I yield to the gentleman from Ohio.

Mr. SMITH of Ohio. I too, would have objected to the request for unanimous consent to agree to the conference report to which the gentleman referred which provided for the pensioning of Congressmen, had I been on the floor yesterday when it was brought up. Does the gentleman not think on an important measure like this every Member of the Congress should have been notified beforehand of the time that it was to be considered, instead of slipping it through the House as was done when apparently only a handful of Members was present?

Mr. RICH. Yes, certainly. There is too much legislation being slipped through now by unanimous consent. Members should have notice before such bills are called up. You cannot always be on the floor. It should not be. Gentlemen, you are tearing this Nation down. It is going by leaps and bounds. Unless you do something to stop this ruthless expenditure of funds, we will be wrecked. Where will you get all this money?

[Here the gavel fell.]

Mr. BENDER. Mr. Chairman, I move to strike out the last two words. I ask unanimous consent to revise and extend my remarks.

The CHAIRMAN. Without objection, it is so ordered.

There was no objection.

Mr. BENDER. Mr. Chairman, at 12 o'clock noon today this volume was made available to the membership of the House. It is entitled "Independent Offices Appropriation Bill for 1943," and it contains over 1,160 pages. As a matter of fact, the distinguished gentleman from Virginia [Mr. WOODRUM] called attention to the fact that we consumed only 3 hours in the consideration of this bill on the floor. You know there is not very much glamor or "oomph" in a bill of this kind, yet it is so important to the people back home. As a matter of fact, most of my mail these days comes from constituents asking for a curtailment of nondefense expenditures.

Federal officials are considering a new 15-percent "withholding tax" designed to shock the Nation into the realization of gigantic defense expenditures. Once the people of America sense the magnitude of Federal spending through the direct levy upon their weekly salaries, they will stop wasteful private spending and prevent the long-feared inflation, runs the Treasury argument.

But before we get into that at all, Congress owes the people of our country a first responsibility. Before Congress passes a single additional tax measure it should demand that all nondefense spending, no matter how much it may disturb the political game being played in Washington, be cut to the bone. If we can stop unnecessary governmental waste, we may have a better argument to offer our constituents for cutting down needless private spending.

I had opportunity here today to read only a few pages of this book. I make it my business to stay on the floor of the House when appropriation bills are discussed and I try to get as much information as I can so that I may vote intelligently on appropriation measures.

The procedure of the House, in considering appropriation bills, should be changed to this extent: I believe that the bill and the hearings should be made available to the membership at least a week in advance of the time when the bill is taken up on the floor so the Members may know what is to be considered. It is difficult for one who is not a member of this committee to vote billions of the taxpayers' money without ample consideration. I listened today to members of the committee, especially minority members of the committee, criticize many of the items in the bill. I trust that these Members will submit amendments to the bill from the floor so that we might make the changes they suggest should be made in this committee print which was made available only at noon today.

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

Mr. BENDER. I yield.

Mr. COCHRAN. The report and the hearings have been lying on the floor of the Appropriations Committee room for 3 days. I secured them myself 3 days ago.

Mr. BENDER. The gentleman was extremely fortunate to get them 3 days ago. He is a privileged character. I repeat again we did not see the report until noon today.

Mr. COCHRAN. They have been lying on the floor for anyone who desired them.

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

Mr. BENDER. I yield.

Mr. RICH. The Appropriations Committee did not get this bill until 10:30 o'clock this morning. If the gentleman from Missouri knew they were there, then it was the duty of the majority to pass these reports out so the Members could have had them 2 or 3 days ahead of the time the bill was called up.

Mr. BENDER. I thank the gentleman for his contribution. Since this is a matter of such vital concern, I believe it is essential for the Appropriations Committee to make this information available to us so we may know what we are discussing here and what we are voting on in plenty of time.

On page 2 of the committee print occurs this statement:

> It is fair to state in summarizing the recommendations of the committee that the pending bill, with the exception of necessary expansions in connection with national defense, including construction work on defense activities, additional funds for within-grade promotions, and additional funds for the care and operation of public buildings, provides substantially no increase in appropriations for enlargement of the so-called normal activities.

They are telling us, in other words, that they are very proud of the fact there is no increase, but they point out that there has been a decrease in only two or three instances in nondefense appropriations.

This bill contains defense appropriations as well as nondefense appropriations. I want to vote for all defense appropriations, but I would like to see these items seperated so that we can vote for defense appropriations at one time and nondefense appropriations at another time.

[Here the gavel fell.]

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

Mr. Chairman, I am just as much interested in holding down the normal expenditures as any Member of this House. In view of what was said a few moments ago I want to say that Members who will take the time to go into the Appropriations Committee office several days before the bill is called up on the

floor of the House, will find the hearings available there with a stamp on them, "Not to be released until the bill is reported." The hearings, I insist, are available from the Appropriations Committee and any Member can get them. The press get them and prepare their comments in advance.

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

Mr. COCHRAN. I yield.

Mr. TABER. So that it may be clear in just what form appropriations are brought before the committee, let me say to the gentleman that the President sends up a Budget estimate which practically covers the language of every bill with the detailed break-down as to how each item is to be spent. This gives every Member of the House along about the 2d or 3d day of January a complete picture of what is going to be asked in the regular bills that come before the Congress. Therefore, the Members of Congress are not taken unaware when appropriation bills are brought in here, but are given notice long in advance.

Mr. COCHRAN. Certainly the gentleman is correct, and I add: Provisions are made for the printing of the Budget message at great expense, so that one copy at least is available in the Document Room for every Member of the House.

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

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

Mr. RICH. Even though the President sends the Budget here at the beginning of the session, the Members of the House do not know what the Subcommittee on Appropriations or the full Committee on Appropriations will do with the request of the President and the Budget Bureau until after the committee acts upon it. The fact is that I do not know when the subcommittee had the bill, but the full Committee on Appropriations did not get the bill until 10:30 today, and it was acted upon at 12 o'clock.

Mr. COCHRAN. The gentleman being a member of the committee, knows just as well as I do that this subcommittee had the Budget estimate from the President of the United States in reference to this bill weeks before it was officially submitted by the President.

Mr. RICH. I made the statement that he sent it here at the first of the year, and that is the fact, but the Members do not know what any particular subcommittee will do until the bill is reported.

Mr. COCHRAN. Does the gentleman from Pennsylvania know of one case where the House Committee on Appropriations or a subcommittee thereof has not given a Member of the House an opportunity to appear before it to urge an increase or a decrease or the abolition of any item in an appropriation bill?

Mr. RICH. I will say that the Committee on Appropriations will give any Member of the House an opportunity to be heard.

Mr. COCHRAN. Why, certainly.

Mr. RICH. But any member on the committee uses up about all the time he has in the work of a particular subcommittee. How in the world are the Members of the House to know anything about these matters? It is entirely up to the Committee on Appropriations to cut down these expenses if they are going to be cut down. The House will not cut them down. We have not been in the habit of cutting down expenses since 1933. We have tried it time and time again, but we get no results. I have tried it on the floor until I was blue in the face and was sick and tired of trying, but could not do it.

Mr. COCHRAN. The gentleman knows that it is a lot of "bunk" to get up here——

Mr. RICH. No, that is not bunk. That is a fact. The records will prove it.

Mr. COCHRAN. I refuse to yield further.

It is a lot of bunk to get up here on the floor and say, "We cannot get information," when you know you had it, and so do I, in the Document Room the very day the President's message was read from the desk, because it was printed and released that day, and his committee had parts of it long before that date.

Mr. RICH. Mr. Chairman, will the gentleman yield for just one statement?

Mr. COCHRAN. No. I yielded to the gentleman twice.

Mr. RICH. The gentleman knows that the record is that you have not cut down appropriations.

Mr. COCHRAN. I do notice in the report that you have $1,257,899,349 less in this bill than you had in the bill last year.

Now, I am very anxious to know if the chairman of this subcommittee, a man in whom we all have confidence and who has demonstrated here time and time again his desire to reduce normal appropriations, is satisfied that this bill is cut to the minimum right now, or does the gentleman feel there are some items in this bill that could stand a further cut?

Mr. WOODRUM of Virginia. I think the committee has done a good job in holding down the normal expenditures. We did not make any attempt to cut purely defense expenditures because you cannot do it. You cannot cut items like the Maritime Commission and the Veterans' Administration, and the committee did not make any effort to do it.

Mr. COCHRAN. Those are practically fixed charges, and you cannot cut them. But the gentleman feels that the committee has done a good job, and on the first regular bill brought in, and you have tried to hold it down to a minimum?

Mr. WOODRUM of Virginia. That is exactly right.

Mr. COCHRAN. Then I am satisfied, and I shall go along with the gentleman, who has demonstrated his desire for economy.

[Here the gavel fell.]

The Clerk read as follows:

Salaries and expenses: For expenses necessary to enable the Office of Government Reports to perform the functions prescribed by the act entitled "An act authorizing expenditures for the Office of Government Reports in the Executive Office of the President," approved June 9, 1941, including personal services in the District of Columbia and elsewhere; contract stenographic reporting service; lawbooks, books of reference, directories, periodicals; newspapers and press clippings; and operation and maintenance of passenger-carrying automobiles, $1,475,000: *Provided*, That no part of this appropriation shall be used for the payment of compensation to any State director hereafter appointed unless such person is appointed by the President, by and with the advice and consent of the Senate.

Mr. WIGGLESWORTH. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. WIGGLESWORTH: On page 6, line 23, after "automobiles", strike out "$1,475,000" and insert "$760,000."

Mr. WIGGLESWORTH. Mr. Chairman, I believe the members of this Committee know my general feeling about this agency of the Government, the Office for Government Reports. The recommendation of your committee in this instance amounts to $1,500 000, and in addition to that there is anticipated to be received from the President's emergency funds the sum of $902,000, giving the agency a total of $2,402,000. This compares with funds available for the current fiscal year of $1 093,730 by appropriation and $800,000 from emergency funds, making a total of $1,893,730.

This agency has made a fuller statement of its functions in connection with these hearings than previously, but it still has failed to justify the request, in my judgment. This is the largest appropriation ever made available to this agency. It exceeds the statutory maximum contemplated by Congress by some $900,000. It contemplates an increase in personnel here in Washington from 330 to 642, or about 100 percent, and in the field from 106 to 294, or almost 200 percent.

The field organization to which this amendment is directed calls for an expenditure of $715,000 over and above whatever may be its fair share of the other obligations of the agency.

What is the function of this agency in the field, and why this request for an enormous increase in the field? I quote in this connection the definition given by the Bureau of the Budget 1 year ago, and which appears on page 761 of the 1942 hearings on this bill as follows:

The Office for Government Reports is primarily concerned with channeling to the President information as to the reactions of the public to Government programs and activities.

Mr. Chairman, in my judgment, there is no justification for this increase. My amendment, if adopted, would limit the activities of the agency to those activities which are carried on here in Washington and would eliminate the unnecessary activities in the field. I hope the Committee will see fit to approve the amendment.

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

Mr. WIGGLESWORTH. I yield to the gentleman.

Mr. DITTER. I wonder whether the gentleman would tell us what particular method this activity has followed in the way of wrapping a cloak of righteousness about itself under the guise of national defense.

Mr. WIGGLESWORTH. Well, I can only say to the gentleman, as I have already stated, that this is the largest recommendation ever made for this agency, and that the justification offered for the increase is based on the allegation that this agency is to be engaged in so-called national defense activities.

Mr. DITTER. But does the gentleman feel that that allegation is supported by the facts as the gentleman knows them to be out of his long experience with this activity?

Mr. WIGGLESWORTH. I cannot escape the feeling that this is merely a request for additional funds for the same activities that have been carried on heretofore, as the gentleman says, under the cloak of national defense.

[Here the gavel fell.]

Mr. WOODRUM of Virginia. Mr. Chairman, I ask unanimous consent that all debate on this paragraph and all amendments thereto close in 5 minutes.

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

There was no objection.

Mr. WOODRUM of Virginia. Mr. Chairman, of course there has been some difference of opinion in the House for several years about the activities of the Office of Government Reports. It was originally set up by Executive order as the National Emergency Council and was financed by funds allocated out of the relief bill. Two years ago it was suggested by the Appropriations Committee that if the administration wished to have this agency continue, legislation should be offered and passed authorizing it as a matter of law. A bill was introduced, reported to the House, fully debated and passed both bodies, setting up the Office of Government Reports as a part of the President's set-up, and authorizing appropriations not exceeding $1,500,000 for its functions.

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

Mr. WOODRUM of Virginia. I yield to the gentleman.

Mr. HOOK. As I understand, this is an information service?

Mr. WOODRUM of Virginia. Yes.

Mr. HOOK. And as I also understand, a well-informed public is the best defense of America.

Mr. WOODRUM of Virginia. Mr. Chairman, the appropriation made in the bill is within the legislative authority. The Office of Government Reports told us frankly about their expanded activities and stated that if the appropriation were given they expected to ask for an allocation from the President's personal fund and that it was their desire, in view of the greatly expanded war program and the far-flung activities of the Government, to set up regional or State offices in a number of States where they did not now have offices.

They also stated that in addition to their press-clipping service, which is used not only by the Government agencies, but by many Members of Congress, that they furnished reports regularly to the Chief Executive of the activities of the various departments in the several States.

Mr. Chairman, I think, in a matter of this kind, the legislative body, to some extent, has to defer to the wishes of the Chief Executive. This is a part of the President's office. The Office of Government Reports is a part of his office, just as the National Resources and Planning Board, and I believe anyone who knows the job that the Chief Executive of the United States has today, in trying to keep track in some well-informed way about what is happening in this great effort we are making, would certainly not want in any way to prevent him from having the tools and the facilities which he thinks are absolutely necessary to carry on that job, and the President does feel very keenly and very intensely that this agency furnishes him with valuable information. The information is furnished not only to the President, but to the Army, the Navy, the Marine Corps, the Department of Justice, and all of the agencies of the Government interested in the Government's program.

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

Mr. WOODRUM of Virginia. I yield to the gentleman from Massachusetts.

Mr. McCORMACK. I think the position taken by the distinguished gentleman from Virginia is a sound one. I can recall when the wheels of political fortune were turning the other way and I took the position that I would not vote for any reduction in any appropriations that the President of the United States had asked insofar as the conduct of his own direct activities was concerned. I think the position of the gentleman from Virginia is absolutely sound and I hope the amendment will be defeated.

Mr. WOODRUM of Virginia. I think, sir, if you will figure what we are engaged in today and the amount of money we are spending and the program we are operating, and then figure out what is being used by the Chief Executive in his own office for the conduct of that business, you will find it is extremely small.

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

Mr. WOODRUM of Virginia. I yield to the gentleman.

Mr. COCHRAN. When this authorization was brought before the Expenditures Committee there was one member of the committee, the gentleman from Ohio, [Mr. BENDER] who opposed it, and when it was brought in here on the floor the gentleman from Ohio [Mr. BENDER] opposed it, but subsequent to that time I saw the gentleman from Ohio [Mr. BENDER] get up on the floor here and tell this House that he had made a mistake in opposing the authorization.

Mr. WOODRUM of Virginia. I thank the gentleman for that contribution.

[Here the gavel fell.]

The CHAIRMAN. The question is on the amendment offered by the gentleman from Massachusetts [Mr. WIGGLESWORTH].

The question was taken; and on a division (demanded by Mr. WIGGLESWORTH) there were—ayes 39, noes 57.

So the amendment was rejected.

The Clerk read as follows:

Total, Civil Service Commission, $120,195,935.

Mr. BENDER. Mr. Chairman, I offer the following amendment, which I send to the desk.

The Clerk read as follows:

Amendment offered by Mr. BENDER: Page 15, line 6, after the word "Commission", strike out "$120,195,935" and insert "$105,000,000."

The CHAIRMAN. The question is on agreeing to the amendment offered by the gentleman from Ohio.

The amendment was rejected.

The Clerk read as follows:

Total, Federal Communications Commission, $4,991,219.

Mr. BENDER. Mr. Chairman, I offer the following amendment, which I send to the desk.

The Clerk read as follows:

Amendment offered by Mr. BENDER: Page 17, line 21, after the word "Commission", strike "$4,991,219" and insert "$4,000,000."

The CHAIRMAN. The question is on agreeing to the amendment offered by the gentleman from Ohio.

The amendment was rejected.

The Clerk read as follows:

Salaries and administrative expenses: Not to exceed $200,000 of the funds of the Electric Home and Farm Authority, established as an agency of the Government by Executive Order No. 7139 of August 12, 1935, and continued as such agency until January 22, 1947, by the act of June 10, 1941 (Public Law 108, 77th Cong.), shall be available for the fiscal year 1943 for all necessary administrative expenses of the Authority, including personal services in the District of Columbia and elsewhere; travel expenses, in accordance with the Standardized Government Travel Regulations and the act of June 3, 1926, as amended (5 U. S. C. 821–833); not exceeding $3,000 for transfer of household goods and effects as provided by the act of October 10, 1940, and regulations promulgated thereunder; printing and binding; lawbooks and books of reference; not to exceed $200 for periodicals, newspapers, and maps; procurement of supplies, equipment, and services; typewriters, adding machines, and other labor-saving devices, including their repair and exchange; and rent in the District of Columbia and elsewhere: *Provided*, That all necessary expenses (including legal and special services performed on a contract or fee basis, but not including other personal services) in connection with the acquisition, care, repair, and disposition of any security or collateral now held or acquired on or before June 30, 1943, by the Authority shall be considered as nonadministrative expenses for the purposes hereof.

Mr. CASE of South Dakota. Mr. Chairman, I reserve the point of order against the language on the paragraph.

The CHAIRMAN. Will the gentleman state his point of order?

Mr. CASE of South Dakota. Mr. Chairman, I make the point of order against the language on page 20, beginning in line 5, and reading:

Provided, That all necessary expenses (including legal and special services performed on a contract or fee basis, but not including other personal services) in connection with the acquisition, care, repair, and disposition of any security or collateral now held or acquired on or before June 30, 1943, by the Authority shall be considered as nonadministrative expenses for the purposes hereof.

I make the point of order upon the ground that it is legislation on an appropriation bill.

Mr. WOODRUM of Virginia. Mr. Chairman, we concede the point of order.

The CHAIRMAN. The point of order is sustained.

Mr. CASE of South Dakota. Mr. Chairman, I offer the following amendment, which I send to the desk.

The Clerk read as follows:

Amendment offered by Mr. CASE of South Dakota: Page 20, line 12, strike out the period and insert "*Provided*, That no part of the funds made available under this head shall be used to acquire any new securities or contracts on or after July 1, 1942."

Mr. CASE of South Dakota. Mr. Chairman, the purpose of this amendment is obviously to provide that the Electric Home and Farm Authority shall liquidate and shall not buy new securities or contracts. In the testimony before the committee in the hearings it was indicated that this would probably be the effect of the priority situation. The intent of my amendment is to make certain that that is what happens during the coming year. Lest someone might think that it is in any way directed at rural electrification, I read the testimony on page 670:

Mr. HOUSTON. Will not your activities be guided largely by the progress of rural electrification?

Mr. HOBSON. Oh, no; it has very little to do with that.

So the amendment is not going to injure the R. E. A. program. It merely seeks to wind up an agency now in liquidation. On page 672, I call attention to the further testimony of Mr. Hobson when the gentleman from Massachusetts [Mr. WIGGLESWORTH] interrogated him:

Mr. WIGGLESWORTH. Outside of your purchasing, your job is merely a collection agency on outstanding contracts, isn't it?

Mr. HOBSON. That is correct. At the present time, we are collecting about a million dollars a month, and buying about $250,000, so you see we are liquidating in the nicest way possible.

By that I mean we are liquidating while we are still in active business, and we have the cooperation of the dealers and the utilities in the collections. Once we stop purchasing paper, these people would lose interest, and we would have more trouble collecting what is coming to us.

I suggest to the committee that if the only reason for continuing the purchase of paper is to maintain the interest of the dealers who have previously sold paper, there is no justification for the agency continuing its activities. Normally, in refinancing installment paper, the dealer endorses the paper, and when it is endorsed by the dealer he has a very definite interest in the collection of that paper. His name is on it. If the collection is not made, the dealer has to make it good. So the argument of Mr. Hobson that if he stopped the purchasing of new paper the dealers would lose interest, seems to me very weak. The activity of the Electric Home and Farm Authority is the type of activity that almost every Member of Congress has condemned in principle. It is the Government in business. If every Member of Congress who has said that he is not in favor of the Government going into business would so express himself by his vote, this amendment would be adopted.

There is no more reason why the Government should go into the business of selling electrical appliances than into selling groceries or clothing or typewriters or sewing machines or household furniture or anything else. This has nothing to do with the financing of public power projects in which a natural monopoly may exist. In this particular activity, however, the Government has ventured into a field of business which the ordinary citizen can enter. It is providing direct competition with private business. It is not regulation; it is competition.

Mr. FITZPATRICK. Will the gentleman yield?

Mr. CASE of South Dakota. I yield.

Mr. FITZPATRICK. Was it not brought out that the interest rates are about half of what the other loan companies were charging for the same service?

Mr. CASE of South Dakota. The testimony of Mr. Hobson was that his interest rates were lower than those of some private companies. But of course that does not take into consideration the expenses of the Government that are added to by reason of the Government going into this business and the loss of tax revenue. If the Government were to apply the same principle to typewriters, sewing machines, groceries, or clothing, undoubtedly there could be the same saving shown. But if the Government is to enter into the entire field of retail activity it simply means that we are not going to have anybody left to pay taxes. I ask for the adoption of the amendment.

[Here the gavel fell.]

Mr. WOODRUM of Virginia. Mr. Chairman, I ask unanimous consent that all debate on this amendment and all amendments thereto close in 3 minutes.

The CHAIRMAN. Is there objection?

There was no objection.

Mr. WOODRUM of Virginia. Mr. Chairman, I am sympathetic with the objective of the gentleman from South Dakota [Mr. CASE], but I call attention to the fact that the Electric Home and Farm Authority had for this fiscal year $600,000 The Budget estimate sent to us for next year called for $400,000, and we cut it in half. So we are putting them by force into liquidation.

The Electric Home and Farm Authority does not take funds out of the Public Treasury. They operate on their own funds. They have made money, because they have sold on long-term payments electrical appliances to a great many citizens who could not have purchased the same and enjoyed the benefits of that improvement if they had to go to the regular old-line establishments. Under the circumstances it is difficult to operate that now, because of the rule that they cannot sell on time; but the amendment which the gentleman from South Dakota has offered may have a serious effect. We do not know what the effect of the amendment would be, providing that they could not take any new paper at all. It may be that there is some little operation they could carry on while in the process of liquidation that would be of great service. I think it would be unfortunate to put them out of operation by an amendment such as that offered by the gentleman from South Dakota.

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

Mr. WOODRUM of Virginia. I yield.

Mr. RANKIN of Mississippi. Let me say to the gentleman from Virginia that the Electric Home and Farm Authority does not sell appliances at all, but merely finances local dealers. As the gentleman from Virginia has stated, it made it possible for untold thousands of people throughout the country to buy these appliances, and the Government not only did not lose a dollar on these transactions, but actually made money. It would be disastrous to kill this Electric Home and Farm Authority at this time.

Mr. CASE of South Dakota. Will the gentleman yield?

Mr. WOODRUM of Virginia. I yield.

Mr. CASE of South Dakota. I wonder if the gentleman from Virginia remembers the testimony of those people in the hearing a year ago, that they had a standardized type of refrigerator which they were selling or which they were promoting?

Mr. WOODRUM of Virginia. Yes; that is right.

[Here the gavel fell.]

The CHAIRMAN. All time has expired. The question is on the amendment offered by the gentleman from South Dakota.

The question was taken; and on a division (demanded by Mr. WOODRUM of Virginia) there were ayes 39 and noes 52.

So the amendment was rejected.

The Clerk read as follows:

Not to exceed $450,443 of the funds of the Federal Savings and Loan Insurance Corporation, established by title IV of the National Housing Act of June 27, 1934 (48 Stat. 1246), shall be available during the fiscal year 1943 for administrative expenses of the Corporation, including personal services in the District of Columbia and elsewhere; travel expenses, in accordance with the Standardized Government Travel Regulations and the act of June 3, 1926, as amended (5 U. S. C. 821–833); expenses (not to exceed $2,500) of attendance at meetings concerned with the work of the Corporation when specifically authorized by the Board of Trustees; transfer of household goods and effects as provided by the act of October 10, 1940, and regulations promulgated thereunder; printing and binding, lawbooks, books of reference, and not to exceed $250 for periodicals and newspapers; procurement of supplies, equipment, and services; typewriters, adding machines, and other labor-saving devices, including their repair and exchange; use of the services and facilities of the Federal Home Loan Bank Board, Federal home-loan banks, Federal Reserve banks, and agencies of the Government as authorized by said title IV, and all other necessary administrative expenses: *Provided*, That all necessary expenses in connection with the liquidation of insured institutions under said title IV shall be considered as nonadministrative expenses for the purpose hereof: *Provided further*, That, except for the limitations in amounts hereinbefore specified, and the restrictions in respect to travel expenses, the administrative expenses and other obligations of the Corporation shall be incurred, allowed, and paid in accordance with the provisions of said act of June 27, 1934, as amended (12 U. S. C. 1725–1732).

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

I rise at this time to ask how much has been lost by the Home Owners' Loan Corporation since its inception? I wonder if some member of the committee can advise me?

Mr. DIRKSEN. I do not have the cumulative figure in mind, but I believe it is carried in the report.

Mr. TABER. Seven hundred and eighty-six million dollars.

Mr. BENDER. On an investment of how much?

Mr. TABER. At the present time the balance of this loan is $2,307,000,000.

Mr. DIRKSEN. A little over $3,000,000,000.

Mr. FITZPATRICK. The total loss up to the present time is $70,000,000. That is what was testified by Mr. Fahey before our committee.

Mr. TABER. That is the net loss after reserves——

Mr. FITZPATRICK. That is the net loss to date out of a loan of $3,093,000,000 to 1,017,000 home owners. Otherwise the net loss up to date is only about $70,000,000. They have saved 81 percent of the 1,017,000 homes whose mortgages they took over. This I consider is a very fine showing for the Home Owners' Loan Corporation.

Mr. TABER. On page 950 it shows "unpaid balance on loans, $2,307,000,000; balance transferred to property or other account"—that is the way they cover up the losses—"$786,000,000," or over one-third of the total amount.

Mr. FITZPATRICK. On the contrary they claim they have a surplus of $30,000,000.

Mr. BENDER. I yield to the gentleman from Kansas [Mr. LAMBERTSON].

Mr. LAMBERTSON. I wanted to ask the gentleman from New York, has he not heard it in the committee, it was 34,000 foreclosures, averaging $1,700 each?

Mr. FITZPATRICK. I do not know just what the average loss on the foreclosures were, but there have only been 19 percent of foreclosures and the net loss up to date is $70,000,000 on an investment of $3,093,000,000.

Mr. BENDER. The H. O. L. C. idea is excellent, but I have had some complaints of the heartlessness and cruelty of this Government agency in dealing with clients. I was interested in another phase of this Corporation. I notice we are appropriating for more adding machines. If the figures are correct, we should be appropriating for subtracting machines.

Mr. DIRKSEN. The total number of foreclosures which the Home Owners' Loan Corporation reported is shown on page 983 of the hearings. Either through foreclosure or surrender they acquired 192,108 properties out of the whole number that was financed.

On page 986 of the hearings you will find that for the last fiscal year they sold 34,745 properties on which they had an aggregate loss of $61,000,000. That is a record.

Mr. BENDER. In other words, 192,000 home owners had their homes taken away from them by the Government, and the Government resold over 34,000 at a loss to the taxpayers and is holding the bag for the rest.

Mr. DIRKSEN. The average loss on each one of the 34,745 pieces of property sold by the Government in the last fiscal year was $1,767 plus.

Mr. BENDER. Has the gentleman from New York [Mr. FITZPATRICK] anything to say about that?

Mr. FITZPATRICK. As I stated before, I do not know what the average loss was. I will say, however, that the Home Owners' Loan Corporation handled over a million homes in the United States and up to date they have saved 81 percent of all of these homes from being foreclosed by banks and insurance companies. I think they did a fine job in saving that many homes, as the banks and insurance companies were ready to foreclose on all of them.

It is all right for some of my colleagues to talk about a $70,000 loss, but, as I stated earlier today, they do not object to making a contribution of $133,000,000 as a subsidy to the newspapers, magazines, and other users of the second-, third-, and fourth-class mail, but when it comes to saving the home owners of the Nation it is a different story.

I want to say that Mr. Fahey and his organization has done a fine job in saving the homes of 81 percent of 1,017,000 home owners.

[Here the gavel fell.]

Mr. DITTER. Mr. Chairman, I ask unanimous consent that the gentleman from Ohio may proceed for 2 additional minutes.

The CHAIRMAN. Without objection it is so ordered.

There was no objection.

Mr. DITTER. Mr. Chairman, will the gentleman from Ohio yield that I may ask a question of my friend from New York?

Mr. BENDER. I yield.

Mr. DITTER. What I take it then my friend from New York is pleading for is more time and some additional money in order that this large loss the gentleman from Illinois has given to us by exact figures can be further accumulated and the miserable record of mismanagement made all the more positive and emphatic.

Mr. FITZPATRICK. On the contrary, this money comes out of their own funds, and there is a comparatively small net loss.

Mr. DITTER. Let us get away from this bugaboo of "their own funds." They have not any funds except what the Congress gives them, and those funds came out of the Federal Treasury.

Mr. FITZPATRICK. After the first contribution it came out of their own funds.

Mr. DITTER. Mr. Chairman, I do not yield further.

The CHAIRMAN. The gentleman from Ohio has the floor.

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

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

Mr. DITTER. I just want to get rid of this bugaboo that it is their own funds. None of these expenditures have been from their own funds. Their funds were provided by appropriations. When they get them under their control they call them their own funds because of their mismanagement of them. Yes; they are their own funds in mismanagement, but not one thin dime of it comes from their own fund; it comes from the dollars and cents of the taxpayers provided from the Federal Treasury through appropriations made by the Congress.

[Here the gavel fell.]

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

Does the gentleman from New York want me to yield to him?

Mr. WOODRUM of Virginia. Mr. Chairman, will the gentleman yield to me?

Mr. McCORMACK. I shall be pleased to.

Mr. WOODRUM of Virginia. I wish to make this observation, if the gentleman from Massachusetts will permit: The Home Owners' Loan Corporation was never set up with the thought that it would make any money. It was never set up with the idea that it would anything like break even. It was essentially an emergency relief institution.

To qualify to get a loan from this institution the person must show that he could not get a loan anywhere else; that he was busted. I do not believe there is a financial institution in the United States that would go out and select the kind of clientele the Home Owners' Loan Corporation had to select, and then when they came to dispose of properties, get out with an average loss of only $1,700 per property.

Mr. DITTER. Mr. Chairman, will the gentleman from Massachusetts yield to me to make a brief observation?

Mr. McCORMACK. First, let me say that the gentleman from Virginia has expressed my thoughts much better than I could myself.

Mr. DITTER. That would hardly be possible, sir.

Mr. McCORMACK. The gentleman from Pennsylvania flatters me, as usual; but I will yield for him to make a brief observation.

Mr. DITTER. I intended neither flattery nor compliment.

Mr. McCORMACK. The gentleman is known for being a very pleasant exaggerator.

Mr. DITTER. My answer to the distinguished gentleman is that, of course, when the presentation of truth begins to prick, the one that is guilty will feel that it is an exaggeration.

Mr. McCORMACK. A very weak answer.

Mr. DITTER. Do I understand that my friend from Virginia and the majority leader say, then, that the appraisals that were made, with all their cost, and the examinations of these properties on which the loans were made, were but idle gestures, and that the Home Owners' Loan Corporation was intended purely as a relief agency and not as a business agency? Why, then, I ask, were the appraisals made? Why the idle gesture?

Mr. McCORMACK. The gentleman is asking two questions at one time.

Mr. DITTER. I know the gentleman is able to answer more than that.

Mr. McCORMACK. The gentleman accredits to the gentleman from Massachusetts greater ability than the gentleman from Massachusetts claims for himself. The gentleman from Virginia made no observation about appraisals. The gentleman from Pennsylvania in his usual clever way, being the principal advocate of our friends on our left—and I say that with all respect, and with a profound feeling of respect for him—reads into the statements made by the gentleman from Virginia something the gentleman from Virginia did not say.

However, I rose simply to make this observation. The gentleman from Ohio [Mr. BENDER] made a statement about the Home Owners' Loan Corporation being hard and heartless. I cannot take issue with the gentleman as far as Ohio is concerned, because I have no knowledge of Ohio affairs, but I do know in respect to Massachusetts that I received very few complaints. Of course, no public official, elective or appointive, can satisfy everybody, but the complaints I have received from Massachusetts have been few and far between; they have been almost negligible. In Massachusetts the Home Owners' Loan Corporation has done a wonderful job.

The gentleman from Virginia has stated the purpose of the Home Owners' Loan Corporation, which was to step into the breach at a time in the history of our country when the vicious forces of deflation were attacking the home life of our people. We stepped in not only for the home owners but for the farmers, to try to stop the foreclosure of home and farm. When we stepped in we did so because of the emergency. The sum and substance of the Home Owners' Loan legislation and of the farm legislation was to preserve homes and farms against foreclosure, to preserve the family life of America against the vicious attacks of the depression we underwent in those years.

Of course, there were bound to be mistakes and there was bound to be expense under those circumstances, but I think that as we look the whole picture over, despite the petty criticism that developed here and there—and I do not construe the purpose of the gentleman from Ohio to be to offer petty criticism—and despite the justification that might appear here and there of criticism of some isolated acts, if we look the whole picture over we find that the Home Owners' Loan Corporation has served a great purpose and accomplished a great objective.

[Here the gavel fell.]

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

Mr. Chairman, with his usual ability, and resorting to glib generalities, the distinguished majority leader attempts to condone the acts of both omission and commission of H. O. L. C.

I again come back to the question I asked before, which I believe to be pertinent, that if the statement of the gentleman from Virginia, joined in by the gentleman from Massachusetts, is sound, then why the expense of the appraisals, why the examinations of these properties, why all the idle gestures by which the pretense was made that there was to be collateral for the loans which were made?

In the ordinary operations of business, when an application is made for a loan an appraisal of the property is made. That was done in this instance. An examination of the title is made. That was done in this instance. A mortgage is created and put on record. That was done in this instance. To all intents and purposes the Federal Government was lending money on what was supposed to be collateral security. It now turns out, either by reason of the generosity, by reason of the mismanagement, by reason of the mistakes in appraisals, or by reason of possible favoritism we are faced with the fact that a lending agency of the Government, labeled at the time not as a charitable agency of the Government but as a business corporation of the Government, has sustained the colossal losses which have been presented to us. I say that neither the persuasive remarks of the distinguished majority leader nor the excuses offered by the distinguished gentleman from Virginia will condone the mismanagement that this record shows to exist.

Mr. FITZPATRICK. Mr. Chairman, will the gentleman yield for one question?

Mr. DITTER. I could not refuse to yield to the gentleman from New York.

Mr. FITZPATRICK. They were lending 80 percent of the valuation placed on the property. Unfortunately, from about 1924 to 1929 we had the greatest inflation in the history of the United States. That was the time that most of these properties were bought. Then the deflation came along, the great crisis, and the owners were going to lose their homes. The valuation was decreased because of what took place in 1929. Therefore, when they valued these homes to loan money on them, certainly they could not bring the homes up to the value of the inflation period of 1929, and that was the reason they went out to make the investigations. Up to the present time they have lost $70,000,000.

Mr. DITTER. I feel that I have been generous in yielding. We are aware of the fact that we are in a rising real-estate market, that the war boom is on, and if there were anything like real values they could be liquidated now without such enormous losses. Instead of there being a loss of $1,700 per property there should be a gain.

Mr. FITZPATRICK. The market is going up. That is why they are not selling at the present time. There is no question but that they are going to come out in the clear in another 2 or 3 years.

Mr. DITTER. All I can say is that the enthusiasm of our distinguished friend from New York sounds very much better than the printed record of the Home Owners' Loan Corporation.

[Here the gavel fell.]

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

Mr. WOODRUM of Virginia. Mr. Chairman, I ask unanimous consent that all debate on this paragraph and all amendments thereto close at the end of the remarks of the gentleman from Ohio.

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

There was no objection.

Mr. THOM. Mr. Chairman, it is unfortunate that partisanship impels some in this House to attack the great administration that administered well and efficiently this law for the home owners of the country. I represent a district in Ohio where we had 4,000 loans. Since I have been returned to the Congress, having served 1 year in this Congress, I have not had a single complaint about foreclosures. The office of the Home Owners' Loan Corporation in Canton, Ohio, has disposed of many, many properties and has done so very efficiently.

A few years ago this House clamored about the refusal of the Home Owners' Loan Corporation to extend loans to some home owners whose risks were considered too hazardous. Now, today, when there are some foreclosures in order to protect the solvency of the Home Owners' Loan Corporation someone gets on the floor and accuses the officers of the Home Owners' Loan Corporation of being cruel.

Despite these efforts to manage conservatively the H. O. L. C., another set of critics heaps abuse on the heads of the Corporation for permitting heavy losses. Well, if you liberalized the loans and prolonged the time of action for foreclosure as the first two sets of critics wanted, you would have incurred even larger losses. So the Home Owners' Loan Corporation is damned if it does and damned if it does not.

The truth of the matter is that the Home Owners' Loan Corporation has been a successful institution and those of us who voted for it are proud of the record it has made, and the officers of the institution ought to be praised instead of censured in a pure spirit of partisanship.

The pro forma amendment was withdrawn.

The Clerk read as follows:

Total, Federal Trade Commission, $2,302,474.

Mr. CASE of South Dakota. Mr. Chairman, I move to strike out the last word. I merely wish at this point to call the attention of the Members of the House to the fact that the Federal Trade Commission during World War No. 1 did a very important job in the field of price control. In our hearings there was considerable testimony on the subject. Members will find a résumé of the activities of the Federal Trade Commission in that field on pages 362 to 366 of the printed hearings. I think it would be worth the while of the Members who are interested in price control to look at this résumé and see what was done by a regularly established agency of the Government in that respect.

The Clerk read as follows:

For all expenses necessary for the operation and maintenance of the Selective Service System as authorized by the Selective Training and Service Act of 1940 (Public, No. 783); including personal services in the District of Columbia and elsewhere, lawbooks, periodicals; newspapers (not to exceed $2,700); books of reference; payment of actual transportation expenses and not to exceed $10 per diem in lieu of subsistence and other

expenses of persons serving while away from their homes, without other compensation from the United States, in an advisory capacity to the Director of Selective Service (not exceeding a total of $25,000); and purchase and exchange, and hire, operation, maintenance, and repair of motor-propelled passenger-carrying vehicles, and printing and binding, $34,745,000: *Provided*, That such amounts as may be necessary shall be available for the planning, directing, and operation of a program of work of national importance under civilian direction, either independently or in cooperation with governmental or nongovernmental agencies, and the assignment and delivery thereto of individuals found to be conscientiously opposed to participation in work of the land or naval forces, which cooperation with other agencies may include the furnishing of funds to and acceptance of money, services, or other forms of assistance from such nongovernmental agencies for the more effectual accomplishment of the work; and including also the pay and allowances of such individuals at rates not in excess of those paid to persons inducted into the Army under the Selective Service System, and such privileges as are accorded such inductees: *Provided further*, That the travel of persons engaged in the administration of the Selective Service System, including commissioned, warrant, or enlisted personnel of the Army, Navy, Marine Corps, or their reserve components, may be ordered by the Director or by such persons as he may authorize, and persons so traveling shall be entitled to transportation and subsistence or per diem in lieu of subsistence, at rates authorized by law.

Mr. HOOK. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. HOOK: On page 63, after the word "inductees", in line 22, insert "*Provided, however*, That payments of insurance as provided in section 9, subdivision 2, of Public Law 360, Seventy-seventh Congress, be made to mother or father regardless of dependency."

Mr. WOODRUM of Virginia. Mr. Chairman, I shall have to make a point of order against the amendment as an amendment of organic law.

Mr. HOOK. Mr. Chairman, will the gentleman reserve his point of order?

Mr. WOODRUM of Virginia. I will reserve it briefly, if the gentleman wishes to make a statement.

Mr. HOOK. Mr. Chairman, I think this is rather important because of the fact that in Public Act 360, Seventy-seventh Congress, section 9, subdivision 2, we provide for automatic insurance for the service men, and in section 4 the reason for providing for such insurance reads as follows:

That the benefits and privileges extended by this section are hereby so extended by the Congress because many of the personnel of our armed forces were unable to comply with the prerequisites necessary to the granting of insurance by reason of extended duty in the north Atlantic, Hawaii, the Philippines and other outlying bases.

Now, it has been called to my attention that several of these boys who were killed in the attack at Pearl Harbor do not come under this provision for the payment of $5,000 of automatic insurance because of the fact that in section (c) it is provided, "if no widow or widower or child is entitled thereto, then to the dependent mother or father of the insured if living." Now, unless the father or mother of such a boy so killed in the service at that time is poverty stricken, the father or mother cannot be paid this automatic insurance. I think the word "dependent" should be stricken and that these fathers and mothers should be paid the automatic insurance that we have so provided.

We should not make it a condition precedent to the payment of that insurance, that they be dependent upon that boy, because of the fact that that boy may be only 18, 19, or 20 years of age and at the time he went into the service he may not have contributed to the support of that father and mother, but that father and mother in later years might have found themselves dependent upon the support of that child, and I think we should provide that they are entitled to this, regardless of dependency. I trust that the chairman of the committee will withdraw his point of order. If he does not see fit at this time to do so, I expect to offer an amendment to the act to clarify that situation.

Mr. WOODRUM of Virginia. Mr. Chairman, unfortunately the contribution of the gentleman from Michigan is to the organic law. We are considering an appropriation bill, and I am compelled to make the point of order.

The CHAIRMAN. The point of order is sustained.

The Clerk read as follows:

For salaries and expenses of the Tariff Commission (including personal services in the District of Columbia and elsewhere, purchase and exchange of labor-saving devices, the purchase and exchange of professional and scientific books, lawbooks, books of reference, gloves and other protective equipment for photostat and other machine operators, subscriptions to newspapers and periodicals, and contract stenographic reporting services, as authorized by sections 330 to 341 of the Tariff Act of 1930, approved June 17, 1930 (19 U. S. C. 1330–1341), $900,000, of which amount not to exceed $2,500 may be expended for expenses, except membership fees, of attendance at meetings concerned with subjects under investigation by the Commission; and not to exceed $7,500 for allowances for living quarters, including heat, fuel, and light, as authorized by the act approved June 26, 1930 (5 U. S. C. 118a), but not to exceed $1,700 for any one person: *Provided*, That no part of this appropriation shall be used to pay the salary of any member of the Tariff Commission who shall hereafter participate in any proceedings under sections 336, 337, and 338 of the Tariff Act of 1930, wherein he or any member of his family has any special, direct, and pecuniary interest, or in which he has acted as attorney or special representative.

Mr. CASE of South Dakota. Mr. Chairman, I offer the following amendment, which I send to the desk.

The Clerk read as follows:

Amendment offered by Mr. CASE of South Dakota: Page 67, line 18, strike out "$900,000" and insert $810,000."

Mr. WOODRUM of Virginia. Mr. Chairman, I have no objection to the amendment and we will accept it.

Mr. CASE of South Dakota. 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. CASE of South Dakota. Mr. Chairman, the amendment to reduce funds for the tariff commission by 10 percent is a natural place to make a saving in nondefense expenditures. Last night's papers carried as a lead story the announcement of "a gigantic war-production plan for the Western Hemisphere." The very first major provision was described as follows:

1. Removal of all barriers, including tariffs, import duties, customs, and other regulations or restrictions of any character which prohibit or delay the free flow of necessary munitions, war or civilian supplies between the American nations. They will be eliminated for the duration of the war.

If all tariffs and import duties are to be removed from the Western Hemisphere for the duration of the war, certainly the work on the tariff commission will suffer a great shrinkage—far more than 10 percent.

This is not someone's wild dream. We were told in the story that—

The plan—known as the Joint War Production Plan—is being outlined at Rio by Under Secretary of State Sumner Welles, Assistant Secretary of Commerce Wayne C. Taylor, and Warren Lee Pierson, president of the Export-Import Bank.

The program, drawn up by the United States, was expected to be agreed on at the American Conference of Foreign Ministers, now in session at Rio de Janeiro. The Commerce official, who would not permit use of his name, predicted it would be applied to all nations subscribing to the plan.

Coming as it does on top of a previous announcement of an agreement to abolish duties on the flow of war materials between the United States and Canada, there is only one conclusion—that is that there will be less work for the Federal Tariff Commission in the coming year.

Yes; I know that the Tariff Commission like every other agency has sought to engage in national defense activities. In their justification they told of the reports they had prepared in the past year. One of them was on the Possibilities of Producing Rubber in the United States and Rubber Conservation. I presume that makes the "steenth" report on rubber by some Government agency. We have a research section in the Department of Agriculture working on the subject. The Reconstruction Finance Corporation has a Rubber Reserve Company. The Office of Production Management has had a committee of experts working on the subject. The Bureau of Foreign and Domestic Commerce in the Department of Commerce has conducted studies in the field. And the trouble is that the subject has been stretched and stretched so much that a tangle has ensued and it has taken a crisis to get action.

We have had too many agencies to coordinate properly. There has been a lack of fixed responsibility. Certainly we do not need a duplication of effort. There is too much to do. The Tariff Commission has able men. These men should be released to other agencies when they are not needed in the normal functions of a tariff commission in a

world where tariffs and trade are gone with the war.

Other reports of the past year have covered earthen floor and tiles, hogs and hog products, obviously subjects belonging to the Bureau of Standards and the Department of Agriculture. The only tariff increase reported as a result of the Commission's efforts was the duty on crab meat. Certainly these activities do not suggest a need for maintaining the Tariff Commission at its present level of personnel.

That is why I offered the amendment for a reduction in the appropriation from $900,000 to $810,000, a cut of 10 percent, and I am glad to see it adopted. It is a small saving as figures go these days, but it is still $90,000 and that means a lot of taxes out my way. It is still true that a penny saved is a penny earned. When we save a thousand dollars, we do not have to raise it either by taxes or by selling defense bonds. And we must not forget that the people are asking for a cut in these nondefense expenditures.

The CHAIRMAN. The question is on agreeing to the amendment offered by the gentleman from South Dakota.

The amendment was agreed to.

Mr. CASE of South Dakota. Mr. Chairman, I ask unanimous consent that the total be changed to conform to the amendment.

The CHAIRMAN. Is there objection?

There was no objection.

The Clerk read as follows:

For the purpose of carrying out the provisions of the act entitled "The Tennessee Valley Authority Act of 1933," approved May 18, 1933, as amended by the act approved August 31, 1935, and by the act approved July 26, 1939 (16 U. S. C., ch. 12A), including the continued construction of Kentucky Dam at Gilbertsville, Ky.; Watts Bar Dam and Steam Plant; Fort Loudoun Dam (including an extension to bring the waters of the Little Tennessee River within the pool of this project); Cherokee Dam; Apalachia Dam; Ocoee Dam No. 3; Fontana Dam; a dam on the south fork of the Holston River; a dam on the Watauga River; and an additional unit at the Sheffield steam plant; and the beginning of construction immediately of a fertilizer and elemental phosphorus manufacturing plant at or near Mobile, Ala.; and the acquisition of necessary land, the clearing of such land, relocation of highways, and the construction or purchase of transmission lines and other facilities, and all other necessary works authorized by such acts, and for printing and binding, lawbooks, books of reference, newspapers, periodicals, purchase, maintenance, and operation of passenger-carrying vehicles, rents in the District of Columbia and elsewhere, and all necessary salaries and expenses connected with the organization, operation, and investigations of the Tennessee Valley Authority, and for examination of estimates of appropriations and activities in the field, $136,100,000: *Provided*, That this appropriation and any unexpended balance on June 30, 1942, in the "Tennessee Valley Authority fund, 1942," and the receipts of the Tennessee Valley Authority from all sources during the fiscal year 1943 (subject to the provisions of section 26 of the Tennessee Valley Authority Act of 1933, as amended), shall be covered into and accounted for as one fund to be known as the "Tennessee Valley Authority fund, 1943," to remain available until June 30, 1943, and to be available for the payment of obligations chargeable against the "Tennessee Valley Authority fund, 1942": *Provided further*, That purchases may be made by the Authority during the fiscal year 1943 without regard to the provisions of section 3709 of the Revised Statutes and section 9 (b) of the Tennessee Valley Authority Act, as amended, when in the judgment of the Board of Directors of the Authority such a procedure will expedite the completion of projects determined by the President to be essential for defense purposes.

Mr. WIGGLESWORTH. Mr. Chairman, I offer the following amendment, which I send to the desk.

The Clerk read as follows:

Amendment offered by Mr. WIGGLESWORTH: Page 69, line 11, after the word "field", strike out "$136,100,000" and insert "$135,700,000."

Mr. WIGGLESWORTH. Mr. Chairman, I offer no objection to the main items in the request of the Tennessee Valley Authority in connection with this bill. The amendment which I have offered is directed to items included in the so-called related property operations program, in the so-called development activities program, and in respect to the Office of Information, which is maintained by the Authority.

The amount included in the recommendation for the two programs to which I have referred is identical with the amount carried in the bill for this year. The amount carried for the Office of Information is something like $205,000.

Included in these incidental programs of the Authority which I have always felt should be reduced, and which it seems clear to me should be reduced at this time, being nondefense in character, are items for fish and game readjustments, $66,000; for development of recreational facilities, $40,000; for studies of forest research and management, $20,000; for reforestation on private lands, $185,000; for tree nurseries for private lands, $23,000; for studies of local government problems, $33,000; for community planning, $55,000; giving a total of $422,000. If we add to that total the $205,000 for informational work, we have a total over all of $627,000. My amendment would reduce this figure of $627,000, by $400,000, leaving the Authority free to make the application of the reduction within its discretion. I hope that the committee will adopt the amendment.

Mr. STARNES of Alabama. Mr. Chairman, I rise in opposition to the amendment. I can appreciate the desire of the distinguished gentleman from Massachusetts to economize in this and other bills, but I call attention to the fact that the testimony revealed that the economy in operations by the T. V. A. has been to a large extent as a result of the operations of these related activities. Although the sum total involved is a small amount of money, yet when the related information is collated in a proper way it has enabled the engineers and the construction division of the T. V. A. to make the best construction record of any governmental agency probably within the history of this Government.

They have constructed their dams and carried on a huge construction program ahead of schedule, and under the original estimated cost. These items may seem trifling in amount, but the adoption of the amendment would mean a complete abolition of certain activities of the Authority that have brought comfort, pleasure, and happiness to hundreds of thousands of people throughout this country and have furnished to people throughout the country information concerning the activities of the Authority.

I do hope the Committee will take cognizance of this fact and remember that there is no increase in the amount asked for over last year, although the burden placed on the T. V. A. during the past months has been unusually heavy. I trust the Committee will not adopt the amendment.

[Here the gavel fell.]

The CHAIRMAN. The question is on the amendment.

The question was taken; and on a division (demanded by Mr. WIGGLESWORTH) there were ayes 41 and noes 48.

So the amendment was rejected.

The Clerk read as follows:

Total, Veterans' Administration, $601,195,088: *Provided*, That no part of this appropriation shall be expended for the purchase of oleomargarine or butter substitutes except for cooking purposes: *Provided further*, That no part of this appropriation shall be available for hospitalization or examination of any persons except beneficiaries entitled under the laws bestowing such benefits to veterans unless reimbursement of cost is made to the appropriation at such rates as may be fixed by the Administrator of Veterans' Affairs.

Mr. RANKIN of Mississippi. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. RANKIN of Mississippi: On page 77, line 23, after the figures, strike out down to and including the word "purposes", in line 1, on page 78.

Mr. RANKIN of Mississippi. Mr. Chairman, this provision which crept into the law many years ago forbids the use of oleomargarine, which means nucoa and other vegetable oil products, from being served in veterans' hospitals. This oleomargarine, as well as nucoa, today is made largely of cottonseed oil and soya bean oil. It is pure and wholesome. It has no anthrax, no cholera, no tuberculosis, no cancer, no infectious or contagious diseases. Every doctor of any note in the United States that I know anything about recommends it to certain patients.

Mr. KEEFE. Recommends oleomargarine?

Mr. RANKIN of Mississippi. Yes; nucoa, which is the same thing. The doctor downstairs recommended it to a hundred Congressmen and Senators, and many of them are eating it now. They do not have to brand it as butter. It is not branded as butter, but here in these hospitals, where we have untold thousands of men who are suffering from various maladies, you even forbid them to serve it at all. I submit that that provision should be eliminated.

I know that some people will say it is to protect the dairy interests. That is bunk. What little these veterans would eat would not affect the dairy industry

of a single district. I represent one of the outstanding dairy districts in the South. I probably represent more dairy farmers than any other Member from the Southern States, and I certainly would not do anything that I thought would injure them in the slightest. But it is absolutely ridiculous to put a provision of this kind in this bill and deprive these veterans in these hospitals of the use of these materials that are absolutely necessary in a great many instances, for their physical welfare and recovery.

I hope the amendment will be adopted.

Mr. AUGUST H. ANDRESEN. Mr. Chairman, I rise in opposition to the amendment.

Mr. WOODRUM of Virginia. Will the gentleman yield?

Mr. AUGUST H. ANDRESEN. I yield.

Mr. WOODRUM of Virginia. I wonder if we could agree on some time for debate on this amendment? I ask unanimous consent that all debate on this amendment and all amendments thereto close in 20 minutes, the Chair to divide the time among the gentlemen now standing.

The CHAIRMAN. Without objection, the request of the gentleman from Virginia is agreed to.

There was no objection.

The CHAIRMAN. The gentleman from Minnesota is recognized for 5 minutes.

Mr. AUGUST H. ANDRESEN. Mr. Chairman, I am somewhat surprised that the gentleman from Mississippi [Mr. RANKIN] would offer this amendment at the present time. As he has already stated, he represents one of the leading dairy districts of the Southern States, and I am sure he is interested in the welfare of the dairy farmers in his district. As a matter of fact, when you get down to dollars and cents, the farmers of the entire State of Mississippi in 1940 only received $453,000 for the cottonseed oil that was used in oleomargarine, as against $15,600,000 for their dairy products in the same year.

As a matter of fact there is nothing here to stop some sick patient in a veterans' hospital from getting oleomargarine. The doctor can prescribe anything he wants to for the diet of a sick patient. I doubt very much if there is any good argument to the gentleman's statement that hundreds of Members of Congress have been ordered to eat oleomargarine as a cure for certain disabilities. They must have serious trouble. Possibly this may account for the condition that some of them are in at the present time. But the amendment offered by the gentleman from Mississippi should be defeated. This provision should remain in the law so that men in the veterans' hospitals will get good, wholesome dairy products.

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

Mr. AUGUST H. ANDRESEN. I yield.

Mr. JENNINGS. It really aids both the Holstein and Jersey cows as well as the veterans.

Mr. AUGUST H. ANDRESEN. There is no question about it, and at the same time sick veterans will get good butter.

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

Mr. AUGUST H. ANDRESEN. I yield.

Mr. RANKIN of Mississippi. I am more interested in the health of the veterans than I am in the health of the Holstein cows.

Mr. AUGUST H. ANDRESEN. I have never heard of any doctor prescribing oleomargarine as a medicine for anyone who was sick with any disability, but I do know that doctors frequently prescribe wholesome butter and other dairy products.

The provision in the bill permits the use of oleomargarine and butter substitutes for cooking purposes, but when we send these sick veterans to the table we want them to get good, wholesome 92-score butter.

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

Mr. AUGUST H. ANDRESEN. I yield.

Mr. TREADWAY. What about the peanut supply out in the lobby today? That is wholesome, is it not?

Mr. AUGUST H. ANDRESEN. We are for peanuts. In fact, we voted to give them 85-percent parity. We hope the price will go up so that peanut growers will get on their feet.

The peanuts and peanut products exhibited here today by the gentleman from Georgia [Mr. PACE] astounded many of us to learn that this one product could be put to so many uses. They have about 57 varieties of peanut products.

I am asking you to vote down the amendment submitted by the gentleman from Mississippi. It is unwarranted at this time and it will be to the detriment of the veterans if it is passed.

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

Mr. AUGUST H. ANDRESEN. I yield.

Mr. ROBSION of Kentucky. We have been sending a lot of good butter to Great Britain and other countries under the Lease-Lend Act. Is it not the idea to have oleomargarine served in the hospitals to save money?

Mr. AUGUST H. ANDRESEN. That may be one of the objectives; but as to his other statement I can say that no butter has been sent over to England. On the other hand, several million pounds of oleomargarine have been sent over to England as a part of the lend-lease program.

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

Mr. AUGUST H. ANDRESEN. I yield.

Mr. RANKIN of Mississippi. I would like to say to the gentleman from Kentucky that as chairman of the Committee on World War Veterans' Legislation, I am as much interested in the health of these veterans as anyone. We are not advocating the wholesale use of oleomargarine but only that it may be used where it is necessary in these hospitals for the benefit of these men who need it.

Mr. AUGUST H. ANDRESEN. There is nothing in the provisions of the bill that would prevent any doctor from prescribing oleomargarine if it is necessary for the diet of any sick veteran in the hospital.

I cannot believe the gentleman from Mississippi is serious about his amendment and so I ask my colleagues to vote it down and leave this provision in the bill.

[Here the gavel fell.]

The CHAIRMAN. The gentleman from Texas [Mr. KLEBERG] is recognized for 3½ minutes.

Mr. KLEBERG. Mr. Chairman, I take the floor to support the amendment offered by the gentleman from Mississippi. Certainly at this time this country has no business being kept divided. The presence of this provision in the appropriation bill in the first place should never have occurred because it is legislation in an appropriation bill. In the second place, it is one of the most definite evidences of class legislation we have on our statute books. Class legislation, in my earnest conviction, is the very essence of tyranny. The taxing power is being used here against one group of agricultural producers for the benefit of another.

There has never been a time in this country's history when we have permitted a continuity of the use of the taxing power for the benefit of one group to the detriment of another. There has never been a time like this to sweep the records clean of such legislation.

I am for the amendment offered by the gentleman from Mississippi. Never for one moment in the last several years has there been either rhyme or reason for any fear on the part of the dairy farmer of the production and sale of oleomargarine. What heretofore has been considered the best evidence that there was conflict has been wiped away by the fall of Denmark, a country that for many years enjoyed the highest per capita butter consumption and the best long-time price of any country in the whole world. Canada is an illustration on the other side where oleomargarine was completely outlawed; and during that period butter was cheaper than axle greese. So, the idea that the dairy farmers are hurt by the sale of oleomargarine does not stand up. These products are not competitive. Each is distinctly labeled. The American people should have the right to choose as between two clean farm products.

Mr. Chairman, I yield back the balance of my time.

The CHAIRMAN. The gentleman from Texas yields back 1 minute.

The gentleman from Wisconsin [Mr. HULL] is recognized for 3 minutes.

Mr. HULL. Mr. Chairman, I am sorry the gentleman from Mississippi has sprung this question upon the House at this late hour in the afternoon. There is not a quorum present and evidently it will be necessary to have a quorum present should this amendment prevail. It does not seem to me that it is quite fair to us representatives of dairy people to bring this matter on the House in this manner.

This provision forbidding purchase of oleomargarine in veterans' hospitals was adopted 12 years ago. I happened to be its author. There was a hard fight made at the time it was adopted. I remember that Mayor LaGuardia, then a Member of the House from New York, took the floor on behalf of the veterans and insisted that the veterans in the hospitals were entitled to the best in the way of

food, and that they should not be fed oleomargarine.

The dairy farmers of the Northwest supply the larger part of the butter used in the United States and are very strongly opposed to oleomargarine, as you well know. We do not believe that it is a substitute for butter. We do not believe that there is a substitute for butter. The gentleman from Mississippi says that his amendment would permit the use of nucoa which is a coconut-oil and cottonseed-oil product. No matter what it is composed of, it is not in the same class as butter and it is not a substitute therefor.

Further, I would call attention to the fact that several cotton States levy taxes on oleomargarine, provided the oleomargarine is made out of coconut oil or other foreign oils. I presume that the State of Texas levies such a tax. I am not certain, but that is my recollection. However, other Southern States have also placed a tax on oleomargarine made of coconut oil or other imported oils.

I hope, without going into detail, for which I do not have the time, that this amendment will not prevail. I think it ought to be voted down. Our boys from the dairy districts are going into the Army just as are the boys from the Cotton States. Certainly should they ever become patients in veterans' hospitals, they would not like to be fed oleomargarine. The year before last—I do not know what last year's record shows—we did not use 25,000 pounds of oleomargarine in the State of Wisconsin. I think I can safely say there is not a physician in that State of 3,000,000 people that has ever prescribed or ever will prescribe oleomargarine as a diet, even for a Congressman.

I earnestly hope that the amendment of the gentleman will be voted down.

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

Mr. HULL. I yield to the gentleman from South Carolina.

Mr. FULMER. May I say to the gentleman that I am very much interested in this proposition? About 4½ years ago, as the gentleman recalls, I was seriously ill in the hospital. I came back, and immediately Dr. Calver wanted me to eat Nucoa along with certain other items of diet. I have been eating it ever since, and I have been improving and have been doing splendidly so far with the trouble I have. I find that he has asked others to do it.

[Here the gavel fell.]

The CHAIRMAN The Chair recognizes the gentleman from Mississippi [Mr. WHITTINGTON].

Mr. WHITTINGTON. Mr. Chairman, I am among those who believe that trade barriers, whether they have been enacted by the legislatures of the North or of the South, are unwise, and I oppose any sort of a trade barrier that would prevent or prohibit the use of any American product in any State of the Union, whether that product is grown in the North or the South or the East or the West. Such a policy is a shortsighted and unwise policy.

If we are to trust the administrators of veterans' hospitals in buying other foods, surely we can trust them in buying butter and oleomargarine as needed. Why prescribe that a veterans' hospital cannot buy the same sort of foods as any other hospital in the United States? I assert that when we are asking all the American people to make an appropriation for veterans' hospitals, all Americans should be treated alike, and there should be no discrimination in the appropriation bills against any American product.

I do not care when this prohibition was first inserted. It was wrong when inserted, and there is just one time to correct a wrong; that is, when it is brought to our attention.

It may be that oleomargarine is a good medicinal product, but I am speaking as an American citizen. I know it is an agricultural product just as butter is an agricultural product. I think it is unjust and unfair in an appropriation bill to undertake to promote the sale of any product by legislation.

I am from Mississippi. I want to use your cheese from Wisconsin and from Michigan; I want to have the right to buy it. I may favor a tax against the sale of any imported or foreign oils in my State or yours, but I shall continue to oppose any tax that would prohibit me from using any product made in Wisconsin or any other State in the Union. I maintain that such legislation should not prohibit the use of a product that is raised in the State that I represent in part.

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

Mr. WHITTINGTON. I shall be glad to yield to the gentleman from South Carolina.

Mr. HARE. I am pleased to hear the gentleman say that he is unselfish enough to buy cheese from Minnesota or Wisconsin or any other State of the Union, but if the gentleman is like a number of people in my section, he would have to sell his cottonseed in order to buy it.

Mr. WHITTINGTON. I am sure of that, but be that as it may, I am speaking from a broad, national standpoint, from the standpoint of justice referred to by my good friend from Wisconsin, and I believe in justice to all that this provision is unfair and should be eliminated from the bill. I trust the amendment will be adopted.

[Here the gavel fell.]

The CHAIRMAN. The Chair recognizes the gentleman from Wisconsin [Mr. KEEFE] for 3 minutes.

Mr. KEEFE. Mr. Chairman, there appear to be two arguments advanced, as I interpret them, why the amendment offered by the gentleman from Mississippi [Mr. RANKIN] should pass. One argument is advanced by the gentleman from Mississippi, the other by the gentleman from Texas [Mr. KLEBERG]. I address myself to the first argument. The gentleman evolved the rather unique argument that the sale of oleomargarine is frequently necessary in order to maintain the health of patients in veterans' hospitals and that it is being prescribed regularly to maintain the health of Members of Congress, by the House physician, Dr. Calver. Not being a physician, I cannot speak with authority, but I would venture the assertion that good clean butter has no superior. If there is anything in oleomargarine that is not found in butter that is health giving, I fail to find any recorded history of any such fact. I defy the gentleman from Mississippi to bring the evidence on the floor of the House. It may be that there are some people, perhaps, who are allergic to butter and who are compelled to eat an imitation just as some people use saccharine to replace sugar. It may be that certain individuals dare not take into their systems the nourishment that good, wholesome butter will give them. Such people accept a substitute that is made to look and taste like butter but which lacks the nourishment that butter has. That may be the reason why certain physicians are prescribing margarine. The substitute imitation may fool the eye, the nose, and the sense of taste, but the stomach knows the difference. If margarine is so wonderful a product, why try to imitate butter?

It seems to me if there were any such facts, other than those that are put out by the manufacturers of margarine and similar products, we would have the benefit of them here before the Congress and not have to take the ex parte statements of the gentleman from Mississippi.

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

Mr. KEEFE. I fear he has been spending too much time listening to the high-pressure radio broadcasts extolling the wonders of margarine that come over the air every night or, perhaps, the gentleman has been carried away by reading in the magazines the great advertisements that appear there, and which are paid for out of the great profits of the great Oleomargarine Trust that is manufacturing this product and trying to drive the farmers and the creameries of this country out of business. I am surprised that the gentleman from Mississippi who, above all others in this Congress, cries out from day to day about the power and influence of the Power Trust and their expenditure of huge sums of money would be here on the floor defending the Oleomargarine Trust.

I now yield to the gentleman from Mississippi.

Mr. RANKIN of Mississippi. The gentleman spoke about the men in the hospital and he went on to say that they must not be robust. These men are not robust; they are sick men.

Mr. KEEFE. That is why the people in our hospitals get butter. That is why they get other dairy products. They want and they get wholesome butter because it is easily assimilable and because it does give them nourishment. I seriously doubt that the gentleman from Mississippi can bring a physician or a doctor of any standing who will say anything to the contrary.

[Here the gavel fell.]

The CHAIRMAN. The Chair recognizes the gentleman from Virginia [Mr. WOODRUM] for 3 minutes.

Mr. WOODRUM of Virginia. Mr. Chairman, I had not expected to take any time on this matter, but I will say

this. So far as the committee is concerned, the committee has no interest in this friendly but spirited controversy between the proponents of oleomargarine and the advocates of butter. I believe that a man should be permitted to spread his bread with whatever he wants to spread on it. If he has anything to spread on it, he is lucky these days.

So far as the amendment is concerned, I will say that it was put in the bill quite a number of years ago. I am not sure whether it is carried in any of the other appropriation bills or whether the hospitals of the Army and the Navy are restricted in this manner or not, but it has been in this bill, and there have been several instances, such as we now have before us, and the committee has carried the provision in the bill because every time we have had it up it has been put in the measure. I think it was stricken out of the bill once in the Senate and we had to put it back again.

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

Mr. WOODRUM of Virginia. I yield to the gentleman.

Mr. FITZPATRICK. About 2 or 3 years ago we carried the provision in the bill and the Senate struck it out, and almost every veterans' organization in the United States wanted it restored to the bill. We heard from the 48 States of the Union. The veterans are almost unanimously in favor of retaining this provision in the bill.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Mississippi [Mr. RANKIN].

The question was taken; and on a division (demanded by Mr. RANKIN of Mississippi) there were—ayes 29, noes 71.

So the amendment was rejected.

The Clerk concluded the reading of the bill.

Mr. WOODRUM of Virginia. Mr. Chairman, I move that the Committee do now rise and report the bill back to the House with sundry amendments, with the recommendation that the amendments be agreed to and that the bill as amended do pass.

The motion was agreed to.

Accordingly the Committee rose; and the Speaker having resumed the chair, Mr. THOMASON, Chairman of the Committee of the Whole House on the state of the Union, reported that that Committee had had under consideration the bill H. R. 6430, and had directed him to report the bill back to the House with sundry amendments, with the recommendation that the amendments be agreed to and that the bill as amended do pass.

Mr. WOODRUM of Virginia. Mr. Speaker, I move the previous question on the bill and amendments to final passage.

The previous question was ordered.

The SPEAKER. Is a separate vote demanded on any amendment? If not, the Chair will put them en grosse. The question is on agreeing to the amendments.

The amendments were agreed to.

The bill as amended was ordered to be engrossed and read a third time, was read the third time and passed, and a motion to reconsider laid on the table.

PRICE CONTROL BILL—LEAVE TO FILE CONFERENCE REPORT

Mr. McCORMACK. Mr. Speaker, I ask unanimous consent that the conferees on the price control bill have until midnight tonight to file a report.

The SPEAKER. Is there objection?

There was no objection.

EXTENSION OF REMARKS

Mr. HOOK. Mr. Speaker, I ask unanimous consent to extend my remarks and include an editorial on the conservation of rubber.

The SPEAKER. Is there objection?

There was no objection.

The SPEAKER. Under previous order of the House the Chair recognizes the gentleman from Missouri [Mr. SHANNON].

BROTHERHOOD OF LOCOMOTIVE FIREMEN AND ENGINEMEN

Mr. SHANNON. Mr. Speaker, I ask unanimous consent to extend in connection with my remarks a letter from Mr. D. B. Robertson, president of the Brotherhood of Locomotive Firemen and Enginemen.

The SPEAKER. Is there objection?

There was no objection.

Mr. SHANNON. Mr. Speaker, I wish at this time to attempt to rectify a grave wrong which has been done by the majority report of the Committee on Naval Affairs to the labor organizations of this country through the reference contained in that report concerning their trust funds.

In addition to the majority report of the committee there were two minority reports, one of which was submitted by me individually. I do not believe that any member of the committee was conscious at the time of signing these reports that the reserves of labor unions referred to in the majority report represent trust funds accumulated over the years for the protection of widows, orphans, and the disabled.

It has just been called to my attention that 75 to 90 percent of the so-called union reserves constitute accumulations for insurance purposes. This fact has been most strongly and clearly presented to me in a letter I have just received from Mr. D. B. Robertson, president of the Brotherhood of Locomotive Firemen and Enginemen, which I wish to read into the CONGRESSIONAL RECORD in order to rectify, insofar as possible, the wrong which has been done to the labor unions of this country.

Mr. Robertson's letter reads as follows:

WASHINGTON, D. C.,
January 21, 1942.

The Honorable JOS. B. SHANNON,
Representative, Fifth Congressional District of Missouri,
House Office Building,
Washington, D. C.

MY DEAR CONGRESSMAN: As you are a member of the Naval Affairs Committee of the House of Representatives, which has just made public its report of investigation conducted pursuant to House Resolution 162, I am assuming to address you because I fear a misapprehension of the facts may be created as result of statements carried in the Washington papers this morning concerning that portion of the committee's report which deals with the subject of labor organizations and their funds—with particular reference to the Brotherhood of Locomotive Firemen and Enginemen. Some of these statements, if allowed to go unchallenged, would reflect discredit and disloyalty upon our brotherhood—a situation I am anxious to avoid by making this public statement of the truth concerning the Brotherhood of Locomotive Firemen and Enginemen and its funds.

The Washington Post article opens with the statement that "organized labor is named with big corporations as being among the principal offenders sharing in the excessive and unconscionable profits of American war production." This same paper also quotes—presumably from the committee's report—as follows:

"The tremendous financial gains made by labor organizations during the period of the defense effort and the vast amount of funds and assets in their treasuries present an astounding picture of concentration of wealth, a situation heretofore usually associated only with industry and finance."

The following further statement is made:

"One of the large independent unions covered by the report—the Brotherhood of Locomotive Firemen and Engineers—disclosed a gain in net assets of $1,254,492.

" 'These vast tax-exempt funds reposing in the treasuries of labor organizations, many of which by strikes and work stoppages have delayed and even obstructed the defense program, presents a problem which the committee feels should well be considered by Congress,' the report declared."

In commenting upon the committee's report, the Washington Times-Herald today stated:

"One independent labor organization, the Brotherhood of Locomotive Firemen and Enginemen, has assets alone of $25,997,034."

First, I want to most emphatically state that the Brotherhood of Locomotive Firemen and Enginemen has not received one cent of profits, either "excessive and unconscionable" or otherwise, as result of American war production.

We completed and filed a questionnaire received from the House Committee on Naval Affairs, and I submit that by no stretch of imagination can that questionnaire be construed as showing that our brotherhood received one cent of profit from American war production. It may be well to here point out that we were not called before the committee to explain the information we furnished in completing the questionnaire.

Furthermore, I want to deny that any of the funds of our brotherhood have been, or are being used in any manner to delay or obstruct the defense program. As president of our brotherhood and chairman of the Railway Labor Executives' Association, in 1926, I assisted in drafting and sponsoring the Railway Labor Act, which was enacted by Congress and has since provided machinery for the peaceful settlement of labor disputes in the railroad industry. This act has been pointed out as a model piece of legislation adequate for the settlement of labor disputes in other industries. Without qualification, I want to say on behalf of the Brotherhood of Locomotive Firemen and Enginemen—and I believe the same to be true of the other railway labor organizations—that if the same degree of cooperation will be forthcoming from management as may be confidently expected from railroad labor, prosecution of our war program will be carried out with the highest degree of efficiency that has ever been known in the history of the railroads.

Our brotherhood was organized December 1, 1873—more than 68 years ago. In those pioneer days of railroading the cost of life insurance for a locomotive fireman was prohibitive because of the hazards of the employment. There were many accidents

and many lives lost, and practically the only financial relief that was afforded to the widows and orphans came from funds raised by collections among fellow workers. One of the purposes for which we were organized was to provide some permanent means of relief in case of death or accident. The organization grew and expanded with the growth of the railroads on the American Continent until today, with its 100,000 members, it is recognized on practically every railroad in the United States and Canada.

All down through the years that our brotherhood has been in existence we have maintained our own insurance department and have provided insurance for our members at cost far below that at which they could secure it from other sources. This was made possible by reason of the fact that our insurance is administered by the officers of the brotherhood and is not operated for profit. The members pay their insurance assessments along with their union dues, and a full and complete accounting of all receipts and disbursements in every department is made to the membership each month through the columns of our magazine. A financial report is also furnished all local lodges each quarter. At the end of each year our accounts are audited by certified accountants, and a copy of the audit is furnished each officer and each lodge of the brotherhood for the information of the membership. A complete financial statement is also furnished, as a part of the report of the officers, to each international convention of the brotherhood. Our brotherhood consists of 936 lodges located at various points on the railroads throughout the United States and Canada.

From the date of organization to November 30, 1941, we have disbursed in death, disability, and benevolent allowances, $76,296,578.01. For the same character of claims we are currently disbursing among our members more than $200,000 per month. In life insurance alone we have ninety-two and one-half million dollars in force among our members. Only members of our brotherhood are eligible to participate in our insurance departments.

This information regarding the insurance departments of our brotherhood is given in order to show that a very great portion of our assets represents trust funds of our insurance departments and that any attempt to create the impression that the entire assets of our brotherhood are available and may be used for other purposes is wholly unwarranted.

Our 1941 financial audit is not quite completed, but our balance sheet for the quarter ending September 30, 1941, shows total assets of $25,975,959.98, with a surplus over liabilities of $25,237,993.65. There were contained in this surplus, beneficiary and mutual-insurance trust funds alone in the amount of $24,123,604.83, leaving a balance of $1,114,388.82 available for other purposes.

I should here like to refer briefly to the inference of disloyalty which the committee's report, according to the Washington press, seems to cast upon organized labor, with specific reference to the Brotherhood of Locomotive Firemen and Enginemen.

When Canada entered the first World War and our members were being called and volunteering for service in the armed forces, the Brotherhood of Locomotive Firemen and Enginemen decided, as a matter of policy, that it would pay the insurance assessments and union dues of every member who entered the armed forces of his country. The same policy prevailed when the United States entered the first World War. To meet this obligation a monthly assessment was levied on every member who was not in the service of his country. Of the several thousand members who entered the armed forces of the United States and Canada, 361 lost their lives, and we paid to their beneficiaries $453,000, in addition to the amount involved in the payment of their insurance assessments and union dues while they were in the service.

A similar policy was adopted by our brotherhood when Canada entered the present war, and is now in effect for all members of our brotherhood in the United States and Canada who have volunteered or have been inducted into the armed forces of their country. Already we have approximately 1,000 men in the armed forces, almost equally divided as between the United States and Canada. These members will have no cause to worry about their insurance and membership in our brotherhood while they are serving their country. The brotherhood will take care of that. As to those members who may make the supreme sacrifice, their insurance will be paid in full to their beneficiaries out of the $25,000,000 that has been so disparagingly paraded before the public through the Washington press.

If this be disloyalty, may I ask—in all fairness, and in the name of a labor organization that for 68 years has relieved society of the financial burden and responsibility of caring for its disabled members and for the widows and orphans of those who lost their lives in the service of the railroads—what is loyalty?

Yours very truly,

D. B. ROBERTSON.

EXTENSION OF REMARKS

Mr. MURRAY. Mr. Speaker, I ask unanimous consent to revise and extend my remarks.

The SPEAKER. Is there objection?

There was no objection.

Mr. WIGGLESWORTH. Mr. Speaker, I make the same request, and to include a table and two letters and excerpts from the hearings on the bill.

The SPEAKER. Is there objection?

There was no objection.

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

FARM PRICES

Mr. JOHNS. Mr. Speaker, the hour is late and I do not want to take up too much time, but I do want to call attention to a matter that was brought to my attention by an article appearing in a newspaper on January 20. I was rather surprised in glancing over the Times-Herald for January 20, to find the following article reported by the International News Service under a New York date line, purporting to be an interview with Mr. Thomas D. Campbell, of Hardin, Mont., reputed to be one of the world's greatest wheat growers. The article is headed "Wheat king assails farm bloc stand." It reads as follows:

Thomas D. Campbell, of Hardin, Mont., one of the world's greatest wheat growers, today issued a statement assailing the "selfish and arrogant" attitude of some leaders of the farm bloc who are opposing price-fixing for agricultural products.

"Present prices are very satisfactory and profitable to the producer," said Campbell. "Some are even too high and almost beyond the consumer's ability to pay." Most of the farmers in the United States, in contrast to the "selfish and arrogant" group, stand "with our President in his war program and strategy," said Campbell.

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

Mr. JOHNS. I yield.

Mr. STEVENSON. I wonder if this is not the same gentleman by the name of Campbell who, during the early days of the present administration, is reputed to have leased many thousands of acres of Indian lands in the West at about 50 cents an acre and then received from the A. A. A. approximately $2 an acre for not raising any crops whatsoever on those Indian lands?

Mr. JOHNS. I do not know whether this was land that he owned himself, on which he and his company received large subsidies, but I will quote some figures in a few moments and you can draw your own conclusions as to whether this was part of it or not.

I am particularly interested in the background of this wheat king and agricultural patriot. I wonder if he feels the price of wheat is too high now. I wonder if this is the same Thomas Campbell whom I have read in magazine articles about making so much money out of wheat in the first World War when it was $2.26 a bushel because of a guaranteed Government price. Agriculture has never fully recovered from that experience. I am just wondering if this is the same Campbell who is the owner of the Campbell Farm Co., of Montana, which, the reports indicate, received a check for over $17,380 in the year 1939 and a check for over $17,120 in 1940, all of which came out of the United States Treasury for growing or not growing wheat under the Government farm program. Something was in the press recently about someone by this name acquiring some 100,000 acres in New Mexico, and I am wondering if this happens to be the same Campbell. It would take a pretty good farm program to produce enough money to buy 100,000 acres of land.

I was tremendously interested in the "selfish and arrogant" farmers of some of the States of the United States who now want to be sure that they are going to be taken care of in the passing of the price-control bill. I note that the farmers in North Carolina received cash income during the year 1940, including Government payments, of $796 on an average, and of this amount, $53 was Government payment. The farmers of Georgia received in 1940 an average of $778 each, and of this amount $113 came from Government payments. In South Carolina, the farmers received on an average of $843 in 1940, and of this amount $122 was paid to them by the Government. West Virginia farmers, in the same year, received on an average of $439, $19 of which was from the Government. Down in Alabama, the farmers received on an average of $499 for 1940 and $112 of this amount came from the Government. In Mississippi, they received an average of $505, with $112 coming from the Government. The average cash income for the farmers of Louisiana in 1940 was $747, with $146 of this coming from the Government. In Arkansas, the average cash income the farmers received in 1940 was $770, with $119 of it coming from the Government. I wonder if these are the selfish and arrogant people that Mr. Campbell had in mind. He must not have had in mind the farmers in Montana, who had an average cash income for 1940 of $2,679, with $348 of this coming from the Government. In the great dairy State of Wisconsin, the average

cash income for the farmers for 1940 was $1,690, and they did not get $348 from the Government to make up this income, but only $66. It is not surprising that this wheat king says that present prices are very satisfactory and profitable to the producer if he had Montana in mind when he was making that statement. If this is the Mr. Campbell of the Campbell Farm Co. which received such large checks in 1939 and 1940 for participation in the farm program, and if he received checks correspondingly large for previous years, I am not surprised that he is satisfied.

In Alabama the farmers received $32.25 each month in 1940; in Mississippi they received $32.75; in Louisiana, $20.83 a month. In other words, the amount that this man Campbell received for his checks, or his company, if he owns it, would supply 901 farmers in the State of West Virginia; in Massachusetts 901 farmers; in West Virginia 615 farmers; and in Pennsylvania 425 farmers.

We might test Mr. Campbell's patriotism if we asked him now to plant some other kind of crop that the Government is wanting very badly, instead of wheat where he can receive a subsidy, and then we will see just how patriotic this wheat "king" is. Wheat can be harvested much cheaper than it could back in 1918 or during the base period from 1909–14 when the crop had to be cut, shocked, and threshed by the old slow methods, prior to the day of the present combine. Mr. Campbell can very easily grow some other crop than wheat this coming year because we have about 2 years' supply on hand. To show just how patriotic he may be, and in order that he may have a better understanding of the problems of the so-called selfish and arrogant farmers, let him try producing oats and barley or products that can be converted into fats of which, we may assume, we have a shortage. This would be the best test of any that I know of for Mr. Campbell.

Eleven farm organizations, including the National Grange, are in favor of the amendments to the price-control bill put there by the Senate. The National Grange is one of the oldest farm organizations in the United States and can always be depended upon for sane, conconstructive, and fair leadership. Its 75 years of progress has made it a very desirable group to follow on any farm problem. This is also true of many of the other farm organizations that have been mentioned as favoring the O'Mahoney and Bankhead amendments in the Senate. The Secretary of Agriculture, Mr. Wickard, has said that he cannot carry on an increased food program if someone else is going to set the prices. This is especially so if the prices are going to be fixed by those who know nothing about the farm problem. Mr. Wickard has done a very splendid job in maintaining farm prices at a level, and if left alone to offer his advice as to the prices that farm products should bring, the country need have no fear about inflation so far as farm prices are concerned. He has the machinery and the funds all ready to control farm prices, if he cares to do so, and he has been very successful up to the present time. The best example that I know is cheese, which has been maintained at a price level of about 23¼ cents a pound for a period of almost 2 months.

It would be a good thing for Mr. Campbell to try out some crop other than wheat and let his checks stop coming from the Government for awhile, and then he will see how profitable it is to operate a farm without the help of money from the United States Treasury.

There has been a great deal said about the subject of 110-percent parity. I want to state briefly what 110-percent parity prices would mean to the farmer. In doing this I will quote prices on only a few products produced by the farmer, giving the actual price on December 15, 1941, and the 110 percent of parity in December, as computed by the United States Department of Agriculture.

Beef cattle on December 15, 1941, were $9.38 per hundredweight. A 110-percent parity price would be only $8.25. Chickens were 16 cents a pound on December 15, 1941, and if you had 110-percent parity on them, they would be 18 cents a pound. Cotton was 16.2 cents a pound on December 15, 1941, and 110 percent of parity on it would be 19.6 cents a pound. Eggs were 34 cents a dozen on December 15, and if the farmers received 110 percent of parity, they would still be 34 cents a dozen. Hogs were $10.21 per hundredweight on December 15, and if the farmers received 110-percent parity for them, they would be $11.44. Lambs were $9.86 per hundredweight on December 15, and a 110-percent parity price would be only $9.30. On December 15 the farmer received $2.66 for milk wholesale per hundred pounds. If he received 110 percent of parity on it, he would get only $2.08. He was getting 83 cents a bushel for potatoes on December 15, and if he got 110 percent of parity, he would get $1.11 a bushel. He was receiving 21 cents a pound for turkeys on December 15, and if he got 110 percent of parity, he would get 23 cents a pound. He was getting $11.22 per hundredweight for veal calves on December 15, and if he got parity of 110 percent it would mean $10.69. He was getting 37 cents a pound for wool on December 15, and if he got 110 percent of parity, he would get only 29 cents a pound.

With these figures before you, it must be evident that if the farmer got 110 percent of parity, he would not be any better off than he was on December 15, 1941. Besides, the price of farm products today is controlled almost entirely by the Agricultural Department of the United States Government. With the tremendous funds that they have for every purpose, they are able to regulate prices. The best evidence of this is that the price of cheese has not varied for approximately 8 weeks.

We need not fear inflation so far as farm prices are concerned. It is going to be necessary for the farmers to get a higher price for the products they have to sell on the farm or they will never be able to pay their taxes and interest on obligations that they may have on their farms. The following is the table of the average cash income plus Government payments received by the farmers in each State in 1940 and also the average Government payments to the farmers in the various States:

State	Average cash income plus Government payment per farm, 1940	Average Government payment per farm 1940
Maine	$1,414	$44
New Hampshire	1,369	24
Vermont	1,775	25
Massachusetts	2,389	19
Rhode Island	3,304	23
Connecticut	2,644	31
New York	2,184	41
New Jersey	4,098	43
Pennsylvania	1,649	40
Ohio	1,481	73
Indiana	1,662	123
Illinois	1,578	167
Michigan	1,313	68
Wisconsin	1,690	66
Minnesota	2,171	205
Iowa	3,414	231
Missouri	1,180	98
North Dakota	2,120	366
South Dakota	2,050	276
Nebraska	3,300	382
Kansas	1,881	249
Delaware	2,165	63
Maryland	1,718	66
Virginia	718	27
West Virginia	439	19
North Carolina	796	53
South Carolina	843	122
Georgia	778	113
Florida	1,823	65
Kentucky	632	53
Tennessee	571	65
Alabama	499	112
Mississippi	505	112
Arkansas	770	119
Louisiana	747	146
Oklahoma	1,117	143
Texas	1,386	207
Montana	2,679	348
Idaho	2,267	187
Wyoming	3,858	245
Colorado	2,759	197
New Mexico	1,747	136
Arizona	3,284	216
Utah	1,894	111
Nevada	3,817	63
Washington	1,882	79
Oregon	1,869	92
California	4,903	165
United States	1,496	126

I am sure that, with the figures before you, the House will be perfectly willing to see that the farmer gets justice when the conference report on the price-control bill is presented here for consideration. And after Mr. Campbell has had an opportunity to see a list of the incomes received by the farmers in the different States, I feel sure that he will be of the opinion that there is nothing to be selfish and arrogant about so far as they are concerned.

[Here the gavel fell.]

EXTENSION OF REMARKS

Mr. STEVENSON. Mr. Speaker, I ask unanimous consent to extend my remarks in the Appendix of the RECORD and to include therein a letter from a young boy in northern Wisconsin, who is about to go into the Army, Tom Mahoney, who wrote a letter "To my buddies at the roundhouse."

The SPEAKER. Is there objection?

There was no objection.

LEAVE OF ABSENCE

By unanimous consent, leave of absence was granted to Mr. HÉBERT to return to New Orleans to cast his vote in the municipal election there on January 27, 1942.

ENROLLED BILLS SIGNED

Mr. KIRWAN, from the Committee on Enrolled Bills, reported that that committee had examined and found truly enrolled bills of the House of the following titles, which were thereupon signed by the Speaker:

H. R. 3487. An act to amend further the Civil Service Retirement Act, approved May 29, 1930, as amended; and

H. R. 4787. An act to provide that the unexplained absence of any individual for 7 years shall be deemed sufficient evidence of death for the purpose of laws administered by the Veterans' Administration.

BILLS PRESENTED TO THE PRESIDENT

Mr. KIRWAN, from the Committee on Enrolled Bills, reported that that committee did on this day present to the President, for his approval bills of the House of the following titles:

H. R. 3193. An act validating certain conveyances heretofore made by Central Pacific Railway Co., a corporation, and its lessee, Southern Pacific Co., a corporation, involving certain portions of right-of-way, in the city of Tracy, in the county of San Joaquin, State of California, and in the town of Elk Grove, in the county of Sacramento, State of California, acquired by Central Pacific Railway Co. under the act of Congress approved July 1, 1862 (12 Stat. L. 489), as amended by the act of Congress approved July 2, 1864 (13 Stat. L. 356); and

H. R. 6263. An act to amend section 606 of the Communications Act of 1934 for the purpose of granting to the President, in time of war or threatened war, certain powers with respect to communications by wire.

ADJOURNMENT

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

The motion was agreed to; accordingly (at 5 o'clock and 50 minutes p. m.), pursuant to its order hertofore ordered, the House adjourned until tomorrow, Friday, January 23, 1942, 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., Friday, January 23, 1942, to resume hearings on the proposed amendments to the Securities Exchange Act of 1934.

COMMITTEE ON PUBLIC BUILDINGS AND GROUNDS

There will be a meeting of the Committee on Public Buildings and Grounds at 10 a. m., Friday, January 23, 1942, for consideration of H. R. 6139.

EXECUTIVE COMMUNICATIONS, ETC.

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

1333. A communication from the President of the United States, transmitting a supplemental estimate of appropriation for the Office for Emergency Management for the fiscal year 1942 in the amount of $100,000,000 (H. Doc. No. 597); to the Committee on Appropriations and ordered to be printed.

1334. A communication from the President of the United States, transmitting supplemental estimates of appropriations for the legislative establishment, House of Representatives, fiscal year 1942, amounting to $140,000 (H. Doc. No. 598); to the Committee on Appropriations and ordered to be printed.

1335. A letter from the Archivist of the United States transmitting a list of papers recommended to him for disposal by certain agencies of the Federal Government; to the Committee on the Disposition of Executive Papers.

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. WOODRUM of Virginia: Committee on Appropriations. H. R. 6430. A bill making appropriations for the Executive Office and sundry independent executive bureaus, boards, commissions, and offices for the fiscal year ending June 30, 1943, and for other purposes; without amendment (Rept. No. 1643). Referred to the Committee of the Whole House on the state of the Union.

Mr. SCHUETZ: Committee on Naval Affairs. H. R. 6355. A bill to amend the act entitled "An act to expedite national defense, and for other purposes," approved June 28, 1940; without amendment (Rept. No. 1653). Referred to the Committee of the Whole House on the state of the Union.

Mr. BATES of Massachusetts: Committee on Naval Affairs. S. 1630. An act to provide for the advancement on the retired list of certain officers of the line of the United States Navy and Marine Corps; without amendment (Rept. No. 1654). Referred to the Committee of the Whole House on the state of the Union.

Mr. IZAC: Committee on Naval Affairs. S. 1521. An act to provide that the Navy ration shall include canned or powdered or concentrated fruit or vegetable juices; without amendment (Rept. No. 1655). Referred to the Committee of the Whole House on the state of the Union.

Mr. SASSCER: Committee on Naval Affairs. S. 1133. An act to authorize the transfer of lands from the United States to the Maryland-National Capital Park and Planning Commission under certain conditions, and to accept title to another tract to be transferred to the United States; without amendment (Rept. No. 1656). Referred to the Committee of the Whole House on the state of the Union.

Mr. SASSCER: Committee on Naval Affairs. S. 2028. An act to amend section 3 (a) of the act entitled "An act to authorize the Secretary of the Navy to proceed with the construction of certain public works, and for other purposes," approved June 2, 1939 (53 Stat. 800), so as to transfer the administration of the Naval Supply Depot, Oakland, to the commandant, twelfth naval district; without amendment (Rept. No. 1657). Referred to the Committee of the Whole House on the state of the Union.

Mr. STEAGALL: Committee of conference on the disagreeing votes of the two Houses. H. R. 5990. A bill to further the national defense and security by checking speculative and excessive price rises, price dislocations, and inflationary tendencies, and for other purposes (Rept. No. 1658). Ordered to be printed.

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. HARRIS of Arkansas: Committee on Claims. H. R. 2980. A bill for the relief of National Heating Co., Washington, D. C.; with amendment (Rept. No. 1644). Referred to the Committee of the Whole House.

Mr. CAPOZZOLI: Committee on Claims. H. R. 4409. A bill granting jurisdiction to the United States Circuit Court of Appeals for the Second Circuit to reopen and readjudicate the case of Robert L. Demuth; without amendment (Rept. No. 1645). Referred to the Committee of the Whole House.

Mr. FENTON: Committee on Claims. H. R. 4524. A bill for the relief of Blanche E. Broad; with amendment (Rept. No. 1646). Referred to the Committee of the Whole House.

Mr. FENTON: Committee on Claims. H. R. 4657. A bill for the relief of Floyd P. Moritzky; with amendment (Rept. No. 1647). Referred to the Committee of the Whole House.

Mr. WEISS: Committee on Claims. H. R. 5816. A bill for the relief of Max Geissler; with amendment (Rept. No. 1648). Referred to the Committee of the Whole House.

Mr. GILLETTE: Committee on Claims. H. R. 5857. A bill for the relief of Roy F. Lassly, former acting chief disbursing clerk, Department of the Interior, and G. F. Allen, chief disbursing officer, Division of Disbursement, Treasury Department; without amendment (Rept. No. 1649). Referred to the Committee of the Whole House.

Mr. KLEIN: Committee on Claims. H. R. 6145. A bill for the relief of Mason C. Brunson; with amendment (Rept. No. 1650). Referred to the Committee of the Whole House.

Mr. JENNINGS: Committee on Claims. S. 1523. An act for the relief of the Portland Sportwear Manufacturing Co.; without amendment (Rept. No. 1651). Referred to the Committee of the Whole House.

Mr. KLEIN: Committee on Claims. S. 2011. An act for the relief of Willard R. Centerwall, formerly superintendent and special disbursing agent at the Tongue River Indian Agency; without amendment (Rept. No. 1652). 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. EDWIN ARTHUR HALL:

H. R. 6431. A bill relating to the training of Chinese aviators in the United States, and for other purposes; to the Committee on Military Affairs.

By Mr. LANHAM:

H. R. 6432 (by request). A bill to provide for the acquisition of additional land along the Mount Vernon Memorial Highway in exchange for certain dredging privileges, and for other purposes; to the Committee on Public Buildings and Grounds.

H. R. 6433. A bill to authorize the Federal Works Administrator to acquire title, on behalf of the United States, to not exceeding 35 acres of land subject to certain reservations in the grantors, and for other purposes; to the Committee on Public Buildings and Grounds.

By Mr. MAY:

H. R. 6434. A bill to authorize the attendance of personnel of the Army of the United States as students at educational institutions and other places; to the Committee on Military Affairs.

By Mr. MURDOCK:

H. R. 6435. A bill to authorize an appropriation for experimentation in revegetation and reforestation on the public domain; to the Committee on the Public Lands.

By Mr. O'LEARY:

H. R. 6436. A bill to suspend during a national emergency declared by Congress or by the President, the provisions of section 322 of the act of June 30, 1932; to the Committee on Expenditures in the Executive Departments.

By Mr. PADDOCK:

H. R. 6437. A bill to amend paragraph (1) of section 2 of the Securities Act of 1933, as amended, relating to the definition of the term "security" contained therein; to the Committee on Interstate and Foreign Commerce.

By Mr. RANKIN of Mississippi:

H. R. 6438. A bill to provide for investigations by the Bureau of Mines to determine the availability of certain low-grade bauxite for the production of alumina; to the Committee on Mines and Mining.

By Mr. REES of Kansas:

H. R. 6439. A bill to expedite the naturalization of persons who are not citizens, who have served or who hereafter serve honorably in the naval or military forces during the present war; to the Committee on Immigration and Naturalization.

By Mr. BRADLEY of Pennsylvania:

H. R. 6440. A bill to authorize the renewal of the lease of the old Naval Hospital in the District of Columbia for an additional period of 15 years; to the Committee on Naval Affairs.

By Mr. HARNESS:

H. R. 6441. A bill providing for the issuance of a certificate of citizenship to any person claiming to be a citizen of the United States at birth in whose case no official record of birth is available; to the Committee on Immigration and Naturalization.

By Mr. SUMNERS of Texas:

H. R. 6442. A bill to provide for the orderly payment of conflicting claims and demands against the United States, and for other purposes; to the Committee on the Judiciary.

By Mr. VOORHIS of California:

H. R. 6443. A bill to prohibit the employment of persons by the United States at a compensation of $1 a year, and to provide that persons employed by the United States shall be compensated on a reasonably adequate basis; to the Committee on Expenditures in the Executive Departments.

By Mr. VINSON of Georgia:

H. R. 6444. A bill to provide for the registration of labor organizations, business and trade associations, etc.; to the Committee on the Judiciary.

By Mr. RANKIN of Mississippi:

H. R. 6445. A bill to authorize the President, during the present war, to take title to and possession of, and assume control of, privately owned facilities for the production of electric energy at hydroelectric plants located on navigable waters or any tributary thereof, and certain other privately owned facilities for the production of electric energy; to the Committee on Rivers and Harbors.

By Mr. VINSON of Georgia:

H. R. 6446. A bill to provide for continuing payment of pay and allowances of personnel of the Navy, Marine Corps, and Coast Guard, including the retired and reserve components thereof, and civilian employees of the Navy Department, during periods of absence from post of duty, and for other purposes; to the Committee on Naval Affairs.

By Mr. O'LEARY:

H. R. 6447. A bill to provide for the orderly transaction of the public business in the event of the death or of the resignation or separation from office of the Chief Disbursing Officer; to the Committee on Expenditures in the Executive Departments.

By Mr. McLAUGHLIN:

H. J. Res. 271. Joint resolution authorizing the President of the United States to proclaim October 11, 1942, General Pulaski's Memorial Day for the observance and commemoration of the death of Brig. Gen. Casimir Pulaski; to the Committee on the Judiciary.

By Mr. VINSON of Georgia:

H. Res. 415. Resolution authorizing the printing of additional copies of the report (H. Rept. No. 1634) of the Committee on Naval Affairs relative to the progress of the national defense program; to the Committee on Printing.

By Mr. WHITE:

H. Res. 416. Resolution authorizing the printing of the hearings held before the special committee representing the Rocky Mountain States in the House of Representatives relative to the supply and domestic production of lead for national defense, as a document; to the Committee on Printing.

PETITIONS, ETC.

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

2317. By Mr. FORAND: Joint resolution of the General Assembly of the State of Rhode Island, requesting that the Congress of the United States use their earnest efforts to prevent the passage of Senate bill 2015, namely, a bill to amend the Interstate Commerce Act, as amended, to provide for the regulation of the sizes and weights of motor vehicles engaged in transportation in interstate or foreign commerce; to the Committee on Interstate and Foreign Commerce.

2318. By Mr. KRAMER: Petition of the council of the city of Los Angeles, Calif., urging that Congress give quick and complete consideration to the proper types of defense so that Japan cannot possibly invade or bomb the west coast of the United States; to the Committee on Military Affairs.

2319. By the SPEAKER: Petition of the Social Security League of Texas, Dallas, Tex., petitioning consideration of their resolution with reference to immediately issue an additional amount of currency equal to the full amount of gold and silver now owned by the United States of America; to the Committee on Banking and Currency.

SENATE

FRIDAY, JANUARY 23, 1942

The Chaplain, the Very Reverend ZeBarney T. Phillips, D. D., offered the following prayer:

Blessed art Thou, O Lord God of our Fathers, who, in the temple of Thy holiness and in the firmament of heaven, art praised and exalted above all forever: We lift up our hearts unto Thee, beseeching Thee, if there be in them aught of heaviness, that Thou wilt reanimate them to cheerfulness; if they are blurred with the stains of the world and of the flesh, do Thou cleanse them, and yield to us the secret of maintaining our life upon the highest levels, upholding us in simple fidelity to the light we see in steady adherence to our individual thought and vision of the Son of God.

So, if it be Thy blessed will, let us live today, and also in each tomorrow, with minds not overcharged with worldly cares, but trusting as our days go on, even with emptied arms and treasure lost, to learn that ofttimes grief may be but joy misunderstood, and that pain doth oft become the harbinger of the soul's wealth and peace. So, by these mysteries of life and revelation, do Thou keep us humble, and, as we learn from Christ that humility is a Divine condition of exaltation, hearken to our petitions, for His Name's sake. Amen.

THE JOURNAL

On request of Mr. BARKLEY, and by unanimous consent, the reading of the Journal of the proceedings of Thursday, January 22, 1942, was dispensed with, and the Journal was approved.

MESSAGES FROM THE PRESIDENT

Messages in writing from the President of the United States submitting several 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. Calloway, one of its reading clerks, announced that the House had passed a bill (H. R. 6430) making appropriations for the Executive Office and sundry independent executive bureaus, boards, commissions, and offices, for the fiscal year ending June 30, 1943, and for other purposes, in which it requested the concurrence of the Senate.

ENROLLED BILLS SIGNED

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

H. R. 3487. An act to amend further the Civil Service Retirement Act, approved May 29, 1930, as amended; and

H. R. 4787. An act to provide that the unexplained absence of any individual for 7 years shall be deemed sufficient evidence of death for the purpose of laws administered by the Veterans' Administration.

REPORT OF THE COURT OF CLAIMS—REIMBURSEMENT OF COTTON COOPERATIVES

The VICE PRESIDENT laid before the Senate a letter from the Chief Clerk of the Court of Claims of the United States, transmitting, pursuant to order of the court, certified copies of the report filed by the Court of Claims on January 20, 1942, in certain cases for the reimbursement of cotton cooperatives, the cases having been referred to the court by Senate Resolution 257, Seventy-sixth Congress (submitted by Mr. McKELLAR and agreed to April 12, 1940), all being in connection with Senate bill 2585, Seventy-sixth Congress, as follows: Congressional No. 17750, Alabama Cotton Cooperative Association as successor to Alabama Farm Bureau Cotton Association, a corporation, against the United States; Congressional No. 17751, California Cotton Cooperative Association, Ltd., a corporation, against the United States; Congressional No. 17752, Georgia Cotton Growers Cooperative Association, a corporation, against the United States; Congressional No. 17753, Louisiana Cotton Cooperative Association, a corporation, against the United States; Congressional No. 17754, Mid-South Cotton Growers Association, a corporation, against the United States; Congressional No. 17755, Mississippi Cooperative Cotton Association, A. A. L., a corporation, against the United States; Congressional No. 17756, North Carolina Cotton Growers Cooperative Association, a corporation, against the United States; Congressional No. 17757, Oklahoma Cotton Growers Association, a corporation, against the United States; Congressional No. 17758, South Carolina Cotton Cooperative Association, against the United States; and Congressional No. 17760,