

By Mr. VOORHIS of California:
H. J. Res. 338 (by request). Joint resolution proposing an amendment to the Constitution of the United States to provide for revenue for the Government of the United States by taxing the socially created value of land including all natural resources and intangible franchise rights; to the Committee on the Judiciary.

PRIVATE BILLS AND RESOLUTIONS

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

By Mr. LeCOMPTE:
H. R. 7444. A bill granting a pension to Jetty Johnson; to the Committee on Invalid Pensions.

By Mr. MANASCO:
H. R. 7445. A bill for the relief of J. E. Bains; to the Committee on Claims.

PETITIONS, ETC.

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

3275. By Mr. BULWINKLE: Petition of Mrs. L. D. Edwards and various citizens of Mars Hill, Madison County, N. C., petitioning for the passage of House bill 4000 and Senate bill 860; to the Committee on Military Affairs.

3276. Also, petition of Vernon E. Wood and various other citizens of Mars Hill, Madison County, N. C., petitioning for the passage of House bill 4000 and Senate bill 860; to the Committee on Military Affairs.

3277. By the SPEAKER: Petition of the Chamber of Commerce of the City of Burns, Harney County, Oreg., petitioning consideration of their resolution with reference to appointing committees, to investigate the action of the United States Bureau of Mines; to the Committee on Mines and Mining.

3278. Also, petition of the State, County, and Municipal Workers of America, Local 246, Los Angeles, Calif., petitioning consideration of their resolution with reference to freedom for India; to the Committee on Foreign Affairs.

SENATE

THURSDAY, JULY 30, 1942

Rev. John F. A. Cavanagh-Donnelly, diocesan director, Catholic social action, Corpus Christi, Tex., offered the following prayer:

Let us pray:

May God the Father, creator of all, bless us 130,000,000 Americans, and safeguard our boys and girls, particularly those in the armed forces.

May God the Son, by His example, teach us to sacrifice for the duration of the war.

May God the Holy Spirit guide our great President, his Cabinet, our illustrious Senators, our Representatives, our admirals, our generals, officers, and enlisted men all, to victory and a just and lasting peace. Amen.

THE JOURNAL

On request of Mr. BARKLEY, and by unanimous consent, the reading of the Journal of the proceedings of the calendar day Monday, July 27, 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 the President had approved and signed the following acts:

On July 27, 1942:

S. 1075. An act for the relief of George S. Geer; and

S. 2362. An act relating to the jurisdiction over certain lands in the Isle Royale National Park.

On July 28, 1942:

S. 2026. An act to provide for the posthumous appointment to commissioned or non-commissioned grade of certain enlisted men and the posthumous promotion of certain commissioned officers and enlisted men;

S. 2368. An act to amend the joint resolution approved August 27, 1940 (54 Stat. 858), as amended, and the Selective Training and Service Act of 1940 (54 Stat. 885), as amended, so as to remove the requirement that medical statements shall be furnished to those persons performing military service thereunder; and

S. 2568. An act to establish additional commissioned warrant and warrant grades in the United States Navy, and for other purposes.

On July 29, 1942:

S. 925. An act for the relief of Lemuel T. Root, Jr.

LEGISLATION RELATIVE TO ISSUANCE OF BIRTH CERTIFICATES

The VICE PRESIDENT laid before the Senate a communication from the President of the United States, which was referred to the Committee on Commerce and ordered to be printed in the RECORD, as follows:

THE WHITE HOUSE,
Washington, July 27, 1942.

THE PRESIDENT OF THE SENATE.

SIR: There are before the Senate for consideration two bills authorizing the Director of the Census to issue certificates of birth records, Senate bill 2299, introduced on February 23 and referred to the Committee on Military Affairs, and H. R. 7239, passed by the House July 13, 1942. These bills would authorize the Director of the Census to issue certificates of birth records to applicants who pay an application fee and furnish proof of birth within a State of the United States, or the District of Columbia, as may be required by the Director of the Census. These bills would not repeal or modify the authority of the Director to collect and publish statistics of births and deaths as provided in the Permanent Census Act of March 6, 1902.

There also is before the Senate a bill, H. R. 6600, which would provide for the issuance of certificates of citizenship by the Commissioner of Immigration and Naturalization. This bill, after passage by the House of Representatives on March 19, 1942, was referred in the Senate to the Committee on Immigration. S. 2654, providing for the recording of birth data and issuance of certificates by the Federal Security Administration, was introduced July 14, 1942, and referred to the Committee on Finance.

These bills grow out of the demand for ready proof of citizenship that has been coming from persons seeking employment in factories engaged on war contracts where, pursuant to the pro-

visions of certain laws, restrictions against the employment of aliens are enforced. These restrictions have been prescribed in the following laws:

The Air Corps Act of 1926, Public Law 446 (44 Stat. 787), section 10j:

And no aliens employed by a contractor for furnishing or constructing aircraft, aircraft parts, or aeronautical accessories for the United States shall be permitted to have access to the plans or specifications, or the work under construction, or to participate in the contract trials without the written consent beforehand of the secretary of the department concerned.

The National Defense Act of 1940, Public Law 671 (54 Stat. 680), section 11:

(a) No aliens employed by a contractor in the performance of secret, confidential, or restricted Government contracts shall be permitted to have access to the plans or specifications, or the work under such contracts, or to participate in the contract trials, unless the written consent of the head of the Government department concerned has first been obtained, and any person who willfully violates or through negligence permits the violation of the provisions of this subsection shall be fined not more than \$10,000 or imprisoned not more than 5 years, or both.

(b) Any alien who obtains employment on secret, confidential, or restricted Government contracts, by willful misrepresentation while seeking such employment, shall be fined not more than \$10,000 or imprisoned not more than 5 years, or both.

(c) For the purpose of this section, the term "person" shall be construed to include an individual, partnership, association, corporation, or other business enterprise.

The laws restricting the employment of aliens were designed to provide for the security of our defense industries and to protect military secrets concerning the development of new inventions and devices. It was felt that these secrets would be safer if confined to American citizens. The birth-certificate laws are being proposed to correct a situation created by the alien-restriction laws, and are designed to meet the need of securing employment in defense plants.

Prior to June 4, 1942, the Army and Navy recommended to war contractors that birth certificates be required as a form of proof of citizenship. In an attempt to facilitate the securing of such certificates by those persons not then possessing them, a directive was issued informing contractors of a method of delayed registration of births practiced by certain States, and recommended that applicants for work utilize such a method for securing certificates. This directive was interpreted by contractors to mean that birth certificates or naturalization papers were the only forms of evidence to be utilized. Accordingly, the contractors, fearing the fines and imprisonment provided for willfully or negligently allowing aliens to be employed, required certificates of every applicant, with the natural result of a slowing down of employment in war industries.

This situation has now been corrected. On June 4, 1942, a joint directive was issued by the Army and Navy prescribing that applicants for employment on Government war contracts may determine their citizenship status by making a declaration that they are citizens of the United States, and stating the place and

date of their birth. A fine of \$10,000 or 5 years in jail, or both, is prescribed for any alien who obtains employment by willful misrepresentation. Consequently, to falsify a declaration would be a serious matter. The penalties are printed on the face of the declaration which the applicant is required to sign. To protect the contractor against charges of negligence or willful violation in the event an applicant does falsify, the declaration must be signed in the presence of two witnesses. The use of such declarations is well recognized in law and is based on the theory of presumptive citizenship whereby persons residing within the United States are presumed to be citizens until proved otherwise, the burden of proof resting upon the challenger rather than the challenged. This method of determining citizenship has been long recognized by the Army in connection with enlistments.

This new directive of the Army and the Navy has been reasonably successful. Reports at hand now indicate that as the new method is being introduced, many workers are making the declaration of their citizenship status and are being put to work. The pressure of demand for birth certificates for this purpose can be expected to be greatly relieved.

The cost of the proposed legislation cannot be estimated accurately, since there is no way of determining the number of persons who would apply for birth certificates. It is believed, however, that the total cost of the proposed legislation could reach \$80,000,000 in the first 2 years of operation. Enactment of these measures would also require personnel and building space in Washington which cannot be spared from the immediate war effort at this time. Since birth certificates are not needed to facilitate employment in war industries and do not afford conclusive proof of citizenship, such expenditure would be unwarranted.

There is at the present time a great confusion in the field of vital records growing out of the activities of Government and industry, particularly in connection with the security and health laws. There is need for a comprehensive study to be made to determine requirements and make recommendation to prevent duplication of effort and to integrate the activities of all agencies concerned.

In view of the foregoing considerations, and of the very considerable cost of the pending birth-certificate legislation, I recommend against the enactment of such legislation at the present time. In the meantime, I will ask the Director of the Bureau of the Budget to make a comprehensive study of the entire problem to the end that I may be able later to make suitable recommendations to the Congress with respect thereto.

Respectfully,

FRANKLIN D. ROOSEVELT.

EXECUTIVE COMMUNICATIONS, ETC.

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

REPORT ON PERSONNEL OF THE LAND FORCES

A letter from the Secretary of War, submitting, pursuant to law, a confidential report

relative to personnel of the land forces; to the Committee on Military Affairs.

RELIEF OF POSTMASTER AT NOME, ALASKA

A letter from the Postmaster General, transmitting a draft of proposed legislation for the relief of the postmaster at Nome, Alaska (with an accompanying paper); to the Committee on Claims.

LANDS ACQUIRED FOR NAVAL USES

A letter from the Acting Secretary of the Navy, transmitting, pursuant to law, a report of lands acquired from January 29 to June 30, 1942, for naval uses (with an accompanying report); to the Committee on Naval Affairs.

AMENDMENT OF SELECTIVE TRAINING AND SERVICE ACT

A letter from the Director of the Selective Service System, transmitting a draft of proposed legislation to amend the Selective Training and Service Act of 1940 (with an accompanying paper); to the Committee on Military Affairs.

REPORT OF THE OFFICE OF PRICE ADMINISTRATION

A letter from the Price Administrator, submitting, pursuant to law, the first report of the Office of Price Administration covering the period extending from the launching of the defense program in May 1940 through the announcement of the President's national economic program and the issuance of the General Maximum Price Regulation toward the end of April 1942 (with an accompanying report); to the Committee on Banking and Currency.

DISPOSITION OF EXECUTIVE PAPERS

A letter from the Archivist of the United States, transmitting, pursuant to law, lists of papers and documents on the files of the Departments of the Navy (2) and Agriculture (2), and The National Archives, which are not needed in the conduct of business and have no permanent value or historical interest, and requesting action looking toward 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. SAVINGS UNDER RENEGOTIATED CONTRACTS AND UNDER GENERAL APPROPRIATION BILLS

Mr. McKELLAR. Mr. President, I am greatly pleased by the tremendous savings which have been brought about in the expenditures of the Government under the provisions of section 403 (a) of the Sixth Supplemental National Defense Appropriation Act, approved April 28, 1942. Section 403 (a) was first placed in the bill by the Senate Appropriations Committee, was agreed to by the Senate, was subsequently agreed to by the House conferees, and adopted by the House.

Mr. President, this act was passed after many conferences with the departments named in the act and after the various departments had gone over it most carefully and felt that it would accomplish a great deal in the reduction of excessive prices fixed in the contracts.

After the passage of the bill each of the several departments established a committee to investigate prices. The Army established a committee of five members, the Navy a committee of like number, the Maritime Commission a committee of four members. One of the members of each of these committees represents the W. P. B.

These committees organized and began work immediately, and with the greatest success. The provisions of this Act were primarily the work of the Senate Appropriations Committee, but they were drafted with the full cooperation of the several departments. In like manner the several departments have cooperated to the fullest extent in carrying out the terms of the act.

I desire to call the especial attention of the Senate to the fact that to date the measure has been attended with the greatest success. Already, as evidence of their good faith, many of the companies voluntarily have made reductions. Reductions to June 15 in the War Department alone total \$556,997,514, and it is firmly believed that, within a year, more than a billion dollars will be saved.

The Navy Department has already saved \$348,786,246, and it estimates it will save a half a billion more this year. The Maritime Commission has already saved, under this law, \$28,500,000, and it estimates it will save sixty-five million more this year.

It must be said that the companies having contracts with the Government have shown the finest spirit of cooperation and reasonableness, and that the Department officials have been exceedingly vigilant and attentive in the enforcement of this act.

Mr. President, I wish to express to the departments my great appreciation for their very active cooperation in the matter of saving the Government these very large sums.

I happen to be a member of the Joint Committee on Reduction of Nonessential Expenditures appointed last winter. This committee is commonly known as the Byrd committee, being presided over by the Senator from Virginia [Mr. BYRD]. This committee made recommendations of reductions in December 1941 in almost the same amounts as appropriations were reduced. Following action taken by the Appropriations Committee, two agencies—the Civilian Conservation Corps and the Alley Dwelling Authority—were abolished; the appropriation for the Work Projects Administration was reduced from \$875,000,000 to \$280,000,000; the appropriation for National Youth Administration was reduced from \$151,000,000 to \$46,000,000; appropriations for travel pay were reduced in the amount of \$3,981,931 below the Budget estimates, exclusive of travel pay eliminated for the C. C. C., and many other reductions and savings were made—in all, aggregating \$3,312,269,450. The Appropriations Committees of both the House and the Senate united to effect savings wherever they could.

To epitomize, or put into figures the reports and statements to date, they show the following:

Savings, War Department, to June 15, 1942.....	\$556,000,000
Savings on contracts in the War Department now being examined.....	500,000,000
Savings, Navy Department, already accomplished.....	348,786,242
Further estimated savings in Navy Department during the year.....	500,000,000
Savings, U. S. Maritime Commission.....	28,500,000

Anticipated savings, Maritime Commission, remainder of year.....	\$65,000,000
Total.....	1,998,286,242
To be added to the above sums is a reduction of all kinds of nonmilitary appropriations and nonessential appropriations made by the Congress for the present fiscal year.....	1,313,983,208
Grand total.....	3,312,269,450

In proof of the savings as stated, I ask leave to have printed in the RECORD as a part of my remarks a letter from the Under Secretary of War, Hon. Robert P. Patterson, a letter from K. H. Rockett, Chairman of the Price Adjustment Board of the Navy Department, a letter from Admiral Land, Chairman of the Maritime Commission, and a letter from Mr. Donald M. Nelson, Chairman of the War Production Board. These letters all refer to the renegotiation of war contracts, and I desire that all be published together in order to make a complete report up to this date.

The VICE PRESIDENT. Without objection, the letters will be printed in the RECORD.

The letters referred to are as follows:

WAR DEPARTMENT,
OFFICE OF THE UNDER SECRETARY,
Washington, D. C., June 30, 1942.

HON. KENNETH McKELLAR,
United States Senate, Washington, D. C.

MY DEAR SENATOR: This letter is in answer to your oral inquiry of General Somervell with reference to the progress had in renegotiating contracts of the Department in accordance with section 403 of the Sixth Supplemental Appropriation Act of 1942.

The Price Adjustment Board has interviewed many War Department contractors for the purpose of renegotiating contracts in which excessive profits were being received. Cooperation on the part of the contractors has, almost without exception, been excellent. Between April 15 and June 15, 1942, voluntary refunds and price reductions on existing contracts and reduced prices on new contracts entered into with existing War Department contractors arising, respectively, from renegotiation and negotiation, totaled \$556,997,514.

A large number of other contractors are presently under review by the Board. Conferences with these contractors and studies of their financial statements indicate probable refunds and price reductions on existing contracts and savings on new contracts to be entered into with those contractors in excess of \$500,000,000.

As time goes on, the Board will expand the number of contractors reviewed and, it is hoped, will continue to obtain substantial savings for the War Department.

Sincerely yours,

ROBERT P. PATTERSON,
Under Secretary of War.

NAVY DEPARTMENT,
Washington, July 3, 1942.

HON. KENNETH McKELLAR,
United States Senate.

MY DEAR SENATOR McKELLAR: In accordance with your telephone request, I am pleased to inform you that reductions in prices effected and in process of renegotiation, including voluntary refunds from contractors, amount at the present time to \$348,786,246. However, this is only a tentative figure, and a more complete investigation may develop an even higher amount.

At the present time the Price Adjustment Board of the Navy Department has over 175

contractors and subcontractors under investigation, and its representatives are in the plants of 65 of these contractors. As a result of the Board's activities, it is expected that further savings of over \$500,000,000 will be made during the balance of this coming year.

Yours very truly,
K. H. ROCKETT,
Chairman, Price Adjustment Board.

UNITED STATES MARITIME COMMISSION,
Washington, July 25, 1942.

The Honorable KENNETH McKELLAR,
United States Senate, Washington, D. C.

DEAR SENATOR McKELLAR: In accordance with your recent conversations with me and members of the Price Adjustment Board of the United States Maritime Commission, I am pleased to inform you that during recent months the reductions in prices effected by our various contract divisions and our Price Adjustment Board, including voluntary refunds and reductions now in the process of renegotiation, amount to more than \$28,500,000 at the present time.

The activities of the Price Adjustment Board are now expanding quite rapidly. The results of its work to date and the attitude evidenced by contractors and subcontractors as the result of the contract renegotiations with them reflect upon the Board favorably and indicate that it is carrying out its duties satisfactorily. The attitude of contractors toward renegotiations to date has been cooperative and understanding.

You appreciate that it is most difficult because of the many factors involved to predict what further reductions in contract prices will be effected during the balance of this year, but our present estimate amounts to \$65,000,000.

Sincerely yours,

E. S. LAND,
Chairman.

WAR PRODUCTION BOARD,
Washington, D. C., July 15, 1942.

HON. KENNETH McKELLAR,
United States Senate.

DEAR SENATOR McKELLAR: In your letter of July 6, you inquire about the work of the War Production Board in reference to renegotiation of contracts under section 403 of the War Appropriations Act. In particular, you ask about savings effected by the War Production Board.

I wish to advise that all our work of this character has been done in cooperation with the War Department, the Navy Department, and the Maritime Commission. As mentioned in your remarks in the CONGRESSIONAL RECORD of July 1, War Production Board has a representative member on each of the price-adjustment boards carrying on renegotiation for War, Navy, and Maritime Commission. Our representative has participated, therefore, in the activities of each of those boards and has cooperated in every way in accomplishing the results already reported to you by them. Moreover, the Cost Analysis Section of the War Production Board has contributed information and assisted in developing the methods of renegotiation being followed by the boards.

We are glad to make our contribution in this manner, which I am sure you will recognize as the most effective form which our participation can take. It means, however, that any figures of savings which I might report would be duplicated in the figures reported to you by the direct contracting agencies. I might, however, add that even before the United States entered the war, our Cost Analysis Section was instrumental in calling attention to cases in which substantial price reductions were subsequently obtained.

In accordance with the request you made during the recent hearing on our budget before the Senate Appropriations Committee, I have asked the Maritime Commission and the

Procurement Division of the Treasury to get their figures on price adjustments to you as soon as possible.

Sincerely yours,
DONALD M. NELSON.

Mr. McKELLAR. Mr. President, in order that the whole picture may be before the Senate, I ask to insert in the RECORD the provisions of section 403 (a) of the Sixth Supplemental National Defense Appropriation Act—Public Law No. 528—approved April 28, 1942.

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

Sec. 403. (a) For the purposes of this section, the term "Department" means the War Department, the Navy Department, and the Maritime Commission, respectively; in the case of the Maritime Commission, the term "Secretary" means the Chairman of such Commission; and the terms "renegotiate" and "renegotiation" include the refixing by the Secretary of the Department of the contract price. For the purposes of subsections (d) and (e) of this section, the term "contract" includes a subcontract and the term "contractor" includes a subcontractor.

(b) The Secretary of each Department is authorized and directed to insert in any contract for an amount in excess of \$100,000 hereafter made by such Department (1) a provision for the renegotiation of the contract price at a period or periods when, in the judgment of the Secretary, the profits can be determined with reasonable certainty; (2) a provision for the retention by the United States or the repayment to the United States of (A) any amount of the contract price which is found as a result of such renegotiation to represent excessive profits and (B) an amount of the contract price equal to the amount of the reduction in the contract price of any subcontract under such contract pursuant to the renegotiation of such subcontract as provided in clause (3) of this subsection; and (3) a provision requiring the contractor to insert in each subcontract for an amount in excess of \$100,000 made by him under such contract (A) a provision for the renegotiation by such Secretary and the subcontractor of the contract price of the subcontract at a period or periods when, in the judgment of the Secretary, the profits can be determined with reasonable certainty, (B) a provision for the retention by the United States or the repayment to the United States of any amount of the contract price of the subcontract which is found as a result of such renegotiation, to represent excessive profits, and (C) a provision for relieving the contractor from any liability to the subcontractor on account of any amount so retained by or repaid to the United States.

(c) The Secretary of each Department is authorized and directed, whenever in his opinion excessive profits have been realized, or are likely to be realized, from any contract with such Department or from any subcontract thereunder, (1) to require the contractor or subcontractor to renegotiate the contract price, (2) to withhold from the contractor or subcontractor any amount of the contract price which is found as a result of such renegotiation to represent excessive profits, and (3) in case any amount of the contract price found as a result of such renegotiation to represent excessive profits shall have been paid to the contractor or subcontractor, to recover such amount from such contractor or subcontractor. Such contractor or subcontractor shall be deemed to be indebted to the United States for any amount which such Secretary is authorized to recover from such contractor or subcontractor under this subsection, and such Secretary may bring actions in the appropriate courts of the United States to recover such amount on behalf of the United States. All amounts

recovered under this subsection shall be covered into the Treasury as miscellaneous receipts. This subsection shall be applicable to all contracts and subcontracts hereafter made and to all contracts and subcontracts heretofore made, whether or not such contracts or subcontracts contain a renegotiation or recapture clause, provided that final payment pursuant to such contract or subcontract has not been made prior to the date of enactment of this act.

(d) In renegotiating a contract price or determining excessive profits for the purposes of this section, the Secretaries of the respective Departments shall not make any allowance for any salaries, bonuses, or other compensation paid by a contractor to its officers or employees in excess of a reasonable amount, nor shall they make allowance for any excessive reserves set up by the contractor or for any costs incurred by the contractor which are excessive and unreasonable. For the purpose of ascertaining whether such unreasonable compensation has been or is being paid, or whether such excessive reserves have been or are being set up, or whether any excessive and unreasonable costs have been or are being incurred, each such Secretary shall have the same powers with respect to any such contractor that an agency designated by the President to exercise the powers conferred by title XIII of the Second War Powers Act, 1942, has with respect to any contractor to whom such title is applicable. In the interest of economy and the avoidance of duplication of inspection and audit, the services of the Bureau of Internal Revenue shall, upon request of each such Secretary and the approval of the Secretary of the Treasury, be made available to the extent determined by the Secretary of the Treasury for the purposes of making examinations and determinations with respect to profits under this section.

(e) In addition to the powers conferred by existing law, the Secretary of each Department shall have the right to demand of any contractor who holds contracts with respect to which the provisions of this section are applicable in an aggregate amount in excess of \$100,000, statements of actual costs of production and such other financial statements, at such times and in such form and detail, as such Secretary may require. Any person who willfully fails or refuses to furnish any statement required of him under this subsection, or who knowingly furnishes any such statement containing information which is false or misleading in any material respect, shall, upon conviction thereof, be punished by a fine of not more than \$10,000 or imprisonment for not more than 2 years, or both. The powers conferred by this subsection shall be exercised in the case of any contractor by the Secretary of the Department holding the largest amount of such contracts with such contractor, or by such Secretary as may be mutually agreed to by the Secretaries concerned.

(f) The authority and discretion herein conferred upon the Secretary of each Department, in accordance with regulations prescribed by the President for the protection of the interests of the Government, may be delegated, in whole or in part, by him to such individuals or agencies in such Department as he may designate, and he may authorize such individuals or agencies to make further delegations of such authority and discretion.

(g) If any provision of this section or the application thereof to any person or circumstance is held invalid, the remainder of the section and the application of such provision to other persons or circumstances shall not be affected thereby.

(h) This section shall remain in force during the continuance of the present war and for 3 years after the termination of the war, but no court proceedings brought under this section shall abate by reason of the termination of the provisions of this section.

PETITIONS

Petitions, etc., were laid before the Senate or presented, and referred as indicated:

By the VICE PRESIDENT:

A resolution of the Metal Polishers, Buffers, Platers, and Helpers International Union, Cincinnati, Ohio, favoring the enactment of pending legislation for the development of the St. Lawrence seaway and power project; to the Committee on Commerce.

By Mr. CAPPER:

A petition, numerously signed, of sundry citizens of Plains, Kans., praying for the enactment of Senate bill 830, to prohibit the sale of alcoholic liquor and to suppress vice in the vicinity of military camps and naval establishments; ordered to lie on the table.

MANUFACTURE OF SYNTHETIC RUBBER FROM GRAINS

Mr. THOMAS of Oklahoma. Mr. President, I ask consent to have printed in the RECORD at this point and appropriately referred a copy of a telegram just received by the Senator from Iowa [Mr. GILLETTE], chairman of the special subcommittee which presented to the Senate bill S. 2600.

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

ST. PAUL, MINN., July 28, 1942.

Senator GILLETTE,

Senate Office Building,

Washington, D. C.:

For your information we have just sent the following wire to the President: "Careful study hearings Gillette rubber authority bill convinces us great danger synthetic rubber supply will be too little and too late. Speed and efficiency in strategic materials cost of grain-alcohol process impresses us as decisive. False and sometimes selfish optimism displayed by official responsible, for present inadequate program is apparent in committee record. Congress insists on action even if divided authority necessary to get it. We urge you sign Gillette-Fulmer bill. Farmers cannot risk rubber famine in meeting next year's vital food goals." Please accept thanks our organizations for your persistence on this problem.

JAMES G. PATTON,

President, National Farmers' Union.

M. W. THATCHER,

President, National Federation of Grain Cooperatives.

MANUFACTURE OF SYNTHETIC RUBBER FROM GRAINS—RESOLUTIONS OF TWO CHAMBERS OF COMMERCE IN KANSAS

Mr. CAPPER. Mr. President, I regret very much that word has come from the White House that the President may veto the Gillette-Thomas-Fulmer bill to insure the manufacture of much-needed synthetic rubber from alcohol made from grains.

I feel very deeply that in order to supply our rubber needs, this program of making synthetic rubber must be pushed to completion and, also, that synthetic rubber should be made from all available sources. It seems that plants for making rubber from alcohol from grains can be constructed in much less time and with much smaller quantities of critical materials than can plants to make rubber by other known methods. So it seems merely common sense to push this program.

In this connection I ask unanimous consent to have printed in the RECORD

as a part of my remarks resolutions recently adopted by the Wichita Chamber of Commerce, Wichita, Kans., and by the Chamber of Commerce of Lyons, Kans., which I send to the desk. I might add that the farm organizations of Kansas are also strong for approval of this program.

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

THE WICHITA CHAMBER OF COMMERCE,

Wichita, Kans., July 25, 1942.

The Honorable ARTHUR CAPPER,

United States Senate, Washington, D. C.

DEAR SIR: Because of your knowledge of the agricultural conditions in the Middle West, you have probably given consideration to the natural facilities and existing opportunities for the production of industrial alcohol and synthetic rubber in this area.

We want to commend the efforts which you and others have been making to have rubber produced from farm crops. In addition, we want to offer the services of the members and committees and staff of this organization in urging the active cooperation of others who are in a position to help.

Our agricultural committee pointed out to our board of directors at their meeting this week the following reasons why industrial alcohol and synthetic rubber plants should be constructed immediately in the Middle West:

1. It has been demonstrated that a high grade of synthetic rubber can be produced from alcohol distilled from farm crops.

2. The Middle West produces a wide variety of those farm crops best suited to the manufacture of alcohol.

3. There are now on hand large surpluses of wheat and other grains which could be immediately used for conversion into alcohol.

4. Since the alcohol and rubber manufactured are much less bulky than the raw materials, the plants should be located in the Middle West to conserve vital transportation capacity.

5. Synthetic rubber and alcohol plants are among the most vital of war industries, therefore, they should be located in the Middle West where they are least exposed to attack.

Will you please tell us what we as individuals or as an organization can do to help build industrial alcohol and synthetic rubber plants in the Middle West in the immediate future?

Yours very truly,

ARCH N. BOOTH,
General Manager.

RESOLUTION ON INDUSTRIAL ALCOHOL AND SYNTHETIC RUBBER PLANTS

"Whereas this country is in dire need of large supplies of rubber to win the war and continue necessary and indispensable civilian activity; and

"Whereas an adequate supply of natural rubber is no longer available; and

"Whereas it has been conclusively demonstrated that high-quality and thoroughly satisfactory synthetic rubber can be manufactured from raw materials that are abundantly available within our own borders; and

"Whereas it is now recognized in national rubber programs that one of the best materials for this purpose is alcohol distilled from farm crops; and

"Whereas the Midwest is admirably adapted to the efficient production of a wide variety of grains suitable for distillation and has large supplies of wheat and other grains in dead storage that could be directed to this use immediately; and

"Whereas the acute shortage of transportation facilities prohibits ready movement of grains from this area to the seaboard for alcohol production there; and

"Whereas the provision of transportation facilities to haul Midwest grain to eastern plants requires more steel and other critical metals than are needed to build new plants to equal productive capacity in the Midwest: Now, therefore, be it

"Resolved, That the board of directors of the Chamber of Commerce of Lyons, Kans., favor and urge immediate construction of industrial alcohol and synthetic rubber plants in the Midwest. This board proposes to include the following steps and such others as may be necessary in an aggressive program to accomplish such construction:

"1. Place copies of this resolution in the hands of United States Senators and Congressmen for Kansas to enlist their active support of this project.

"2. Make every possible effective contact with those who control allocation of materials and Government money to this end."

This resolution adopted by the board of directors of the Chamber of Commerce of Lyons, Kans., the 14th of July 1942.

BYRON K. BABCOCK,

President, Chamber of Commerce,
Lyons, Kans.

THORPE MENN, Secretary.

REPORT OF A COMMITTEE

Mr. SCHWARTZ, from the Committee on Military Affairs, to which was referred the bill (S. 2670) to amend section 61 of the National Defense Act of June 3, 1916, as amended, for the purpose of providing State and Territorial military forces with such arms, ammunition, clothing, and equipment as is deemed necessary to enable them to execute their internal security responsibilities within their respective States and Territories, and for other purposes, reported it with amendments and submitted a report (No. 1568) thereon.

PRINTING ADDITIONAL COPIES OF SENATE REPORT NO. 1554

Mr. McKELLAR. Mr. President, on behalf of the Senator from Arizona [Mr. HAYDEN], I report from the Committee on Printing a resolution providing for the printing of additional copies of a certain report submitted pursuant to Senate Resolution 223, by the Senator from Maryland [Mr. TYDINGS], as chairman of a subcommittee of the Appropriations Committee. I will say that I am informed by the printing officials that it will cost only \$300 to print the 10,000 additional copies. I ask that the resolution be read, and that it be considered at this time.

The VICE PRESIDENT. Is there objection to the present consideration of the resolution?

There being no objection, the resolution (S. Res. 279) was read, considered, and agreed to, as follows:

Resolved, That 10,000 additional copies of Senate Report No. 1554, current session, as submitted to the Senate by a subcommittee of the Committee on Appropriations pursuant to a resolution (S. Res. 223, current session), authorizing an investigation to determine whether certain governmental employees may be temporarily transferred to national defense agencies to expedite the prosecution of the war, be printed for the use of said subcommittee.

ENROLLED BILLS PRESENTED

Mr. TRUMAN (for Mrs. CARAWAY), from the Committee on Enrolled Bills, reported that on July 27, 1942, that committee presented to the President of the United States the following enrolled bills:

S. 925. An act for the relief of Lemuel T. Root, Jr.:

S. 2026. An act to provide for the posthumous appointment to commissioned or noncommissioned grade of certain enlisted men and the posthumous promotion of certain commissioned officers and enlisted men;

S. 2330. An act to enable the United States Commission for the Celebration of the Two Hundredth Anniversary of the Birth of Thomas Jefferson to carry out and give effect to certain approved plans;

S. 2368. An act to amend the joint resolution approved August 27, 1940 (54 Stat. 858), as amended, and the Selective Training and Service Act of 1940 (54 Stat. 885), as amended, so as to remove the requirement that medical statements shall be furnished to those persons performing military service thereunder; and

S. 2568. An act to establish additional commissioned warrant and warrant grades in the United States Navy, and for other purposes.

AMENDMENT OF SERVICEMEN'S DEPENDENTS ALLOWANCE ACT—BILL INTRODUCED

Mr. VANDENBERG. Mr. President, I introduce a very brief bill to correct what I am sure is an error in a section of the Servicemen's Dependents Allowance Act of 1942, which Congress, when put upon notice, would scarcely care to confirm. I am referring to the fact that no allowance under that act can be paid to the dependents of men in the armed services until November 1, 1942.

I realize that it is a physical impossibility for all Members of Congress to know the complete details of the enormous volume of war legislation which has been passed since Pearl Harbor; in the very nature of things, they must depend, in part, upon more intimate scrutiny by the committees in immediate charge of particular legislation; but it seems to me, in the common vernacular, it is nothing short of a "joker" that in the Servicemen's Dependents Allowance Act of 1942 there should be a provision which strictly prohibits any payment to a dependent under the terms of the act until November 1, 1942, which, by mere coincidence and only by way of easy identification, is the day before election. I do not know the source of this clause in the law, but its ultimate iniquity is clear.

I took the matter up with the War Department as the result of complaints which I am sure every Senator has received in volume, complaints from families and dependents of servicemen who anticipated legitimate and equitable relief as the result of the passage of the act, but who then discovered that no relief allowance would be available until November 1. The reply of the War Department was as follows:

In the enactment of this law the Congress determined the date on which payments of monthly family allowances were to commence. While the act grants the War Department no discretion to change this date, the Department itself has nevertheless adopted a policy tending to alleviate any hardship that a sol-

dier's wife and children might suffer if the monthly deduction of \$22 is withheld from his pay for monthly family-allowance purposes. Under this policy, a voluntary allotment of \$22 a month may be made by the soldier, if he so desires, which will be available for the wife and children through September 1942, the total amount of such payments to be deducted from the accrued sum of monthly family allowance initially payable after November 1, 1942.

In other words, Mr. President, the War Department recognizes the fact that this provision of law would work a definite hardship in thousands of cases. It has undertaken partially to meet the hardship by deductions from soldiers' pay but it falls back upon the mandate of Congress and denies the full relief which Congress intended because of the amazing section of the Service Men's Dependents' Allowance Act of 1942, which prohibits any payments until November 1, 1942.

The original reason, as I understand, for a subsequent limiting date was that the War Department felt that a vast bookkeeping problem and a vast investigating problem were involved in setting up and certifying the essential allowances which the law contemplates; but, Mr. President, it is perfectly evident from the experience of the War Department that, while those delays may have been necessary in part, they are not necessary in whole. It is perfectly evident that if the War Department were relieved of the limitation imposed by Congress, the total payments to dependents would start, at least in part, long before November 1, 1942.

I cannot conceive of any Member of the Senate being interested in delaying the legalized payments to dependents one moment longer than is necessary. Therefore I am presenting a very brief bill, one which merely repeals one sentence in the law reading as follows:

Any allowances which accrue under this title for the period preceding November 1, 1942, shall not be actually paid until after November 1, 1942.

In other words, if the amendment to the law I am presenting shall be adopted, the net result will merely be to leave the War Department upon its own responsibility to pay these legalized allowances for servicemen's dependents as soon as they find it practicable. I am totally unable to understand how any Member of the Senate would resist a movement of that character.

I ask that the bill be referred to the Senate Committee on Military Affairs. I regret that in the absence of quorums there may be some delay in its consideration, because I simply cannot imagine that there would be any objection to the suggested change.

The VICE PRESIDENT. The bill will be referred to the Committee on Military Affairs.

The bill (S. 2684) to amend section 107 of the Servicemen's Dependents Allowance Act of 1942, was read twice by its title and referred to the Committee on Military Affairs.

Mr. THOMAS of Utah. Mr. President, of course, no one can oppose what the

Senator from Michigan has said in regard to the desire to have these payments made to the beneficiaries as soon as possible. The date inserted in the law was put in at the request of the War Department. Every Senator of the committee, and every Senator on the conference—and I may speak even for the conferees on the part of the other House—asked for the very first date when it would be possible to make the payments. The War Department insisted upon a definite date. The explanation given by the Department is correct, in that they say it would take the time allowed to make the arrangements. November 1 was the date fixed upon because it was the first date the War Department could start payments in an orderly way after getting the essential information into the record.

It must not be forgotten that the Government is responsible to the members of the armed forces individually and personally, and it should not be forgotten that matters which have to do with dependents are matters in the handling of which, after all, the Government is only a trustee. I am thankful a voluntary arrangement still exists. The Government of the United States does not say to a soldier, "You shall do this or that with your money," but does say, "The money is yours, and you shall tell us what we must do with it."

These problems, which seem so simple, are not simple at all when we realize the responsibility which the Government has upon it. I wish to say for the members of the Committee on Military Affairs and the members of the conference committee that the very question which the Senator from Michigan has raised today was considered, the experts from the War Department came before us, and they testified that the date chosen would have to be included if we were to go forward in an orderly way.

If, as a result of the experience the War Department has had since the bill became a law, they have learned how to pay the dependents and beneficiaries sooner than they thought they could do so, no one will object to that being done, but everyone will rejoice, and if the amendment of the law suggested by the Senator from Michigan will not tend to introduce confusion into the administration of the Army or the Navy, I am sure no one will in the least object to the proposal.

Mr. VANDENBERG. Mr. President, I thank the able Senator from Utah for his statement. He occupies a place of very large importance on the Senate Committee on Military Affairs, and often handles this kind of legislation. I am not sure but that he had charge, on the floor of the Senate, of the legislation to which I have referred.

I have no doubt the able Senator from Utah had a perfectly sound reason for inserting the section into the law at the time it was enacted. This particular phase of the matter was not emphasized in the debates on the floor of the Senate, however, and never came to the direct attention of the Senate.

What the Senator says about the necessity for orderly processes in dealing with this situation is entirely accurate.

He certainly states the fact when he adds that if it is possible for the War Department to administer the law and grant these relief allowances earlier than November 1, 1942, we all wish that to be done.

The full effect of the amendment to the law which I have submitted would be to remove a congressional restriction against payment prior to November 1, if, as and when the War Department concluded that it could proceed prior to November 1.

Mr. THOMAS of Utah. Will the Senator yield for a brief statement?

Mr. VANDENBERG. I yield.

Mr. THOMAS of Utah. I am sorry the Senator from Michigan implied that November 1 was near election day, and that that had something to do with the fixing of that date.

Mr. VANDENBERG. My statement in that regard was purely casual, and I meant no invidious implication.

Mr. THOMAS of Utah. Similar statements have been made with reference to one military measure after another.

Mr. VANDENBERG. That is true.

Mr. THOMAS of Utah. I believe the American people have responded in a way which was not expected by politicians who do not understand them. We should remember that efforts were made to put off the Draft Act until a certain time. However, right in the midst of a national campaign—not an off-year campaign such as the present one, but a Presidential campaign—the Government went forward with its registration and we discovered that the American people were interested in responding to the call of the Government, and were not interested one whit in what certain people said about jockeying dates.

When we realize that the best statistics which could be furnished us in regard to the Selective Service Act indicated that there would be about 13,500,000 persons registered at the first registration, it will always go down to the honor and the glory of the American people that approximately 17,000,000 actually registered. That indicates the strength of the feeling and the sentiment of the American people, and those who take joy in imagining that someone is shifting a date for some benefit in a congressional campaign, or that a payment to a beneficiary is going to upset an election, underestimate the heart and soul of the American people. I do not say this entirely because of what the Senator from Michigan said. Any person who underestimates the heart and soul of the American people deserves not to be a representative of them in the Congress of the United States.

Mr. VANDENBERG. Will the Senator yield before he takes his seat?

Mr. THOMAS of Utah. I thought the Senator yielded to me.

Mr. VANDENBERG. I did. I want to ask the Senator if there is any reasonable hope of a meeting in the near future of the Senate Military Affairs Committee.

Mr. THOMAS of Utah. The Senate Military Affairs Committee held a meeting Tuesday of this week, I believe, and I think it will be possible to secure

a meeting of the committee to consider the matter that is now before us.

Mr. VANDENBERG. I thank the Senator.

Mr. THOMAS of Utah. I cannot speak for the committee. The date which has been referred to was in the original bill, and it was retained in the conference. The committee adjourned for a full day to secure the attendance of representatives of the War Department to discuss with them the date. There are two Houses of Congress, of course, but if the proposed amendment can become a law, and if the War Department is ready to proceed and attempt to do what the amendment provides, I see no reason why we should not go forward with its consideration.

Mr. VANDENBERG. In view of the Senator's statement, Mr. President, I am very hopeful of quick action, and also, in view of the Senator's statement, I give him my proxy to look after this matter when the committee meets.

CRITICISM OF CONGRESS BY THE PRESS

Mr. GILLETTE. Mr. President, I believe every Senator will readily concede the right of any newspaper to use its editorial columns for the expression of any conclusions or views or opinions it wishes to present. However, I believe no one will concede to the newspapers, and certainly the better representatives of the newspaper fraternity will not claim, the right to use the editorial columns for unrestrained, unjustified, unfair, unreasonable and untrue statements attacking anyone in private or public life.

It would be far from any policy which I have followed, or expect to follow, to refer to editorials on the floor of the Senate. However, Mr. President, an editorial appearing in the Washington Post this morning viciously attacks Members of the Senate with whom I have been associated for some months in doing work which they felt was a contribution to the public interest, the war effort, and the peace economy as well.

I wish to say on the floor of the Senate that in all my life I have never been associated with a group of men who entered upon their task with greater sincerity and honesty of purpose and intention. No group of men has more assiduously attended to the work assigned or has indicated a greater spirit of fairness or concession to everyone concerned, than these gentlemen with whom I have been associated.

Statements have appeared to the effect that the work of the subcommittee of the Senate Committee on Agriculture and Forestry, to which I refer, was engaged in a contest or rivalry between the farming interests and the petroleum interests. I wish to say here in behalf of these men with whom I have worked that I have received telephone messages, personal calls, and letters from such outstanding representatives of the petroleum industry as President Farish, of the Standard Oil Co. of New Jersey, thanking the subcommittee for its fairness, for its interest, and for its help.

So it comes with poor grace for a newspaper, in a contest of expression which it may wish to carry out by way of debate

with the esteemed Senator from Ohio, to print such statements as the one which I shall now read from the editorial appearing this morning:

Congress has just voted for an agency to promote an alcohol-rubber industry in the interests of the country's farmers. It was pushed by grain-grower politicians without any warrant that rubber from grain alcohol is the best or quickest process for making synthetic rubber. The farm bloc wanted to horn in on this industry—they wanted, in other words, to exploit the war in their own selfish interests.

Mr. President, I know the owner of the Washington Post. I know some of the editorial writers of the Post. I do not know who wrote that particular statement. I brand it here as false and contemptible, with not a word of truth or fact on which it can be predicated. I do not want to be unrestrained in any statements I make here, but I plead with the representatives and the owners of the Washington Post, or of any other newspaper, to try to substantiate, or to insist that their editorial writers may have some facts on which they can base their opinions so expressed.

I merely wish to say that it is difficult to understand why a statement should be made that there were no facts on which the committee's conclusion could be based, when the hearings had not been completed, when the facts which were adduced by the work of the committee had not been made available to the editorial writers of the Post or to anyone else. It is an absolute disregard of the facts to state that there was no basis for the committee's action.

Mr. President, I have risen for two reasons. One is to plead with newsmen and others controlling media of publicity to try to exercise some restraint in their comments on those of us who are trying to do our duty, however short we may come from attaining the goal, however much we may lack in ability, or however we may fail in attempting to do the things we are trying to do. I ask them to be fair, I ask them to be reasonable. That was the first thing I wanted to do.

The second was unrestrainedly to state that any attempt to impugn the honesty, the patriotism, the sincerity, the earnestness, the fairness of the men with whom I have been associated, such as the senior Senator from Nebraska [Mr. NORRIS], the able minority leader the Senator from Oregon [Mr. McNARY], the Senator from Oklahoma [Mr. THOMAS], and the Senator from Montana [Mr. WHEELER] is not only vicious, it is vile, it is venomous, and it is wholly unjustified.

SPECIAL COMMITTEE TO STUDY AND SURVEY THE PROBLEMS OF AMERICAN SMALL BUSINESS ENTERPRISES—LIMIT OF EXPENDITURES

Mr. LUCAS. Mr. President, from the Committee to Audit and Control the Contingent Expenses of the Senate, I report favorably, with an amendment, Senate Resolution 271, and ask unanimous consent for its immediate consideration.

The VICE PRESIDENT. The clerk will read the resolution for the information of the Senate.

The legislative clerk read the resolution (S. Res. 271) submitted by Mr. MURRAY (for himself, Mr. MALONEY, Mr. ELLENDER, Mr. MEAD, Mr. STEWART, Mr. CAPPER, and Mr. TAFT) on June 30, 1942, as follows:

Resolved, That the limit of expenditures under Senate Resolution 298, Seventy-sixth Congress (providing for a study and survey of the problems of American small business enterprises), agreed to October 8, 1940, is hereby increased by \$146,760.

The VICE PRESIDENT. Is there objection to the immediate consideration of the resolution?

Mr. McNARY. Mr. President, I probably have no objection to the consideration of the resolution, but I wish to ask what is the sum of money requested?

Mr. LUCAS. Mr. President, I will say to the able minority leader that the original sum requested of the committee was \$146,760. The Committee to Audit and Control the Contingent Expenses of the Senate decreased that amount to \$25,000, after consultation with certain members of the Small Business Committee. The members of that committee are of the opinion that they can probably get along for the time being with the sum of \$25,000.

Mr. McNARY. That committee, in my judgment, has done a very excellent work. I have no objection to the resolution if it is absolutely the unanimous opinion of the Committee to Audit and Control the Contingent Expenses of the Senate that the lesser amount should be allowed.

Mr. LUCAS. I cannot say that it is the unanimous opinion of the committee. The minority member of that committee, the able Senator from New Hampshire [Mr. TOBEY] is not in the city, and he was not present the other day when we held our meeting, although he was duly notified. He telegraphed me that illness in his family prevented him from being present.

Mr. McNARY. Mr. President, that covers my implication. I thank the Senator.

The VICE PRESIDENT. Is there objection to the present consideration of the resolution? The Chair hears none. The amendment reported by the Committee to Audit and Control the Contingent Expenses of the Senate will be stated.

The LEGISLATIVE CLERK. On page 1, line 5, it is proposed to strike out "\$146,760" and insert in lieu thereof "\$25,000."

The amendment was agreed to.

INVESTIGATION OF MILITARY ESTABLISHMENTS BY MILITARY AFFAIRS COMMITTEE

Mr. LUCAS. Mr. President, from the Committee to Audit and Control the Contingent Expenses of the Senate I report an original resolution, and ask unanimous consent for its immediate consideration.

The VICE PRESIDENT. The clerk will read the resolution for the information of the Senate.

The legislative clerk read the resolution (S. Res. 281), as follows:

Resolved, That Senate Resolution No. 274, agreed to July 23, 1942, authorizing the Committee on Military Affairs, or any duly appointed subcommittee thereof, to visit, for the purposes of inspection, any part of the Military Establishment in the Western Hemisphere, between July 1 and December 31, 1942, hereby is amended to enable one expert to accompany the committee or subcommittee on any such visit.

The VICE PRESIDENT. Is there objection to the present consideration of the resolution?

Mr. McNARY. Mr. President, does the resolution increase the sum heretofore allowed by the committee?

Mr. LUCAS. No; it does not increase the amount, I will say to the Senator from Oregon. The original resolution, which was referred to the Committee to Audit and Control the Contingent Expenses of the Senate, included provision for an expert, as the resolution just read does. The committee rewrote the original resolution, and excluded the expert. The committee thinks that perhaps the expert is necessary, and the resolution now reported does not increase the amount of appropriation from the fund.

Mr. McNARY. Is it the judgment of the able Senator from Illinois that the original resolution perhaps did not include the authority to employ an expert?

Mr. LUCAS. No; the original resolution did include the authority to do so, but when the committee amended it we eliminated the expert. We are now asking that the resolution which the Senate agreed to on July 23 be amended to include what the original resolution requested.

Mr. BARKLEY. The amendment provides for a military expert, I suppose. I did not hear the resolution read.

Mr. LUCAS. It says an expert. I presume he will be a military expert.

The PRESIDING OFFICER (Mr. SMATHERS in the chair). Is there objection to the present consideration of the resolution?

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

PAYMENT OF OBLIGATIONS INCURRED IN CONNECTION WITH THE NORTH DAKOTA SENATORIAL CONTEST

Mr. LUCAS. Mr. President, I should like to call up Senate Resolution 268, Calendar No. 1572. The resolution which was reported by the Committee on Privileges and Elections, deals with the question of attorneys' fees in the case of WILLIAM LANGER, Senator from North Dakota. As I understand, the parliamentary situation, an amendment submitted by the distinguished Senator from Nebraska [Mr. NORRIS] is now pending before the Senate. It proposes to decrease the amount of attorneys' fees allowed by the committee from \$16,500 to \$10,000. I understand that the Senator from North Dakota has sent a communication to the minority leader again asking that the matter be postponed until he can return before we discuss the question of attorneys' fees.

Mr. McNARY. Mr. President, I may say on that point, in confirmation of the Senator's statement, that I have received a telegram from the Senator from North

Dakota [Mr. LANGER], which I shall be glad to have read.

The PRESIDING OFFICER. The telegram will be read.

The legislative clerk read as follows:

FARGO, N. DAK., July 24, 1942.

Senator CHARLES McNARY,

Senate Office Building:

Please hold up all consideration of attorneys' fees until I return. Will come any time you request. Am wiring NORRIS to assist you. Regards.

LANGER.

Mr. LUCAS. Mr. President, I hope the Senator from Nebraska will withdraw his amendment to the original resolution in order that I may amend Senate Resolution 268 to the end that the obligations incurred in connection with this proceeding, excluding attorneys' fees, may be paid. There are a number of obligations which have been incurred in connection with this long hearing, which should be paid now, and the attorneys' fees can wait until the Committee to Audit and Control the Contingent Expenses of the Senate presents another resolution which will deal directly with attorneys' fees, and at that time the Senator from Nebraska [Mr. NORRIS] can offer his amendment to that resolution.

The point I am trying to make is that I should like to get out of the way the various obligations which are due and owing to certain individuals, and with respect to which there is no controversy whatsoever.

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

Mr. LUCAS. I yield.

Mr. NORRIS. What does the Senator propose? Does he propose to change the resolution so as to exclude attorneys' fees?

Mr. LUCAS. Yes.

Mr. NORRIS. I wish the Senator would read his proposed amendment.

Mr. LUCAS. The proposal I make is, in line 7, after the word "Senate", to insert the words "a sufficient sum"; in line 8, after the word "proceeding", to strike out "including" and insert in lieu thereof "excluding" and at the end of line 8, to strike out the figures "\$16,500." That would then leave before the Senate nothing but the obligations as to which there is no controversy whatsoever among the Members of this body. Later I propose to bring in a separate resolution dealing with attorneys' fees.

Mr. NORRIS. As I understand, the Senator's amendment would, in effect, modify the resolution so as to make it apply to nothing but expenses.

Mr. LUCAS. That is correct.

Mr. NORRIS. And my amendment, which is pending, stands in the way?

Mr. LUCAS. That is correct. As I understand the parliamentary situation, the Senator's amendment stands in the way.

Mr. NORRIS. Mr. President, I have no objection to the payment of the expenses. I should like to see them paid. I assume they are all legitimate. If that is the object of the Senator's amendment, I shall withdraw my amendment and give notice that when the Senator brings in the new resolution, which will provide

only for attorneys' fees, I shall offer an amendment to that resolution to reduce the attorneys' fees from \$16,500 to \$10,000.

Mr. LUCAS. I appreciate the courtesy of the Senator. I thoroughly understand his position.

Mr. NORRIS. So far as I am personally concerned, I have no objection to proceeding with the matter of attorneys' fees now. However, I understand that others who are interested want it postponed. I have no objection to that being done. I do not want to interfere with payment of the expenses.

Mr. President, a parliamentary inquiry.

The PRESIDING OFFICER. The Senator will state it.

Mr. NORRIS. Is my amendment now pending before the Senate, so that it would be in order for me to withdraw it?

The PRESIDING OFFICER. Unanimous consent has not been granted for the present consideration of the resolution. Is there objection to the present consideration of Senate Resolution 268?

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

The PRESIDING OFFICER. The question is on agreeing to the amendment offered by the Senator from Nebraska [Mr. NORRIS].

Mr. NORRIS. Mr. President, now that the resolution is before the Senate, I withdraw my amendment, so that the Senator from Illinois may offer his amendment.

Mr. LUCAS. I thank the Senator very much for his kindness, because it gives us an opportunity to vote upon obligations as to which there is no question whatever, and it will give the disbursing officer authority to proceed immediately to pay the bills which have been due and owing for a long time.

With that brief statement, I now offer an amendment to Senate Resolution 268 which I send to the desk and ask to have stated.

The PRESIDING OFFICER. The amendment offered by the Senator from Illinois will be stated.

The LEGISLATIVE CLERK. On page 1, line 7, after the word "Senate", it is proposed to insert the words "a sufficient sum"; in line 8, after the word "proceeding", it is proposed to strike out "including" and insert in lieu thereof "excluding"; and at the end of line 8, it is proposed to strike out "\$16,500", so as to make the resolution read:

Resolved, That the Committee on Privileges and Elections, authorized by Senate Resolution 81, agreed to March 10, 1941, to consider the question of whether William Langer was entitled to retain his seat in the Senate to which he was certified as having been elected on November 5, 1940, hereby is authorized to expend from the contingent fund of the Senate a sufficient sum for the payment of obligations incurred in connection with the said proceeding, excluding attorneys' fees, in addition to the amounts heretofore authorized for such purposes.

Mr. VANDENBERG. Mr. President, what is the "sufficient sum"? Is there any estimate with respect to it?

Mr. LUCAS. Mr. President, let me say to the Senator from Michigan that the

principal amount involves the expenses of the attorneys. The expenses of Senator Langer's attorneys are \$2,158.96, and the expenses of the petitioners' attorneys are \$188.81. There may be some other minor obligations, such as reporters' fees or clerk hire, which have not yet been taken care of; but I think the primary obligation involves the expenses of the attorneys, which have heretofore been approved.

Mr. CONNALLY. Mr. President, who is to determine what the "sufficient sum" is to be? Will that be up to the disbursing officer?

Mr. LUCAS. The expenses of the various attorneys have heretofore been determined and approved.

Mr. CONNALLY. I understand; but it seems to me that the amount ought to be certified by the chairman of the committee.

Mr. LUCAS. The certificate will come from the Committee on Privileges and Elections. The expenses, other than attorneys' fees, will be certified by the chairman of the Committee on Privileges and Elections, and the certificate will go directly to the disbursing officer.

Mr. CONNALLY. The responsibility ought not to be put on the disbursing officer to determine what amount is necessary to cover the expenses. The chairman of the Committee on Privileges and Elections or some other authority ought to certify the amount.

Mr. LUCAS. The Senator is correct; and that will be done.

The PRESIDING OFFICER. The question is on agreeing to the amendment offered by the Senator from Illinois [Mr. LUCAS].

The amendment was agreed to.

The resolution (S. Res. 268), as amended, was agreed to.

WAR EXPENDITURES, AUTHORIZATIONS, AND UNEXPENDED BALANCES

Mr. BYRD. Mr. President, I am informed by the Budget Bureau that the total of war and defense authorizations, including appropriations up to July 1, 1942, was \$205,000,000,000. This includes the authorizations as well as the appropriations.

I am informed by the Budget Bureau that, as of July 1, there was available in unexpended balances from appropriations already made the sum of \$163,000,000,000, which is at the call of the officials of the respective departments. That is to say, at any time the various departments of the Government can call upon the Treasury for the expenditure of \$163,000,000,000 without further appropriations. I am not referring to such parts of this amount that may be legally obligated by contracts for matériel and equipment. In addition to this sum, further appropriations are being made from time to time, and already, since July 1, additional authorizations have been enacted to increase this stupendous sum of unexpended balances.

With the assistance of the Budget Bureau, I have prepared a statement showing the expenditures for war purposes from July 1940, and likewise the unexpended balances available for expenditure for each month since July 1940.

This statement shows, Mr. President, that in July 1940, a few days after the fall of France, the United States expended \$194,000,000 for war purposes, and had unexpended balances as of the 1st day of July 1940 of \$7,764,471,929. Since July 1940 the unexpended balances have never been less than seven and one-half billions at any one period, increasing month by month, until in July 1941, 1 year later, the unexpended balances for war purposes amounted to \$32,102,052,926, and this increased on July 1, 1942, to \$163,000,000,000, which is available in unexpended balances for war purposes.

These huge unexpended balances which have existed for more than 2 years are conclusive proof that the Congress of the United States has furnished adequate funds for the proper defense of our country and to prepare us adequately to prosecute the war. If the United States is not now adequately prepared, and was not prepared at Pearl Harbor, it is certainly no fault of the Congress in making available the necessary funds.

Mr. President, I have supported every single appropriation for the defense of our country and the successful prosecution of the war. It seems to me, however, that the time has come to recognize the fact that we have unexpended balances to the credit of the war agencies of the Government that are more than twice as much as these agencies estimate they can spend within 2 years. In order to spend the amount of the unexpended balances, for the next 2 years our war expenditures must average more than \$80,000,000,000, or about seven billions per month; and this is in excess of the estimates which have been made.

I can see no justification for continuing to increase this huge reserve of unexpended appropriated balances, in view of the fact that the President has the right to transfer from one agency to another, and from one purpose to another, the funds already appropriated, providing that such funds have not already been obligated for a specific purpose.

To increase further from month to month this great sum of unexpended appropriated balances, which will take certainly from 2 to 2½ years to spend, simply would mean that Congress would lose control in the exercise of close and proper supervision of such expenditures, which of necessity are virtually blanket appropriations.

Even though not one single dollar additional is appropriated for war purposes, the expenditure of existing appropriations, plus the debt we now have, in simple arithmetic means it is inevitable that the Federal debt will exceed \$200,000,000,000. Our present debt is \$80,000,000,000. Our unexpended appropriated balances are \$163,000,000,000. The total is \$240,000,000,000. This figure does not include expenditures for nondefense purposes.

After the new tax bill is enacted we shall be paying by taxation only about 30 percent of our total expenditures. Therefore, based on appropriations already made, after allowing for nondefense expenditures and after deducting the taxation income for the next 2 years at the rate of \$25,000,000,000 a year, we are cer-

tain to have a public debt of \$200,000,000,000. Unfortunately, that will not by any means be the total debt, as many other appropriations of large amounts will unquestionably be made in the next 2 years. However, even a \$200,000,000,000 debt is something which should cause great anxiety to all persons who believe that the solvency of a democratic government is the foundation stone upon which our representative system of government is based.

I ask unanimous consent to insert in the body of the RECORD a statement, which has the approval of the Budget Bureau, giving the war expenditures since July 1940 and the unexpended balances for each month for all war purposes.

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

Statement of national defense expenditures and unexpended appropriated balances, July 1940 to June 1942, inclusive

(Checked by Budget Bureau)

	Expenditures (in millions of dollars)	Unexpended balances
1940—July.....	194	\$7,764,471,929
August.....	220	7,544,471,929
September.....	237	10,142,752,223
October.....	309	11,380,987,305
November.....	393	10,987,987,305
December.....	494	10,493,987,305
1941—January.....	591	9,902,987,305
February.....	613	9,788,487,305
March.....	773	17,387,999,682
April.....	787	19,008,686,070
May.....	858	18,319,242,070
June.....	833	17,469,175,056
July.....	966	32,102,052,926
August.....	1,129	37,517,779,089
September.....	1,327	36,190,386,406
October.....	1,534	40,800,714,246
November.....	1,446	39,355,111,665
December.....	1,847	47,095,578,301
1942—January.....	2,101	57,520,696,349
February.....	2,201	65,647,165,885
March.....	2,797	93,262,946,204
April.....	3,231	108,994,290,464
May.....	3,553	105,411,614,376
to June 22.....		102,749,506,784
Available July 1, 1942, in cash unexpended balances.....		163,000,000,000

¹ Figures taken from Treasury bulletin and Daily Treasury statements.

² Excludes all appropriations not available until July 1, 1942, and excludes \$453,822 miscellaneous personal claims. These balances represent the cash balances, that is, after deducting the cash expenditures, of course, there are a great many unliquidated obligations standing against all balances.

NOTE.—The statement given above of the unexpended balances available for national defense refers to what may be termed cash balances subject to immediate expenditure. These balances do not include contract authorizations, which will add many billions more to the total of \$163,000,000,000 and available for disbursement for defense purposes on and after July 1, 1942. Neither do these figures include very large sums already appropriated for cargo ships and other items not connected with national defense. The figures given above are the national defense expenditures exclusively, such as procurement of military supplies, construction of camps, payments to soldiers and sailors, etc.

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

Mr. BYRD. I yield.

Mr. PEPPER. I do not profess to be skilled in either private or public finance, Mr. President, but I should like to ask the Senator what he means by the term "unexpended balances."

Mr. BYRD. I mean the sum which has been appropriated and is at the call of the various agencies of the Government at any time those agencies desire to make the expenditure.

Mr. PEPPER. Does that mean that the Secretary of the Treasury has actually sold bonds and has gathered up that much cash and that the cash is waiting in the till of the Treasury?

Mr. BYRD. No; it is an unexpended balance of appropriations.

Mr. PEPPER. Because of that distinction, the unexpended balance does not cost the Treasury any money, does it? We do not have to pay interest on that kind of an unexpended balance, do we?

Mr. BYRD. No; of course not.

Mr. PEPPER. Then, if certain appropriations are simply authorized—appropriations of money which the agencies have not gotten around to using—and if the Treasury has not taken in the cash, what harm is done?

Mr. BYRD. We have made the appropriations, but we do not have the cash. The Senator knows that there are two steps with respect to the making of contracts for public works and equipment: The first is the authorization, and the second is the actual appropriation. I am referring to the actual appropriations which have been made.

Mr. PEPPER. I should like to ask the Senator what harm is done?

Mr. BYRD. I think this harm is done: I think the Congress of the United States should have the opportunity to keep in touch with the expenditures which have been made in the war effort; and if we make appropriations for 2½ years in advance, Congress naturally loses control of those expenditures, which become equivalent to huge blanket appropriations.

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

Mr. BYRD. I yield.

Mr. PEPPER. Would the executive agencies of the Government be justified in making contracts if they did not have available an appropriation with which to pay the obligations they might incur?

Mr. BYRD. Of course not; but I doubt very much the necessity of having unexpended balances of \$163,000,000,000 in order to justify the making of contracts. Unexpended balances in that amount represent total expenditures for at least 2½ years in advance. Last month we spent for war purposes \$4,300,000,000; and at that rate of expenditure we now have appropriated for 40 months, or nearly 3½ years, in advance.

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

Mr. BYRD. I yield.

Mr. PEPPER. I wonder if the Senator can tell us when the money which was actually spent last month was appropriated?

Mr. BYRD. It is impossible to give that information. I can give the Senator the unexpended balance for any month for which he may desire to have that information. On the first of this May we had unexpended balances of \$105,000,000,000. In stating that figure I leave out the odd millions. On the 1st of April we had an unexpended balance of \$108,000,000,000.

Mr. PEPPER. Mr. President, will the Senator allow me to interrupt him further?

Mr. BYRD. I yield.

Mr. PEPPER. I am afraid that what the Senator from Virginia has said does not relate to the point the Senator from Florida had in mind. The Senator from Virginia said that last month we spent \$4,000,000,000.

Mr. BYRD. \$4,300,000,000.

Mr. PEPPER. Very well. My question was, When was the money we spent last month appropriated?

Mr. BYRD. It is practically impossible to furnish that information. I suppose it could be furnished, but it would be very difficult for the Treasury to trace every dollar and to find out when a particular dollar was appropriated for any one month's expenditures.

Mr. PEPPER. Mr. President, if I may say so, does not the Senator's last statement illustrate the error of his reasoning? The money which was spent last month was authorized and appropriated perhaps a year and a half, 2 years, or possibly even 2½ years ago; but the machinery which resulted in that expenditure was set in motion when the appropriation was made. The fact that the money was not completely disbursed until last month does not mean, as the Senator from Virginia suggests, that the Government gets some money one month and spends all of it the next.

Mr. BYRD. The Senator made no statement which would justify the making of such an assertion. No one can tell, without the most infinite amount of bookkeeping, when all the dollars spent last month were appropriated.

Mr. PEPPER. Mr. President, I do not profess to be informed very greatly about it, but is not this the way the governmental machinery works: The departments schedule a program and prepare estimates and then submit them to the Bureau of the Budget and ask for Budget approval of the program which they anticipate having in the future. If the Budget approves it, then they come to the Congress and say, "This is the program which we have outlined and which we should like to put into effect, and which we believe to be in the public interest. We ask for authorization for that program."

Then a little later they ask for the appropriation necessary in order to put the program into effect; and the Congress appropriates the money, which goes to the credit of the particular agencies involved. Then those agencies begin to build that program into reality, based upon the knowledge that although the money is not actually physically available by virtue of congressional appropriation it is legally available to cover the program.

I can well understand that if, just as soon as Congress appropriated the money the Secretary of the Treasury were to rush out and sell bonds and then put so much cash in the till of the Treasury, ready to pay it out on an instant's notice, and if we were to have to pay interest on it, the able junior Senator from Virginia would be quite correct in calling that a great folly, and in saying that we should not pay interest on the money until we need it. But all that these agencies have is money legally set aside

for use in the payment of obligations they incur pursuant to congressional authorization; and from my inexperience I cannot see anything wrong in that.

Mr. BYRD. Mr. President, the Senator from Florida and I differ on that point. The Senator from Virginia believes that \$163,000,000,000 of unexpended balances is an adequate margin, and perhaps more than an adequate margin, for the Government to operate on; and I am calling attention to the fact that other appropriations will soon be requested and, if made, will increase the present unexpended balances.

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

Mr. BYRD. I yield.

Mr. BARKLEY. The Senator has stated that last month the actual expenditures were \$4,000,000,000, I believe.

Mr. BYRD. For war purposes.

Mr. BARKLEY. Yes. I do not know just what that illustrates; because no matter how much money we have appropriated or shall appropriate, the money will be unexpended until the materials are available and ready to be paid for. So there is no particular virtue in pointing to the fact that in any one month \$4,000,000,000 may have been paid. Eight billion dollars might be paid during the next month, and during the following month not more than \$2,000,000,000 might be paid, depending on whether contracts have been consummated and depending upon whether the material is ready to be paid for; because it is not ready to be paid for until it is ready for delivery, except that certain advancements are made under laws which we have enacted.

Of course, I, myself, would not know whether a \$163,000,000,000 backlog of unexpended balances is too much or too little, but I feel that in the prosecution of this world-wide war our Government must have authority to make contracts for the procurement of the necessary supplies whenever they are needed or as fast as they can be produced. Of course, we have appropriated this money, and I imagine that it was not expected that all of it would be expended in 1 year, or perhaps not in 2 years.

Mr. BYRD. The estimates made by the administration are that next year the expenditures for war purposes will be approximately \$70,000,000,000.

Mr. BARKLEY. Yes.

Mr. BYRD. We have appropriated balances of \$163,000,000,000, which is at the rate of 2½ years in advance.

Mr. President, I desire to have this statement inserted in the Record, and I also wish to make clear that in these figures for unexpended balances are not included the amounts already appropriated for cargo ships, which constitute a very large sum, and other items not connected with the national defense. Further, I desire to emphasize that my discussion related to unexpended appropriated balances and not to contract obligations.

Mr. President, I think it is very evident that our fight against inflation has reached a very critical stage.

Once the vicious spiral of inflation is well stated, it is extremely difficult if not

impossible to control it. Courageous and effective action to control inflation cannot be longer delayed without bringing disaster to the country. Short of defeat in war, nothing is more harmful to the institutions of government of a free country than an uncontrolled inflation.

The reasons for this imminent collapse of the control of inflation are very obvious. The problem of inflation has not been met squarely.

The price-control bill did not provide for stabilization of wages; and, as wages are the first and greatest cost in the production of goods, it is perfectly plain that no price control can be effective which eliminates the largest single item of cost.

If we are to avoid the great evils of inflation, we must realize before the inflationary movement which has now started gains greater momentum that one of the main dependencies in the effective prevention of inflation is an all-out control, including every single element of cost, both of labor, agricultural products, and all other elements entering into the cost of the finished article offered for sale. Quick, decisive, and courageous action is imperative if the situation is to be saved.

Mr. President, of course, the control of inflation depends upon many other factors as well, and all of the coordinating factors essential to the control of inflation should be put into operation at the earliest possible time.

It is essential to control the cost of living from spiraling to a point that would bring distress and suffering to millions of our citizens.

The suggested plan to pay wholesale subsidies to civilian business is merely palliative. It would not cure the trouble, but in the end would add immeasurably to the difficulties of restoring the sound conditions of business enterprise after the war.

It is not and cannot be made a substitute for an effective price-control system. It is not necessary if the obvious things are done to prevent inflation. Subsidies will cost billions of dollars, all of which must be borrowed. The spending of borrowed Government money in great amounts is in itself the heart of the inflationary problem. It would place much of the civilian business enterprises of the country under the direct control of the Government and would encourage waste and inefficiency in private business, to be paid for out of the Public Treasury. Let us first give price control an honest trial by including in the control all elements of cost.

Signs are increasing that instead of facing squarely the political dilemma of all-out price control, the administration is considering asking for a general program of vastly costly subsidies. It may appear that they would start on a small scale, but they would regularly increase in cost, and the dictation by the Government to private business would be constantly extended.

For the good of America we must meet the situation intelligently and courageously, and not seek a political compromise on an issue which admits of no compromise. We must not delay.

Mr. President, the New York Times has published an exceedingly able series of editorials with respect to the control of inflation. These editorials are so illuminating, so sound, and replete with such fine logic as to this great problem confronting America that I am asking unanimous consent to have some of them printed in the body of the RECORD as a part of my remarks.

The PRESIDING OFFICER. Without objection, the editorials will be printed in the RECORD.

The editorials are as follows:

[From the New York Times of July 6, 1942]

THE FIGHT ON INFLATION

While the fight surges on two great battlefields, in Egypt and in Russia, and Japanese invasion forces enlarge their foothold on our Aleutian outposts, another decisive battle is in progress on our home front. This is the battle against inflation. Less spectacular than the clash of tanks and ships and planes, it is nevertheless crucial. To lose this fight will weaken us immeasurably. It would impair our economic strength, upon which the ultimate outcome of the military struggle depends. It would leave us, even after armed victory, with a post-war burden of economic and social dislocations that would gravely jeopardize the peace. Yet we are losing that battle.

Ten weeks ago, when time was already short, the President announced the strategy of his campaign against inflation. He listed seven points: Heavy taxes, price ceilings, wage stabilization, farm-price stabilization, increased War bond savings, rationing of all scarce essential commodities, and the paying off of private debts. Of these seven points, only one, the fixing of price ceilings, has been vigorously carried into action. The President and his advisers warned at the time that price ceilings, without wage and farm price stabilization, could not hope to succeed. Last week it was already apparent that the price ceilings were beginning to crack.

The core of this problem lies in the failure of the administration to translate into a program of consistent action the President's own statement that: "Our standard of living will have to come down." That is the key to the inflation fight. Yet at every turn there has been reluctance to recognize what this means.

Thus we have had an administration tax policy which concentrated upon taxing production rather than consumption. It was willing to raise corporation taxes to a level that would have hindered war production, but until late opposed broadening the income tax base and even now is opposed to a sales tax. We have had a National War Labor Board which repeatedly has yielded to demands for higher pay. We have labor leaders close to the administration who insist wages must be increased in order to "maintain and improve" the standard of living. We have a congressional farm bloc which contends that the farmer must not merely be protected from any reduction in his living standard but, by rigid adherence to parity prices, must be lifted to the standard he enjoyed in a highly favorable past period—a standard far above the level of recent decades. Meantime the Treasury insists on a purely voluntary savings program which last month failed to reach its goal and, instead of advocating tax provisions that would encourage the payment of debt, suggests the easy alternative of a moratorium on debt payments. We have rationing of gasoline in the East, but, in the face of an impending crisis in rubber and automobile transportation, we have refused the disagreeable solution of Nation-wide gasoline rationing or any other measure to conserve our slender, vital, stores of tires.

In short, our whole domestic economic program has been handicapped by a refusal to do many of the admittedly necessary things because they are disagreeable and unpopular. The result is a growing bitterness of recrimination in Washington as Congress and the administration engage in a struggle each to fasten the blame upon the other for the impending failure that all foresee.

The President castigates Congress for yielding to the farm pressure group, while Congress criticizes him for yielding to labor's pressure. Price Administrator Henderson blames Congress for refusing him subsidies and cutting down his appropriation, while Congress accuses Mr. Henderson of disregarding its prerogatives and setting up a great bureaucracy. The Treasury blames the House Ways and Means Committee for a tax bill that is "too little too late," while the committee members blame the Treasury for vague, changeable, and arbitrary proposals, which ignored the basic need of restricting consumption.

In two important aspects we are moving to a show-down. The National War Labor Board has before it in the Little Steel case a demand on the part of workers enjoying far better than average pay for \$1 a day more to meet the recent increase in living costs. If it grants that demand, it will have destroyed the last vestiges of the President's wage program and opened wide the gates to inflation. The Senate and the House are deadlocked over the question of permitting Government sales of surplus wheat at less than parity. If the administration loses that fight, the President's farm price stabilization program is lost. These two tests are separate, yet related. The President cannot hope to bring the farm bloc to his side if he permits the National War Labor Board to defy him. Wages cannot be stabilized if farm prices are to continue being jacked up.

The fight against inflation also demands tears and sweat. The attempt to avoid them has led only to muddles and mismanagement. The President's neglected program against inflation must now be carried into action bearing in mind the fundamental truth he stated when he said our standard of living would have to come down. We cannot afford to temporize any longer. This is a battle as decisive in its way as the great battles on the military fronts. It must be won now.

[From the New York Times of July 8, 1942]

WHY INFLATION IS WINNING

The mounting difficulties which confront the administration and Congress in their half-hearted fight against inflation are the result partly of lack of courage, partly of lack of understanding. They are still trying to remove the symptoms of inflation while they neglect its fundamental cause. That cause is the growing excess of consumer purchasing power compared with the supply of civilian goods. There are several ways of dealing with this cause. One would be to encourage an increase in the production of war and civilian goods by removing the restrictions of the 40-hour week. This the administration has refused to do. It denies that the hour provisions of the wage-hour law reduce production or even restrict hours, notwithstanding that the Government's own figures still show that, even adding in the high hours in many war industries in which the penalty overtime rates are really paid by the Government, the average hours worked per week in manufacturing industries in the latest month for which statistics are available were only 42.4.

A second way of dealing with the basic cause of inflation would be to siphon off the excess purchasing power in the hands of consumers through increased taxes and compulsory savings. Congress is imposing

greater taxes, but these fall heavily on production rather than consumption, and leave most of the new wartime income in the hands of the bulk of the people still largely untouched. The administration still shies off from a sales tax or from compulsory savings.

A third way of dealing with the cause would be to reduce the nondefense expenditures of the Government which pour part of the excess purchasing power into the country. A few steps have been taken in this direction—in regard to the Work Projects Administration and the Civilian Conservation Corps, for example—but far more indefensible expenditures are left untouched, while farm subsidies of certain types remain scandalously high at precisely the time when there is least excuse for them.

Having failed to deal courageously with basic causes, the administration and Congress have spent a great deal of time in trying to remove some of the more obviously unpleasant symptoms. They have dealt with some of these on a far wider scale than is either necessary or wise. If the basic causes of inflation were removed, it would be necessary to fix prices only on a small group of Government or civilian necessities. But the administration has imposed general price ceilings on semiluxuries, as well as necessities. As long as the basic cause of inflation is not removed, these ceilings must do more harm than good. They conceal the truth about shortages. To allow excess purchasing power to accumulate while holding prices down by Government edict can only mean that scarcities will occur sooner than otherwise.

While dealing drastically with prices (always excepting those of farm products), the administration has dealt very gingerly with wages. But it is becoming increasingly obvious that the two are inseparable, and must be dealt with in the same manner. To the extent that ceilings are fixed for prices there must be corresponding ceilings for wages; otherwise the whole program must collapse. Yet the Government, for political reasons, has been applying different policies to the two things. For prices there are ceilings, definite and unmistakable; for wages there is only something vaguely called stabilization.

This stabilization has finally become so full of qualifications and exceptions that it is impossible to know what it means; nor does the administration or any of its agencies offer any help. The only thing that is clear is that every qualification and exception is upward. Spokesmen for the National War Labor Board are for stabilization, but, of course, substandard wages must be raised. Yet nowhere have they ventured to give a clear, unmistakable definition of a substandard wage. How much exactly is the standard wage by which the substandard is measured? Exactly what percentage of the workers are now getting substandard wages which must be corrected? The National War Labor Board has never ventured an answer.

But if a group of workers cannot prove that their wages are substandard, they need not despair of getting an increase from the National War Labor Board. They can get in under another qualification, which is to "eliminate inequalities in various classifications" of wages. Unless this means that everyone should get the same wage, then exactly what it does mean, exactly how such inequalities are determined, has never been stated. The one point that is clear is that such inequalities are always corrected by raising one set of wages, never by lowering another. This process could go on indefinitely. The National War Labor Board panel found no difficulty in arriving at the conclusion that wages in the "little steel" companies should be raised, even though they are already far above the average wage in manufacturing industries.

All this may seem like the politically expedient thing to do at the moment. What

is certain is that it is precisely the way to lose the battle against inflation.

[From the New York Times of July 11, 1942]

SUBSIDIZING INFLATION

Out of the confusion of congressional maneuvering over farm legislation there is emerging a pattern—the pattern of the worst farm bloc bargain yet. Out of that pattern emerges also fresh evidence that the administration is not giving courageous support to its own program for control of the cost of living.

The Senate, while ostensibly supporting the President's stand for the sale of Government-held surplus grains below parity, has passed with the tacit approval of the administration a bill requiring the Government to make nonrecourse loans on six major farm crops at full 100 percent of parity. The House Agricultural Committee, while still holding out against subparity sales of Government-held surpluses, has approved with alacrity the bill for 100 percent parity loans. The inference is that the House, being assured of full parity prices for the farmer, will now yield on some modest amount of subparity sales. Thus the administration will obtain an apparent triumph, but it will have secured a modest weapon against inflation at the cost of the biggest inflationary coup yet scored by the congressional farm bloc.

Some idea of the unequal character of the trade may be obtained from these facts: The authorization for subparity sales which the House has been refusing to pass would permit the Commodity Credit Corporation to dispose of 125,000,000 bushels of wheat at a price equal to about 83 cents a bushel, or 13 cents under the average price received by farmers last month. The administration says that failure to obtain permission for these subparity sales will result in an increase in the cost of living of \$1,000,000,000. But the 100-percent parity loan bill means, in the case of wheat alone, the marking up of this year's crop of 900,000,000 bushels by 38 cents a bushel, to the full parity level of about \$1.34.

Yet the administration seemingly approves this deal. The Senate passed the bill for 100 percent of parity loans only after Senator BARKLEY, the majority leader, had emerged from a conference with President Roosevelt to announce that the administration had taken no position on it but that he, as an individual, would vote for it. Representative FULMER, chairman of the House Agricultural Committee, asserted that the parity loan bill had the approval of the Secretary of Agriculture and that Budget Director Smith, representing the President, had virtually given his complete approval. Moreover, the President, on Thursday, while issuing another rebuke to Congress for refusing to permit subparity sales, was silent on the matter of 100-percent parity loans.

If all this means what it seems to mean, we are confronted with a new tack in the administration's cost of living program. Apparently, farm prices are to be allowed, or rather forced, to rise to full parity. The farmer is to be guaranteed, in the case of wheat, a further 40 percent increase in his price. But the direct inflationary effects of this upon the cost of living are to be tempered by having the Government, at the same time that it is making loans of \$1.34 a bushel, sell wheat back to the farmers for feed at 83 cents a bushel. In effect, the farmer is to get the most he ever asked for, but the consequences are to be absorbed in a Government subsidy.

This extraordinary plan reflects a new light on another aspect of the administration's program. It has been doing nothing to arrest the steady rise of wages, which are raising costs and making it impossible to hold price ceilings. But it has been de-

manding of Congress funds to subsidize those lines of business which cannot meet the rising wages and still hold their prices down. Here, tentatively at least, are the outlines of a formula for "controlling" living costs that fits the pre-war New Deal perfectly. Labor and farm pressure groups are to be placated; no one is to be "discomboomerated." The whole problem is to be solved by that well-known panacea, more Government spending.

If this is the plan, it is the most extraordinary scheme for meeting the demands of war yet to emerge. It can only result in adding enormously to the expenses of government and further swelling the stream of Government spending of borrowed money, which is the very source of our whole inflation problem. It grasps at the illusion that labor and the farmer can be spared a shrinkage in their living standards in the face of a shrinkage of the material things that comprise those living standards. It is a proposal to pour gasoline on the fires of inflation, which might temporarily damp down the outward signs but must eventually make the damage infinitely worse. This is no program to control inflation. It is a plan to subsidize it.

[From the New York Times of July 23, 1942]

WHAT MAKES INFLATION

We have yet to see anyone demonstrate how it is possible to continue to increase wages in the face of a growing scarcity of goods without bringing on inflation. Nor have we heard anyone contend that inflation is from labor's standpoint a satisfactory means of achieving "equality of sacrifice." Yet it is constantly being argued that to restrain wage increases would violate the principle of equality of sacrifice. Elsewhere on this page we publish a letter from a correspondent who defends the demands of the workers in Little Steel for higher wages on this ground. He cites as justification for higher wages in Little Steel the facts that executives of two of the companies involved received large increases in remuneration last year and the profits of the companies have increased.

From the standpoint of combating inflation these arguments are irrelevant. From the standpoint of tracking down the truth of our inflation problem they are nothing more than red herring. Is it contended that the higher salaries of a few large corporation executives and the higher profits of corporations are themselves so inflationary as to render any sacrifice by labor futile? Or is it, perhaps, argued that eliminating these factors would solve the problem of inflation without the need to restrain wages?

Let it be said at the start that the big executive who seeks to enrich himself out of the war is both foolish and unpatriotic. But his chances of getting away with it are practically nil. The Treasury has announced a policy of disallowing unusual and excessive salaries and bonuses. The new tax bill is calculated to catch the major part of what the Treasury lets by. Under these conditions it is completely misleading to refer to salaries of the magnitude of \$275,000 and \$357,000 as though those amounts were actually at the disposal of the recipients. In the case of the latter sum, if it is duplicated this year, the Government will get at least 80 percent of it. Exactly how much will be taken for taxes cannot be determined without knowing the full details of other income, but it is probably safe to say that less than \$70,000 will be left when the tax collector gets through. This is a far cry from \$357,000.

It can be argued that no man is entitled to as much as \$70,000. But in our judgment, the American people are not prepared to depart so far from their traditions as to set any specific limit beyond which it is "im-

moral" for a man's income to go. Equality of sacrifice does not mean equality of income. But apart from this, how inflationary are such salaries? The relatively small number and amount involved was strikingly shown by the Treasury's figures with respect to the President's proposal for a ceiling of \$25,000 on individual incomes. These showed that only 11,000 individuals and married couples and only \$184,000,000 of income would be involved. Contrast this with the inflationary gap of \$30,000,000,000 which Secretary Jones says will exist next year between consumer incomes and the supply of goods available. It is absurd to suppose that our inflationary problem could be solved even by taking away every cent of income from the highest-paid executives.

II. As for the question of corporation profits, it is true that in some cases they have increased—before taxes. But here, again, it is misleading to forget the great change being wrought by the tax collector. In the first quarter of this year a representative group of corporations tabulated by the National City Bank showed that in spite of a large gain in gross, net income after taxes was down an average of 25 percent. Reports for the first half of the year which have begun to appear in the past week indicate a continuation and acceleration of this trend. As an example, the report of the General Electric Co., just published, shows that in the face of an increase of 37 percent in net sales billed, the earnings after taxes have fallen 21 percent from last year.

Here, again, even if corporation profits were not being rapidly cut down by taxes, how inflationary would such profits be? Corporations themselves do not compete in the consumption of scarce civilian goods. They are not consumers. Their increased profits would be inflationary only to the extent that they flowed out in increased dividends. In that case they would in large part be subject also to the highest tax rates. But the facts are that dividends are being cut right and left.

Labor has used the argument that higher wages can be paid out of these increased profits at virtually no cost to the companies because the sums involved are merely deducted from taxes that would otherwise go to the Government. Here is the most fallacious argument of all. It means that money that would otherwise go to meet the costs of the war, and to reduce the amount of inflationary borrowing that Government must do, should be turned loose as additional consumer spending power to compete for the dwindling supply of consumer goods. The best answer to that argument was given last week by Richard Gilbert, Deputy Administrator of the Office of Price Administration. He told the aircraft wage conference on the Pacific coast that industry's wartime profits "are not labor's to demand; nor industry's to give away in the form of swollen salaries of management, unwarranted dividends, or wages. They belong to the Government."

If inflation comes it will not come because a few men have received large salaries or because the Government has permitted a few men to make fat, unconscionable fees from war contracts. It will come because the purchasing power of the whole country, flowing out chiefly in the form of higher wages, has increased out of all proportion to the volume of goods and services available. And if inflation comes it will not be the corporations that will be reduced to misery and privation. It will be the workers whose high wages will buy less and less the higher and higher they go.

[From the New York Times of July 27, 1942]

AN ANTI-INFLATION PROGRAM

The only possible way in which we can hope to head off inflation is by a well-rounded program that sees the problem as a whole and deals with it as a whole. The first step in

that program is to remove excess purchasing power from the hands of the whole public. This must be done on the principle of equality of sacrifice. No solution is possible if we favor the interests of special groups, or protect those groups from the sacrifices that must be imposed on everybody else. We must look at the problem always from the standpoint of the whole country.

I. A rounded program seriously intended to combat inflation must begin with taxation. The main purpose of that taxation would be to drain away excess purchasing power in the hands of the people (above the available supply of civilian goods) and turn it over to the Government. To the extent that the Government fails to do this inflation is inevitable, and if dammed up in one direction it will only reflect itself all the more violently in others.

The task is enormous, even if performed with the utmost care and skill. We are told that the Government expects to spend in the current fiscal year \$77,000,000,000. (The President himself told us, on April 27, that "a sum equal to more than half of the entire national income will be spent in the war effort." This seems a conservative estimate, when we recall that the entire national income was estimated by the Government at slightly less than \$77,000,000,000 in 1940.) In comparison with this figure, it is estimated that the total Federal income for the current fiscal year, even with the new tax bill just passed by the House, will be only about \$23,000,000,000. This would be only 30 percent of Government expenditures, leaving a deficit of \$54,000,000,000 to be met by borrowing. Whatever part of this latter sum is not raised out of additional taxes or real savings by the people must go to produce inflation.

Nothing could show the inadequacy of the new tax bill as an anti-inflation measure more clearly than these figures. The personal-income-tax section of the bill, for example, still rests on the assumption that the great bulk of the necessary revenue can be raised from a small minority of the population. This is hopelessly untrue. As Prof. Harley L. Lutz pointed out in a letter on this page on July 16, the total gross income received by persons with net incomes of \$5,000 and over in 1940 was only 14 percent of all income payments. The lesson of these figures is not higher surtaxes on a few high incomes, but higher normal taxes with very low exemptions.

A withholding tax of 5 percent on all income payments of wages, dividends, and bond interest, beginning on January 1 of next year, to be raised to 10 percent in the following year, is already included in the present bill. Senators are already protesting against this withholding tax, but compared with the size of the job we have to do, it is actually too low for the first year.

A retail sales tax and compulsory savings are no longer avoidable. This retail sales tax might at first be at a low rate—say 1 or 2 percent—until the main administrative problems have been solved and we have had some experience with it. But sales taxes on luxury goods not already included in excise taxes might begin at much higher rates than this.

Compulsory savings might also be at first at a low flat rate—say not more than 5 percent until we have had similar experience.

Because of the kind of political pap on which we have been fed, such a program would doubtless come as a shock to many people, and particularly to most Congressmen. But the truth is that it would still be inadequate to prevent inflation. It would merely be a little closer to the realities of the situation than the present program. It is of the first importance that we get an early start on these additional methods of raising revenue, however, if we are to catch up with realities before it is too late.

II. To place our emphasis on price fixing, instead of on draining away excess purchasing power, is to ignore the basic cause of the disease and to try to cure only the symptoms. If excess purchasing power were removed, it would be necessary to fix price ceilings only on a few particularly scarce necessities, which would, of course, then be subject to rationing. In attempting to fix general price ceilings, while hardly touching excess purchasing power, the administration has encouraged a quicker draining away of goods from merchants' shelves, and may soon find itself obliged to ration all sorts of goods that there ought to be no need for rationing.

The administration and Congress must abandon the effort to apply different criteria to industrial prices and farm prices, and different principles of control to prices and wages. In his message of April 27 the President declared plainly that "we must fix ceilings on the prices which consumers, retailers, wholesalers, and manufacturers pay for the things they buy." But he applied only the vaguer and ambiguous word "stabilize" to farm prices and to wages. This distinction cannot be made. Wages are the biggest single element in costs and prices. They must be treated alike or the system of control must break down. If wages are only to be stabilized, then prices can only be stabilized, but if prices are to be frozen, then wages must be frozen.

Further, there must be no discrimination in favor of any group or class. In the matter of price and wage fixing, a favor to one group is an injury to all other groups, because it can only be at their expense. A fair formula for farm prices could either freeze them as of the same period that industrial prices are frozen, or it could adopt some reasonable pre-war parity. Such a standard has been chosen for corporation taxes. The Government has decided that the 4 years 1936 to 1939, inclusive, can be taken as the standard for corporation pre-war earnings.

Profits above the average of that period are called excess. Suppose this were taken as the period for determining farm parity? In the 4 years 1936 to 1939 farm prices were only 82 percent of the political parity that has actually been chosen—the comparative level of farm prices in the extraordinarily favorable period (for the farmers) of 1909 to 1914. The existing political parity is therefore 22 percent in excess of the chosen corporation parity. It is 34 percent above if we take 110 percent of the political farm parity as the goal. No equitable system of determining pre-war standards of prices or income can select different bases for different products.

III. One further way to reduce the danger of inflation and at the same time to improve the welfare of the country and increase its war potential is to remove the artificial scarcity of labor imposed by the 40-hour week. If, during the war, the basic working week were increased to 48 hours before the penalty overtime rates were imposed, it would be equivalent to a 20-percent increase in the labor supply at current wages.

Other steps to curb inflation are encouragement for the reduction of private debt, further economies in Government in nondefense spending, and an efficiency in war spending that does not pay out huge sums for making the wrong things.

The anti-inflation program here outlined is an economic program, not a political one. It is set forth as the way to prevent a huge inflation, not as the way to win the 1942 elections. The course it recommends runs counter at many points to the slogans that political demagoguery has developed in recent months. But if this course is not followed, the country will be plunged into a demoralizing inflation, and the responsibility for that inflation will be clear.

[From the New York Times of July 26, 1942]

THE NATURE OF INFLATION

As a nation we are united in declaring that we must not have inflation. As individuals and in groups we still cling to the hope that somehow we can escape the sacrifices necessary to avert inflation. Labor does not want inflation; but it does want higher wages. Agriculture does not want inflation; but it does want parity prices. Business does not want inflation; but it does want higher income. Congress and the administration do not want inflation; but, for political reasons, both hesitate to ask the country for the self-denial needed. All this suggests that, as a nation, we do not yet fully understand the problem or are still unwilling to face the plain conclusions to which such an understanding leads.

The nature of our inflation problem is not hard to understand. The facts are plain and undisputed. In contrast to the past depression years, our country is almost fully employed. Total employment now exceeds 50,000,000, the largest in our history. Wages are higher; earnings and pay rolls have attained the highest points on record. As a nation we are earning more money than ever before. As a nation we are producing more than ever before. But more than half of our productive energies are going into armaments. Of civilian goods we are producing less and less. We shall have the highest income in our history; but we shall soon have no more goods on which to spend that income than we had in the depression year 1932, when millions of our people were out of work. In short, we are confronted with the problem of lots of money to spend and little upon which to spend it.

This gap between the total of our income and the total value of the goods and services available will next year reach a figure of \$30,000,000,000, according to Secretary Jones. There is the core of our inflation problem. It does not take a great deal of imagination to see that such a situation, if continued, must result in prices being forced higher and higher until at length the prices of the limited amount of goods and services available equal the volume of money seeking to buy those goods and services.

In theory there could be two ways of meeting this situation. We could stop devoting more than half our energies to war and start in turning out civilian goods again. But such a solution is obviously unthinkable. On the contrary, we are resolved to go ahead increasing our production of war goods, even at the cost of further cutting down civilian output. The other, and only practical solution, is to cut down our purchasing power to fit the quantity of goods and services available. In the abstract nearly everyone accepts this proposition. But all too many of us try to duck its real meaning.

It means, first of all, that we must be prepared to have less of the things we ordinarily eat and wear and use. It means, in short, a general reduction of our living standards. That is inevitable, whether or not we are to escape inflation. It means, in the second place, that we must be content to see this cut in our living standards brought about through a reduction in our purchasing power. If a man's weekly wages will still buy for him today as much as they would buy a year ago, he has had no reduction in his purchasing power and consequently no reduction in his living standard. Here is the point where many of us hate to face the facts. We all agree there must be sacrifice. Then when prices rise we ask for higher wages to offset the rise of living costs.

But if living costs have been offset there is no doing without, no sacrifice, no reduction in living standards. To the extent that we, as individuals, maintain our purchasing power unchanged and hence maintain our

living standards, while the living standard of the Nation is declining, someone else has had to take an extra sacrifice to compensate for our shirking.

The same principle applies to other forms of income besides wages. It clearly applies to the farmer. If the farmer is to have parity, his purchasing power is undiminished. If the corporation executive is to have bonuses and the businessman to reap higher profits, they also are seeking to maintain their purchasing power and to avoid a cut in living standards.

Whether we like it or not, our living standard as a nation must come down. Whether we like it or not, our purchasing power as a nation will have to come down too. If we do nothing about it, the matter will be taken care of automatically. Prices will rise, money will buy less, purchasing power will fall. In short, we shall have inflation. That is perhaps the easier way for men in public office who want to shirk responsibility. But in the long run it is much the harder way for the country.

The other way is to take steps to control purchasing power. That means preventing a further expansion of income and also taking away a part of the surplus income that already exists. It is not a remedy that can be applied to one group and not to another. Inflation is a total problem. If it comes, we shall all suffer. If it is to be avoided, we must all sacrifice.

Mr. BARKLEY. Mr. President, I shall object to any further speeches until we get through the morning business. We have not concluded the morning business as yet, and, while I do not complain as to what has happened up to now, we have a morning hour, and, constructively speaking, Senators have been proceeding by unanimous consent. I hope we can go ahead with the morning business, and conclude it.

Mr. THOMAS of Oklahoma. Mr. President, a parliamentary inquiry.

The **PRESIDING OFFICER.** The Senator will state it.

Mr. THOMAS of Oklahoma. What is the pending business before the Senate?

The **PRESIDING OFFICER.** The pending order is the introduction of bills and joint resolutions.

Mr. THOMAS of Oklahoma. Mr. President, I wish to serve notice on the Senate that whenever speeches or statements are made indicating that we are in a spiral of inflation, when that is not the case, I shall call the attention of the Senate to the facts. We are not now in a spiral of inflation. Instead of prices now rising, prices on the average are falling. That statement is based upon the average price of some 900 commodities used by the Bureau of Labor Statistics in computing its weekly index number.

On July 11, the price level was 98.5; and on July 18, the price level had fallen to 98.3, which means that in the week, instead of prices rising, prices, on the average, fell two-tenths of 1 percent. I do not have the average for the most recent week; it will be released today.

Every time a Senator rises on the floor, and makes a statement or puts a "scare" in the **CONGRESSIONAL RECORD** indicating that we are now in a spiral of inflation, I shall take advantage of my opportunity to place in the **RECORD** the latest price levels. Until the price level rises to 100, no one will be able to convince me that

inflation has arrived. Today this country is still in deflation, and will be until the price level reaches 100. There must be a dividing line between deflation and inflation and until the price level reaches 100 deflation will be with us still. It has not reached that point yet by more than 1 percent. I shall take occasion to keep the country advised, if the people read the **CONGRESSIONAL RECORD**, as to the facts with respect to this matter.

BILLS INTRODUCED

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

(**Mr. VANDENBERG** introduced Senate bill 2684, which was referred to the Committee on Military Affairs, and appears under a separate heading.)

By **Mr. REYNOLDS**:

S. 2685. A bill to provide that promotions to higher grades of officers of the Army of the United States, or any components thereof, shall be deemed to have been accepted upon the dates of the orders announcing such promotions, and for other purposes; and

S. 2686. A bill to amend the act of May 19, 1926, entitled "An act to authorize the President to detail officers and enlisted men of the United States Army, Navy, and Marine Corps to assist the governments of the Latin-American republics in military and naval matters"; to the Committee on Military Affairs.

By **Mr. CHANDLER**:

S. 2687. A bill to provide for the payment for accumulative or accrued annual leave to certain employees of the United States, its Territories or possessions, or the District of Columbia, who voluntarily enlist or otherwise enter the military or naval forces of the United States; to the Committee on Civil Service.

MARTINA CUTCH

Mr. HAYDEN submitted the following resolution (S. Res. 280), which was referred to the Committee to Audit and Control the Contingent Expenses of the Senate:

Resolved, That the Secretary of the Senate hereby is authorized and directed to pay from the contingent fund of the Senate to Martina Cutch, sister of Joseph Spriggs, late a laborer of the Senate under supervision of the Sergeant at Arms, a sum equal to 6 months' compensation at the rate he was receiving by law at the time of his death, said sum to be considered inclusive of funeral expenses and all other allowances.

ARTICLE BY SENATOR CAPPER ON PARITY PRICES FOR FARM PRODUCTS

[**Mr. CAPPER** asked and obtained leave to have printed in the Appendix an article written by him and published in the New York Times of July 19, 1942, explaining parity prices for farm products, which appears in the Appendix.]

SUGGESTIONS BY CHARLES HALL DAVIS FOR THE BASES OF A SOUND AND LASTING PEACE

[**Mr. BYRD** asked and obtained leave to have printed in the **RECORD** a statement prepared by **Mr. Charles Hall Davis**, of Petersburg, Va., entitled "Suggestions for the Bases of a Sound and Lasting Peace and for the Establishment of an Ordered and Free World of Liberty-Loving Peoples," which appears in the Appendix.]

THE CHINESE A NOBLE RACE—EDITORIAL FROM THE CATHOLIC TRANSCRIPT

[**Mr. MALONEY** asked and obtained leave to have printed in the Appendix an editorial

entitled "A Noble Race," published in the Catholic Transcript of July 23, 1942, which appears in the Appendix.]

The **PRESIDING OFFICER.** Morning business is closed.

MESSAGE FROM THE HOUSE

A message from the House of Representatives, by **Mr. Swanson**, one of its clerks, informed the Senate that **Hon. ALFRED L. BULWINKLE**, a Representative from the State of North Carolina, had been elected Speaker pro tempore during the absence of the Speaker.

The message announced that the House had passed without amendment the bill (S. 2604) granting the consent of Congress to the States of Colorado, Kansas, and Nebraska to negotiate and enter into a compact for the division of the waters of the Republican River.

The message also announced that the House had passed the bill (S. 2642) to amend section 219 of the Interstate Commerce Act, as amended, by changing a reference to "such part" to "this act" and to amend subsection (b) of section 417 of the Interstate Commerce Act by changing a reference therein from "carrier" to "freight forwarder", with amendments, in which it requested the concurrence of the Senate.

The message further announced that the action of the Speaker in signing the enrolled bill (H. R. 7297) authorizing the assignment of personnel from departments or agencies in the executive branch of the Government to certain investigating committees of the Senate and House of Representatives, and for other purposes, had been rescinded, and that, in compliance with the request of the Senate, the engrossed copy of the bill was returned to it.

The message also announced that the House had severally agreed to the amendments of the Senate to the following bill and joint resolution of the House:

H. R. 6818. An act authorizing the temporary appointment or advancement of commissioned officers of the Coast and Geodetic Survey in time of war or national emergency, and for other purposes; and

H. J. Res. 246. Joint resolution to authorize the Maritime Commission to sell two merchant vessels to the Government of Ireland.

ENROLLED BILLS SIGNED

The message further announced that the Speaker pro tempore had affixed his signature to the following enrolled bills, and they were signed by the Vice President:

S. 2322. An act to extend the time limit for cooperation between the Bureau of Reclamation and the Farm Security Administration in the development of farm units on public lands under Federal reclamation projects;

S. 2440. An act for the relief of the Bridgeport irrigation district;

S. 2456. An act to amend the act approved February 4, 1919 (40 Stat. 1056), entitled "An act to provide for the award of medals of honor, distinguished-service medals, and Navy crosses, and for other purposes," so as to change the conditions for the award of medals, and for other purposes;

S. 2600. An act to expedite the prosecution of the war by making provision for an increased supply of rubber manufactured from alcohol produced from agricultural or forest products;

S. 2645 An act to amend article of war 50½.

H. R. 6217. An act to amend section 13 of the Classification Act of 1923, as amended; and

H. R. 7100. An act to amend the act entitled "An act authorizing vessels of Canadian registry to transport iron ore on the Great Lakes during 1942," approved January 27, 1942 (Public Law 416, 77th Cong.), to continue it in force during the existing war.

AMENDMENT OF DISTRICT OF COLUMBIA BLACK-OUT LAW

Mr. BARKLEY. Mr. President, acting on behalf of the Senator from Nevada [Mr. McCARRAN], chairman of the Committee on the District of Columbia, I report favorably from that committee, without amendment, House bill 6963, and I submit a report (No. 1567) thereon. The bill proposes to amend the black-out law of the District of Columbia. It is the desire of the Senator from Nevada that I ask unanimous consent for the present consideration of the bill. It has been unanimously reported by the District of Columbia Committee; it contains some amendments to the District black-out law which have been found necessary due to the experience in black-out in Washington up to the present time.

The PRESIDING OFFICER. The bill will be read by title for the information of the Senate.

The LEGISLATIVE CLERK. A bill (H. R. 6963) to amend the act entitled "An act to authorize black-outs in the District of Columbia, and for other purposes," approved December 26, 1941, and for other purposes.

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.

ESTABLISHMENT AND DEVELOPMENT OF NAVAL SHORE ACTIVITIES

Mr. WALSH. Mr. President, there are on the calendar several bills which have been reported by the Committee on Naval Affairs. The Navy is anxious to have action upon several of them. Therefore, I should like to call up at this session four of the bills and allow the other four to remain on the calendar until a later date, as they are not imperative.

The first bill I should like to call up is the very last bill on the calendar, House bill 7419, Calendar No. 1617, authorizing the Secretary of the Navy to proceed with the construction of certain public works. I ask unanimous consent for the immediate consideration of the bill.

The PRESIDING OFFICER. The bill will be stated by title for the information of the Senate.

The LEGISLATIVE CLERK. A bill (H. R. 7419) to authorize the Secretary of the Navy to proceed with the construction of certain public works, and for other purposes.

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

Mr. McNARY. Mr. President, I listened to the very timely, philosophic, and indisputable argument of the Senator from Virginia [Mr. BYRD], wherein he

stated that \$163,000,000,000 which have been appropriated are held in reserve, unexpended. I should like to ask the distinguished Senator from Massachusetts, in charge of the bill, which he desires to have considered, is it simply an authorization bill, and does it not come under the criticism which was leveled by the able Senator from Virginia? Cannot the money which was heretofore appropriated or authorized and the power given to the President be transferred for the purpose contemplated by the bill without further authorization?

Mr. WALSH. In my opinion, it cannot be. Of course, consent has not as yet been given to consider the bill, but it is perfectly proper for the Senator to ask the question before consent is obtained.

The Committee on Appropriations when asked to appropriate a given sum of money for the building of a battleship, costing \$80,000,000, appropriates only the amount needed for the next fiscal year, but the amount appropriated is available until expended. It takes 4 years to build a battleship, and only a portion of the \$80,000,000 is spent the first year; another portion is spent the next year, and another portion the third year. While such a procedure may not account for all the unexpended balance, it accounts for some of the unexpended balance to which the Senator from Oregon and the Senator from Virginia refer.

I do not desire it to be inferred that I am unsympathetic with the views expressed by the Senator from Virginia [Mr. BYRD]. There seems to be a vast amount of money which is unexpended, but there are many reasons why some of it has not been expended to date.

The bill which I am now seeking to have the Senate consider is merely an authorization bill, as the Senator knows, and, in order to have the bill become effective, in order to provide the public works which the bill contemplates, it will be necessary to go before the Committee on Appropriations and ask for appropriations for each of these activities and receive the approval of the Committee on Appropriations.

Mr. McNARY. Mr. President, in my judgment, that explanation does not explain the point I was attempting to make through inquiry. Of course, this is an authorization bill, and provides for the eventual expenditure of \$974,000,000, which is practically a billion dollars.

Mr. WALSH. Yes.

Mr. McNARY. I am propounding these questions only because of the very able and revealing statement made by the Senator from Virginia [Mr. BYRD]. He says we have unexpended balances of \$163,000,000,000. It would seem to me that out of that fund this billion dollars might well be taken without a further authorization, to be followed by an appropriation.

Mr. WALSH. Would the Senator recommend an amendment to the bill providing that this authorization money should be taken from unexpended balances, and thus deny the Committee on Appropriations an opportunity to make an examination of the expenditures authorized in the bill?

Mr. McNARY. That does not at all answer the question.

Mr. WALSH. How could it be done otherwise?

Mr. McNARY. I am asking the Senator from Massachusetts, who is chairman of the Committee on Naval Affairs. This is a very large sum, and he is asking unanimous consent for the consideration of the bill.

Mr. WALSH. Yes.

Mr. McNARY. I have not given my consent by any means.

Mr. BARKLEY. Mr. President, will the Senator yield to me to make an inquiry in that connection?

Mr. McNARY. I yield.

Mr. BARKLEY. Have the items authorized in the bill referred to been heretofore authorized in any previous bill, and have appropriations been made, or could they have been made?

Mr. WALSH. No.

Mr. BARKLEY. Of course, we realize that in appropriating money the Committee on Appropriations bases its action on authorizations previously made by Congress. If the appropriations heretofore made, based upon authorizations heretofore granted, contemplated this expenditure, and included it, the Senator from Massachusetts would not be here with this bill, I imagine.

Mr. WALSH. That is certain.

Mr. BARKLEY. The Senator is here asking this authority because no previous authority has been given for the expenditure provided for, and, therefore, no previous appropriation has been made for this purpose.

Mr. WALSH. As I understand, no authority exists to take out of unexpended balances the money necessary to carry on these public works. Certainly no department should have the right to drain from unexpended balances where Congress has not been consulted and authorized or approved of naval or other projects.

Mr. McNARY. The point I am trying to develop is that if the tremendous sum of \$163,000,000,000 has been appropriated, we need not go further than a mere authorization, and I asked the Senator whether he thought that if the projects contemplated by the bill were authorized, we had already appropriated sufficient money to take care of the authorization.

Mr. WALSH. In my opinion, there has not been any money whatever appropriated to take care of the authorization fixed in the bill to which I am referring.

Mr. McNARY. What is the \$163,000,000,000 to be used for?

Mr. WALSH. I am not a member of the Committee on Appropriations, but I suppose the money is all tagged, and that there is a definite purpose fixed by law, with the approval of the Congress for which every dollar is to be used.

Mr. THOMAS of Oklahoma. Mr. President, will the Senator yield?

Mr. WALSH. I yield if I have the floor.

Mr. McNARY. Who has the floor?

The PRESIDING OFFICER. The Chair recognized the Senator from Massachusetts and he yielded.

Mr. WALSH. I do not wish to take the Senator from Oregon off the floor.

Mr. McNARY. That is all right; I will get the floor.

Mr. THOMAS of Oklahoma. What happens with reference to Navy Department appropriations is similar to what occurs in reference to the War Department. The last War Department bill carried a total of \$42,820,000,000. Of that sum, only \$2,000,000,000 was appropriated for the construction of facilities, training camps, and things of that kind. The balance of the money was appropriated to take care of the expenses of the Army for food, transportation, and equipment, and for a very large number of planes and a very large number of tanks. Of course, the money for the planes will not be spent until the planes are built, and the money for the tanks will not be paid out until the tanks are built. The tanks cannot be completed immediately; it will take many months to build them. So that while the money is carried in the bill, it cannot possibly be expended for months and perhaps for a year or a year and a half.

While I am not on the Committee on Naval Affairs, if I understand the bill for which the Senator from Massachusetts has asked consideration, it provides for the expansion of existing facilities, so that they may be made larger and broader, and provides also for the construction of new facilities. For obvious reasons the bill cannot recite just where the plants which are to be expanded are located and where the new facilities are to be constructed. It is difficult for a Member of the Senate to contact the departments and find out what they contemplate. The rule is that when the departments locate an establishment in some State, they notify the Senators from that State, and perhaps the Representative from the particular district, that they have taken such action.

Mr. WALSH. I wish the Senator would indicate to the able Senator from Oregon what the difficulty might be in having this authorization taken from the prior appropriations for other projects.

Mr. THOMAS of Oklahoma. I was coming to that. From my viewpoint, the Navy Department cannot locate a single new facility unless it is authorized so to do. Under the emergency the Navy Department cannot state where the facilities are to be located, nor even the nature of the facilities. Such information might be of value to the enemy, and for that reason it is kept secret. So the Navy Department has to ask for this kind of legislation, and the situation respecting the War Department is exactly the same. There is no distinction whatever.

Mr. WALSH. How does the Senator explain the difference between what has been appropriated and what has been actually spent, which has attracted the attention of the Senator from Virginia and the Senator from Oregon?

Mr. THOMAS of Oklahoma. I am not convinced that the statement made by the Senator from Virginia is correct.

Mr. BYRD. The information was obtained from official sources.

Mr. THOMAS of Oklahoma. Mr. President, I am not challenging the statement made by the Senator, but I am not

convinced the Bureau of the Budget is correct. We have not appropriated any such sum as the one referred to. Billions of dollars may have been authorized, but the appropriations have not yet been made.

Mr. BYRD. I must differ with the Senator from Oklahoma. I have the figures which have been submitted by the Bureau of the Budget for verification, and they agree with the totals which I have given, that \$163,000,000,000 exists in unexpended balances. I will say to the Senator that not only did I confer with the Bureau of the Budget, but with the Treasury Department, because I was astounded to find that \$163,000,000,000 was available in the Treasury in unexpended balances—not authorized, but in appropriated balances.

Mr. THOMAS of Oklahoma. When the authorized bills are totaled they may carry that amount, but I know of no appropriations that have totaled any such sum. The last bill that passed carried almost \$43,000,000,000. The bill before that carried a little in excess of \$30,000,000,000, and then a bill was passed carrying an appropriation of \$12,500,000,000. The sum is large, but I am not prepared to admit from memory that it will reach the sum which has here been referred to.

In the committee hearings on the appropriation bill the very best authority we could get was to the effect that there were about \$20,000,000,000 of unobligated balances on the War Department side. The Navy Department, of course, has a very large sum appropriated for its activities, but I am not familiar with that side of the ledger. The particular bill now under discussion has to be in the form in which it is presented or the Navy can do no more than carry on with its present facilities. It has to be in the nature of a secret as to where the facilities shall be located, and the exact nature of the facilities.

Mr. GERRY. Will the Senator yield?

Mr. WALSH. I yield.

Mr. GERRY. Now that we are discussing these authorizations, I think the Senator from Massachusetts agrees with me that some of them are rather loosely made, and that the Naval Affairs Committee has tried to confine and limit them. I have in mind the instance of the Department coming before the Naval Affairs Committee and not only asking for a specific appropriation, but for "as much more as the Department may consider to be necessary." It seems to me powers granted under such a provision are very wide, and if possible should be avoided, because such a grant means taking from the committee and the Congress the power of the purse. It means granting an unlimited power of expenditure to a department.

I remember that one day before the committee we were considering a project which was perfectly proper and very necessary, and some such provision as that I have indicated was in the bill, and I asked the naval officer who was testifying why it was necessary. His reply was that it was necessary because it took a long time to get these authorizations through. I directed his attention to the

fact that the bill had just come before the Senate Naval Affairs Committee, and had been introduced in the House, I think, about a week before. The bill went through the committee that day, and I think it was passed by the Senate the same day. There was absolutely no reason why unnecessary powers of this nature should be delegated. The Department could have come back later and asked for an appropriation, which would, undoubtedly, have been granted in a very short time if it had been a proper one. It seems to me it is very unwise to grant these wide powers and, if possible, limitations should be put on the time in which the powers are to be exercised.

Mr. WALSH. Of course, the Senator knows that the practice of making these broad authorizations, which has grown up in recent months, is due to the claim of the necessity for haste and that the Department has not detailed information as yet, but is planning a program of expansion, and can rely upon the Appropriations Committee, after the authorization is made, to appropriate the money, and go into every detailed factor in connection with the appropriation.

Mr. GERRY. Oh, yes, I understand that, but we should not continue to open wide the door to all these tremendous authorizations without placing proper limitations upon them.

Mr. WALSH. There has been a great deal of discussion of the matter, and I have been in accord with the feeling expressed by the Senator.

Mr. BYRD. Mr. President, I desire to make it clear that the Senator from Virginia, in stating that there were \$163,000,000,000 of unexpended balances, did not mean that a part of that sum had not been obligated. There is a distinction between obligation, appropriation, and actual expenditure, but so far as expenditures are concerned, there is actually \$163,000,000,000 of unexpended balances to the credit of the different war agencies.

I believe the statement of the Senator from Oklahoma should be corrected when he says that the tanks, airplanes, and battleships are not paid for until they are completed. As a matter of fact, they are paid for currently. So much is paid as the work is completed. Therefore, such reasoning could not be used as a justification for the accumulation of this enormous balance.

Mr. President, I want every dollar to be contributed to the war effort which can be used properly, but I cannot see any reason why we should appropriate for 2½ years in advance, except for equipment which requires a long time to construct. The Congress is in session. It can meet and appropriate money as it is needed.

The departments can come to Congress and get the money as they need it in ample time to make contracts for all needed equipment. Of course, there are some certain things which it requires a long time to build, such as battleships, which cost \$100,000,000, and which require 3 to 4 years to complete. Congress must appropriate in advance for such matters. There must be an adequate balance to apply to such construction.

But \$163,000,000,000 is certainly a colossal sum to have as an unexpended balance, and then to continue to increase this balance by new appropriations.

Mr. THOMAS of Oklahoma. Mr. President, will the Senator yield?

Mr. BYRD. I yield.

Mr. THOMAS of Oklahoma. I have just consulted with Mr. Smith, the secretary of the Senate Committee on Appropriations. He advises me that for 1942 and 1943 we have appropriated about \$126,000,000,000 for the War Department. I am giving round figures. We have appropriated in that period about \$36,000,000,000 for the Navy Department. The two items make a total of \$162,000,000,000; that is, for all purposes in connection with our military efforts as represented directly by the Navy and War Departments. Of that sum a vast amount has been already pledged under contracts. Most of that sum has been obligated and practically all has been covered by either letters of intent or by the provisions of law. Of course, it has not been expended, and it will not be expended until the goods are delivered. It may be that the funds will not be paid out for months, because it takes time to build planes, tanks, ships, and equipment for war. I thought the RECORD should show in round figures the amount of the total appropriations made for the War and Navy Departments to date.

Mr. McNARY. Mr. President, will the Senator from Massachusetts yield to me?

Mr. WALSH. I yield.

Mr. McNARY. The figures given the Senate by the distinguished Senator from Virginia [Mr. BYRD] are very revealing. I can see nothing wholesome in authorizing and appropriating \$163,000,000,000 in excess of the sums needed for war purposes at the present time or in the future. There is no use of authorizing and appropriating huge sums for something which may or may not occur in the future. It is getting too far away from us. I did not know and I do not know now how much has been obligated of this vast, unprecedented sum. Of course an unexpended sum of money in the Treasury, if there are binding obligations for its appropriation or allocation for certain activities, is another matter. The able Senator from Virginia has not advised me of any separation between the two sums. If the sum referred to is unexpended and unobligated I certainly would object to the passage of the bill today and withhold the unanimous consent requested by the Senator from Massachusetts. I have no objection to an authorization. I would have objection to the appropriation of further money if as much money as has been stated is unobligated of the funds heretofore appropriated by Congress. I am curious to know if the Senator from Virginia can advise me how much of this huge sum has been obligated and how much is unobligated.

Mr. BYRD. I do not have those figures, but I will attempt to secure them for the Senator and put them in the RECORD.

Mr. McNARY. The Senator does not have them at present?

Mr. BYRD. I made myself clear, Mr. President, that what I stated was that the amounts referred to were unexpended balances of appropriations. I did not make any statement with respect to the amount that has been obligated.

Mr. McNARY. I appreciate that, of course, but there is a vast difference between sums which are lying idle, and sums for which contracts have been let for some activity of the Government. Those two items are not in the same category. I appreciate that fact, and have for several years.

Mr. THOMAS of Oklahoma. Mr. President, will the Senator yield to me for a brief statement?

Mr. McNARY. Yes.

Mr. THOMAS of Oklahoma. Mr. President, recently the Committee on Appropriations held hearings on a bill which carried appropriations for \$42,820,000,000. That \$42,820,000,000 taken from the \$163,000,000,000 leaves approximately \$120,000,000,000, the amount which was involved in our discussion. Of that sum a relatively small amount was unallocated, as just defined. In other words, the departments had made contracts and had pledged by either contracts or by letters of intent, most of the funds appropriated. At that time we were advised that less than \$20,000,000,000 was unallocated.

Mr. BYRD. Mr. President, I think we should understand clearly what the word "allocation" means. It does not mean that in all instances a contract has been made. It simply means the Department says that in its judgment so much should be spent for airplanes, so much should be spent for battleships, and so much should be spent for tanks. It does not follow at all that the actual contract has been made with those who will manufacture the materials. So when we consider that matter we must bear in our minds that much of this is bookkeeping allocation by the different departments, and may be changed at any time, and that contracts may not have been let against the allocations.

Mr. McNARY. Mr. President, the Senator from Virginia is quite right. I am speaking of contractual obligations, when the money is obliged to go to a certain place, and not merely allocated. There is a vast difference between the two.

Mr. BYRD. When we get the information we ought to be certain to know the binding legal obligations that are against them. The mere fact that the War Department says so much money should be spent for tanks does not mean that it will be spent for tanks when contracts have not been let for the tanks; that it is not a binding obligation and can be changed at any time.

Mr. McNARY. Mr. President, I wish to ask the Senator from Massachusetts a question. It was only a short time ago that a bill was before us authorizing for these specific purposes about eight and one-half billion dollars.

Mr. WALSH. The amount named was for an increase in combat naval ships. I think this is the tenth authorization bill for shore establishments, amounting

to over \$2,000,000,000, during this Congress. Every time there is an authorization for the expansion of combat ships in the Navy or the expansion of the Naval Air Corps, it is followed up by a shore-establishment bill, and this shore-establishment bill is the result of an authorization of the Congress for an increase of 1,900,000 tons in the Navy, and an increase in the strength of the Air Corps of 27,500. Whenever there is an authorization for expansion of the Navy or the Air Corps, it immediately results in expansion of the facilities for building, equipping, and maintaining these expansions.

The Senator will note that on pages 1 and 2 of the committee report there is the following break-down of these items:

Fleet facilities, \$60,000,000.
Aviation facilities, \$399,494,000.

Attention is called to the fact that under aviation facilities provision is made for support of the aviation forces under three headings, as follows:

1. Facilities for operating stations.
2. Expansion of training facilities.
3. Lighter-than-air stations.

The various items continue as follows:

(c) Storage facilities.....	\$24,000,000
(d) Liquid-fuel storage.....	20,000,000
(e) Marine Corps training facilities.....	11,000,000
(f) Ordnance-storage facilities.....	52,000,000
(g) Personnel training and housing facilities.....	26,140,000
(h) Hospital and dispensary facilities.....	25,000,000
(i) Shore radio facilities.....	15,000,000
(j) Naval Research Laboratory.....	2,000,000
(k) Passive defense facilities.....	25,000,000
(l) Miscellaneous structures and advance bases.....	315,000,000
Total	974,634,000

The miscellaneous item, I understand, makes provision for material and equipment of advance bases for the support of the Navy and Air Corps in combat areas.

Mr. McNARY. Mr. President, I really should like to have the bill go over until Monday so we could have time to look into the nature of the funds which have been referred to by the able Senator from Virginia [Mr. BYRD]. However, I may not insist upon that procedure.

Mr. WALSH. Mr. President, I wish the Senator would not ask to have that done. I personally would like to have the bill acted upon today. The bill has passed the House and the Navy is pressing for favorable action.

Mr. McNARY. I should like to give the Senator a word of caution then.

Mr. WALSH. The Senator from Virginia, as a member of the committee, I am sure is familiar with the bill, and will agree that, so far as the judgment of the committee was concerned, after hearing all the evidence, it seemed advisable to recommend passage of the bill.

Mr. BYRD. The Senator from Massachusetts, I may say, is correct about that. It is very difficult to find out what appropriations which have already been made can be used for some new demand on the part of the different agencies of government. In general principle, I agree

thoroughly with the Senator from Oregon that many of the new expenditures can be taken out of the sum of \$163,000,000,000, much of which can be diverted and transferred at the will of the President, in cases when legal obligations have not been made. It would require a considerable investigation to ascertain specifically and directly about it.

Mr. McNARY. Mr. President, I always wish to accommodate Senators. I hope the Senator, if he is able to obtain unanimous consent to consider the bill, will keep in mind this huge unexpended balance.

Mr. WALSH. Mr. President, I certainly sympathize with the Senator from Oregon in his disturbed state of mind as the result of these large appropriations and unexpended balances, and I am sure all the members of the various Senate committees are disturbed. But what are we going to do? Representatives of the Navy Department come before the committee and base their case upon the needs of the pressing war situation, the importance of haste, and rapid expansion. The Congress must cooperate in these war efforts or else Members of the Congress will be accused of being obstructionists. We are in the hands of, and must rely almost wholly upon, our military experts who are conducting the war.

Mr. McNARY. I am not timid about a charge of that kind. Mr. President, I should like to look into this matter. I am tremendously impressed that we are not acting in a businesslike way or getting the best results from our efforts. This is an authorization which passed the House, and I shall carefully see that the unexpended balance shall be applied to expenditures wherever possible.

Mr. WALSH. I am sure the Senator will, and I shall endeavor to help the Senator to limit authorizations and appropriations that are actually shown to be necessary for war activities.

Mr. McNARY. Mr. President, I reluctantly yield to the wishes of the Senator from Massachusetts.

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

There being no objection, the Senate proceeded to consider the bill (H. R. 7419) to authorize the Secretary of the Navy to proceed with the construction of certain public works, and for other purposes.

PRICE STABILIZATION AND INFLATION

Mr. TAFT. Mr. President, I have listened with great interest to the remarks of the Senator from Virginia and the Senator from Oklahoma on the subject of inflation. I agree in part with the Senator from Virginia and in part with the Senator from Oklahoma.

There is a tremendous amount of excitement today in Congress and throughout the Nation regarding the danger of inflation and the remedies which ought to be immediately applied. For some reason criticism is centered more on Congress than on anyone else for matters which Congress is supposed to have neglected; but the criticisms which are made

contradict each other to such an extent that I doubt whether the critics understand the problem they are discussing.

To some extent the immediate danger of inflation has been exaggerated. Inflation is a general rise in prices which dislocates all of the business and personal relationships existing in the country, and in its extreme form brings hardship and disaster to millions. The danger we see in the background is an inflation like that which occurred in Germany, wiping out the value of money, annihilating savings of all kinds, and destroying the financial structure of our economy. Such an inflation, however, is very unusual. Prices have always risen during wartime.

During the World War they increased about 120 percent, for the most part before we entered the war or imposed controls. This percentage of increase created hardship and dislocation from which we never quite recovered. But even that did not destroy the financial structure of the country.

On the other hand, a reasonable rise, say, at the rate of 10 percent a year, is not necessarily dangerous if it is under proper control. In fact, my own view is that the price structure should be more or less flexible, and that it may be actually desirable to increase some prices instead of decreasing them or holding them stable. I think the Department of Agriculture has found that to be true today.

The figures on cost of living today are not alarming. It has been said that many Federal employees have not had their salaries increased for 17 years in spite of the increase in the cost of living, but the statistics of the Department of Labor show that the index of the cost of living in 1925, 17 years ago, was 125.4, whereas in June this year it is only 115.9, or approximately 8 percent less than it was 17 years ago. True, there has been an increase of 15 percent in the past 2 years, but this rate of increase would not be alarming if it were not for the fact that until recently, when price control was imposed, it seemed to be accelerating.

Nevertheless, there will be a constant battle to keep prices down under present conditions; and I do not wish to depreciate the importance of inflation control. I advocated a price-control law long before the administration did, and I supported the measure which was before the Senate, because I think it is one of the essential steps; but I do not think it is necessary to fix all prices, or to freeze everything and everybody.

THE BOND-TAX PROGRAM

The cause of inflation is the tremendous Government spending program, which creates purchasing power at the same time that the supplies available for domestic consumption are steadily reduced. Were it not for the Government deficit there would be no need of price control except over a few commodities made particularly scarce by war demand. Far more important, therefore, than any price control is a sound fiscal policy. If we could raise the money by taxation and by sales of bonds to the people, to be paid for out of their savings, there would be no necessity for general price control, and no danger of in-

flation. As much money should be raised by taxes as can be raised without creating unnecessary hardship and interfering with the war program. There must be an adequate taxation policy, and it should aim to reach the purchasing power which is created by Government spending. The new tax bill goes in the right direction but, in my opinion, it does not go far enough.

Everyone agrees, however, that from one-half to two-thirds of the money must be raised by borrowing. The Secretary of the Treasury presented to the Finance Committee last week a tax-bond program which calls for borrowing the incredible sum of \$53,000,000,000 during the next 12 months. As far as the Treasury has any program it calls for the sale of only twenty to twenty-five billion dollars of bonds to individuals and corporations, and contemplates the sale of twenty-five to thirty billion dollars of bonds to the commercial banks of the United States. This would more than double their present holdings. In my opinion that would create a far greater threat of inflation than any action which the Congress has or has not taken regarding price control.

The sale of bonds to commercial banks is almost the same as printing that much paper money. It would create from twenty-five to thirty billion dollars of purchasing power out of thin air. Such tremendous purchasing power would beat against any price ceilings Mr. Henderson might impose no matter how skillfully maintained, until they would collapse under the strain.

In my opinion, the Treasury should immediately make a careful study of the question where the new Government money is going, and develop a much more adequate program to tax and borrow that money. It should endeavor to get through this year without any unusual sale of bonds to the commercial banks. The fiscal policy is the very key to inflation control. Its most important section is the bond program; and the responsibility for that is not on Congress, but directly on the Secretary of the Treasury. Other departments of the Government agree with me in the feeling that the bond sales program presented by the President is utterly inadequate today.

PRICE AND WAGE CONTROL

In my opinion, a price- and wage-control policy is also essential to inflation control. There are two distinct theories of such control, and much of the criticism of Congress comes from advocates of the over-all ceiling or freezing theory, which was rejected by Congress, and which, in my opinion, should have been rejected. In my opinion, it was not rejected because of politics or cowardice but because Congress thought it to be unjust and unworkable.

Under the ceiling or freezing theory the Government, as of an arbitrary date, undertakes to freeze all prices, wholesale and retail, and all wages. This involves the freezing of all existing inequities and existing relationships between various prices. If we once admit that we should change any price or wage because of inequity, we must go on to every other

inequity and make holes in the ceiling until the whole structure collapses.

If we wish to carry out the ceiling theory successfully and practically, we must freeze all inequities as they are. If a man is receiving low wages, he must continue to receive low wages. If someone is receiving low prices, he must continue to receive low prices, if we wish to carry out the freezing theory. Congress was unwilling to adopt that theory, and the President, whatever ambiguous language he used in his broadcast, has been unwilling to adopt that theory.

Congress felt that in many cases farm prices were inequitable and out of line with industrial prices. The President and the National War Labor Board felt that many existing wages were inequitable—perhaps because of the depressed conditions in certain industries—perhaps because of increases in the cost of living which had already occurred.

There are other reasons why rigid prices may not be desirable. In order to secure more of one product and less of another it may be desirable to raise one price and drop another. The artificial shortage of meat today may be due to rigidity of prices. More and more as the war goes on production becomes the absorbing problem and price must be regarded as a secondary consideration. Such a condition is inconsistent with rigid freezing. Furthermore the price ceiling theory creates a tremendous administrative job. Mr. Henderson has demanded 100,000 employees, and has obtained the money for 60,000 employees. Any system which requires such a vast administrative force, in my opinion, condemns itself.

Incidentally, if we are to carry it out, it also apparently involves a whole series of subsidies. Congress itself has indicated that it does not think that a subsidy theory is desirable.

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

The PRESIDING OFFICER (Mr. ROSSIER in the chair). Does the Senator from Ohio yield to the Senator from Michigan?

Mr. TAFT. I yield.

Mr. BROWN. I should not want the impression to be left, from what the Senator has said, that a system of subsidies was entirely eliminated. Certain subsidies are provided for in the original Price Control Act, particularly for the purpose of encouraging production. The Senator does not mean to say that those were eliminated, does he?

Mr. TAFT. No. However, the subsidies contemplated in the bill and, I think, by the committee were of a very limited character. They dealt particularly, as the Senator may remember, with high-cost producers. There may be a wide variation in the cost of production as between a large copper mine, for example, and a small copper mine. It was felt that if we should subsidize some of the higher-cost producers, we could obtain increased production without raising the general price level and giving very large profits to low-cost producers. The subsidies contained in the bill relate solely to subsidies to producers.

Mr. BROWN. The Senator is correct; but the idea of subsidizing high-cost producers antedates the price-control bill. The Senator may recall that that question arose in connection with some of the Reconstruction Finance Corporation legislation relating to the Defense Corporation and other agencies.

Mr. TAFT. So much power has been given that I cannot deny that in many respects what is in effect a subsidy may be carried out. However, in view of the bill which the Senate recently considered, I do not think it can be said that the Senate looks with approval on any general theory of subsidies.

Mr. BROWN. I grant that to be true; but I rose for the purpose of pointing out that there have been subsidies, and undoubtedly there will be others in the future. There is a subsidy for the transportation of coal and gasoline; and very likely in the future there will be a subsidy for the transportation of sugar. I should not want what the Senator is now saying to militate against that policy in any way. I think the policy is fully authorized by the Price Control Act.

Mr. TAFT. I agree in part. I should vote for a subsidy for certain transportation charges; but I believe that Mr. Henderson's action in subsidizing the transportation of coal to New England was without authority in the Price Control Act, and was an unjustified and illegal action. I do not believe that he had any right to grant such a subsidy; and yet he is paying such subsidies today.

Mr. BROWN. I must disagree with the Senator from Ohio in that respect. I think it was within the contemplation of those of us who drafted the legislation, and I think it is what we meant by the provision in the bill which authorizes the encouragement of production, because we clearly stated in the definitions contained in the latter part of the bill that transportation is a part of the process of production; that is, that it is necessary to bring goods to the consumer, to their ultimate destination, in order to carry out the full process of production.

Mr. TAFT. I have every regard for the Senator's legal conclusions; but I cannot go along with him when he says that a subsidy which might be paid to producers in some way be stretched into a subsidy to be paid to railroads, on the ground that they produce transportation or that part of the process of production is transportation. I cannot see how the subsidy provision of the Price Control Act can extend to anything except subsidies to producers. In the coal case subsidies are being paid to dealers who buy the coal when it arrives at the end of its journey.

The price-control bill was based on a theory of elastic control, dealing with those commodities whose prices had the greatest effect on the war effort and the cost of living, and dealing with each commodity in the manner best suited to that commodity. This is a policy which prevailed in nearly every country during the World War. It was the policy of this country in 1917, and for the brief period in which it was in force it was very reasonably effective. I may say that for

the entire World War the total cost of the Food Administration, which handled approximately half of the products which Mr. Henderson is handling, was \$7,300,000, as compared with the \$120,000,000 which we have just appropriated for 1 year for price control; and as compared with the 60,000 employees of the agency headed by Mr. Henderson, during the World War the Food Administration never had as many as 3,000 paid employees.

The policy I have just mentioned is the policy which was advocated by Mr. Henderson himself when he appeared before our committee, and by Mr. Herbert Hoover, who impressed the committee as knowing more about the subject than any other witness. It contemplates that prices shall be fixed at the proper level at the central market, and adequate margins provided for manufacturers, wholesalers, and retailers. It recognizes that costs will increase with increases in wages, and the act provides that prices shall be correspondingly increased. However, they have not been. We contemplated a probable increase in price of 1 percent a month during the first year and perhaps one-half of that percentage the second year. This does not mean an accelerating spiral of prices. A wage increase of 5 percent may justify a price increase of 2½ percent, and that price increase again a still lower wage-percentage increase until the whole structure is stabilized, and stabilized with the correction of the inequities which previously have existed in it.

Feeling that farm prices were inequitable, Congress provided a floor of 110 percent of parity. Personally I thought this was too high, and that it should not be over 100 percent of parity, but we lost that fight before the administration bill was introduced, because at that time—before the bill was introduced—the administration agreed with the farm people that the floor should be 110 percent.

There is no doubt that under this stabilization theory, as under the price-ceiling theory, wages should be controlled, but it is not nearly so essential. Wage increases are much more gradual than price increases, they are not likely to occur more than once a year, and it was felt that, under any arbitration system, they could be held to not more than the increase in the cost of living. Nevertheless I believe that Congress should have passed a law giving control over wages. Such a control—control over both wages and salaries—is provided in the Ball bill now pending in the Education and Labor Committee. That bill has been blocked by the administration officials themselves. On every attempt to bring it out they have appeared and have urged that they could do the job without legislation because labor has agreed to accept the judgment of the National War Labor Board on wage increases.

I must admit that in the larger industries wages have, in fact, been regulated almost as effectively as if the War Labor Board had been given power to fix wages. The recent increase of 44 cents a day given to the steel workers was an increase of only about 5 percent after 12 months,

during which period the cost of living had increased 12 percent. I do not think that increase was unreasonable. I believe that, no matter what kind of a wage measure Congress had adopted, an increase of that amount would probably have been granted by any administrator or any board. If we can hold annual wage increases to 5 percent, I shall be well pleased. I question the wisdom of the War Labor Board's dictum regarding a 15-percent increase from January 1, 1941, but I do not understand that that is necessarily binding on the Board.

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

Mr. TAFT. I yield to the Senator from Michigan.

Mr. BROWN. As the Senator knows, I am quite generally in agreement with him regarding what he has said relative to wages. Prior to consideration of the price-control bill, many Senators talked about wage controls, many of them spoke on that subject matter during the consideration of the bill, and many Senators have since condemned those of us who were in charge of that measure for not having taken wages into consideration in the manner in which they insist we should have taken them into consideration; that is, giving the job to Mr. Henderson, as distinguished from what we did do in giving the job to the War Labor Board. However, the singular fact with regard to the Price Control Act's relationship to wages is that not one Senator proposed on the floor of the Senate an amendment to the price-control bill to give Mr. Henderson control over wages.

Mr. TAFT. Yes; I entirely agree with the Senator. We did write into the bill a provision that all these boards—the War Labor Board and all similar agencies—should stabilize wages in accordance with the general price policy; and I think they have regarded that as an injunction, and I think it affords the reason why they did not increase the steel workers' wages more than 44 cents a day—which, after all, as I said, is only approximately a 5-percent increase, and less than the difference between today's cost of living and the cost of living a year ago, when their last contract was written. As a matter of fact, it is approximately half the difference. Of course, the Board went back and calculated in a different way; but the fact is that the cost of living had gone up approximately 10 percent, and the Board granted a 5-percent increase—and, I think, largely because the provision of the Price Control Act calling for the stabilization of wages was called to their attention.

Mr. BROWN. I think the Senator's argument in that respect can be buttressed by an opinion of the Attorney General of the United States. I understand the opinion has not as yet been made public—I myself tried to get it yesterday, but I understand it is at the White House and that the White House has not as yet made it public, and therefore it is not subject to examination by any of us—but the newspaper a week ago carried the report that the Attorney General advised the President that sec-

tion 1 of the Price Control Act to which the Senator referred, the section laying down the wage policy, gives the War Labor Board, the Department of Labor, and all the other agencies which are there mentioned, a very strong control over wages.

I am ready to grant, as I know the Senator is, too, that there is one possible loophole, namely, that in cases in which the company and the men get together and agree upon a wage increase, probably there is no jurisdiction in any board of the Government to handle the matter. But such a situation is fully under the control of the employer or the employee. Either one may apply to the War Labor Board and may obtain a determination by the appropriate Government agency.

Mr. TAFT. The Senator has said exactly what I was going to say, that I still believe we should pass the Ball bill, or a bill providing for the fixing of wages and salaries, because many thousands of wage adjustments are made voluntarily and without consulting the National War Labor Board; and with the cost-plus system of contracting there is to a certain extent no tendency to carry such problems to the War Labor Board; because the adjustment by the Board of a case involving the large labor unions and the large employers is contingent upon having the case brought to the Board. In other words, it has to be a serious dispute. A great many cases never get to the Board at all. They set a standard for the country perhaps, but nevertheless I think there should be wage control.

Let me point out, however, that Congress should not be criticized for failing to freeze wages by legislative action. That would be a harsh and unfair law. We did not undertake to freeze prices, but only to give the Board or Administrator power to do so. I still believe that the farm floor should be reduced from 110 to 100 percent of parity. With or without these changes, however, I believe the program can be effectively carried out to prevent any real danger of inflation.

Most of the difficulties which exist today are due to Mr. Henderson's attempt, in violation of the flexible policy of Congress, in violation of the policy of the administration regarding wages, as shown in granting a 5-percent increase, in violation of the Price Control Act, to adopt at this time the ceiling theory of fixing prices. He has attempted to carry out that theory without the powers over wages and farm prices absolutely necessary to carry it out, and in violation of the policy of other branches of the Government which he does not control. Furthermore, he has not even carried out the ceiling theory to the extent that he has power to do so. He has fixed retail prices only in many cases, without fixing the price of the raw materials, such as beef cattle, hogs, cottonseed, and other commodities. The lack of control on these commodities has resulted in a squeeze which is rapidly putting thousands of small businessmen out of business completely. If continued, it is going to eliminate every small packer in the United States, and leave the business monopolized in the hands of a few.

From the long-view standpoint it makes very little difference whether prices are 1 or 2 cents higher, but it may destroy the productive and distribution system.

Under all the circumstances, it is not surprising that Mr. Henderson's efforts are meeting with criticism, and I believe will ultimately meet with failure, because I do not think his ceiling can be maintained unless we legislatively adopt the ceiling theory and give all the powers necessary to freeze the prices of everything. He should gradually adapt his control to the elastic stabilization theory provided by the price-control bill and by the necessities of the situation.

When the price-control bill was before the Senate I urged very strongly that the control of prices and of commodities be placed in a board of five men. There are so many difficult problems requiring good judgment and investigation that I did not feel that any man, particularly a man of Mr. Henderson's temperament, would be able to give sufficient consideration to the extremely complicated problems involved. I still insist that commodity control should be under a board. I believe that there should be an administrator over all phases of each commodity—a rubber administrator, a steel administrator, an oil administrator, a food administrator. He should deal with all problems of supply and price and distribution, but he should be under a general commodity control board to pass on the broad questions of policy which must guide administration. It is not too late to create such a board.

In conclusion, Mr. President, let me suggest the following program:

First. Let the Treasury expand its borrowing program so that bonds may be sold almost entirely to corporations and to individuals instead of to the commercial banks.

Second. Revise the farm price floor to 100 percent of parity.

Third. Adopt the Ball bill to give the War Labor Board control of wages and salaries, with a provision that they should not increase wages more than provided in the recent Little Steel decision.

Fourth. Create an over-all commodity control board, with administrators to carry out the control.

Fifth. Gradually adapt the price-control measures to the stabilization theory instead of to the ceiling theory; and eliminate price fixing on all minor items which have no substantial effect on the cost of living.

ESTABLISHMENT AND DEVELOPMENT OF NAVAL SHORE ACTIVITIES

The Senate resumed the consideration of the bill (H. R. 7419) to authorize the Secretary of the Navy to proceed with the construction of certain public works, and for other purposes.

Mr. ANDREWS obtained the floor.

Mr. WALSH. Mr. President, before the Senator from Florida begins his remarks, would he be willing to have action taken on the pending bill?

Mr. ANDREWS. I am glad to yield for that purpose.

The PRESIDING OFFICER. The question is on the third reading of House bill 7419.

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

NAVAL AVIATION CADETS

Mr. WALSH. In order that the Senator from Florida may have the floor when there is a bill before the Senate, would it be agreeable to him to have me ask for the consideration of another bill, and then he can speak?

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

Mr. WALSH. I move that the Senate proceed to the consideration of Calendar No. 1616, House bill 7364.

The PRESIDING OFFICER. The bill will be stated by title for the information of the Senate.

The LEGISLATIVE CLERK. A bill (H. R. 7364) to repeal certain laws and to amend other laws relating to naval aviation cadets, to provide for aviation cadets in the Naval Reserve and Marine Corps Reserve, and for other purposes.

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.

THE FLORIDA PIPE LINE AND BARGE CANAL

Mr. ANDREWS. Mr. President, immediately after the passage of the pipe line-barge canal bill, certain columnists, newspaper editors, and a few radio broadcasters made statements, either through a lack of information or with intent to reflect upon the integrity of those who brought about the passage of this measure. Some of the statements have been very misleading, though I hope some of them were not so intended. My statement in reply is directed more to those who have an open mind and have not had the time or opportunity to obtain the facts.

Right after the passage of the bill, according to press reports of July 18, a statement was made in the Senate which was published in my State, that "the country looks upon the Florida canal as the supreme boondoggle of all time." "Boondoggle," I am advised, is a term of derision or ridicule applied to unusual conduct or manipulation. I feel that statement, by whomsoever made, reflects upon the official integrity not only of my colleague and myself, but upon the sponsor and supporters of the bill, including Chairman MANSFIELD, of the House Committee on Rivers and Harbors, and the Members who voted for it in the House committee and on the floor of the House, and also upon the Senators who voted for the bill in the Senate committee and for its passage by the Senate.

In addition to the several Senators and the Vice President who voted against the amendment offered by the chairman of the Senate Commerce Committee to strike out all canal provisions of the bill, the CONGRESSIONAL RECORD shows that the majority leader, the Senator from Kentucky [Mr. BARKLEY], officially announced that the following Senators, who were out of the city, if present would have voted likewise: Senators HILL, BANKHEAD, CARAWAY, DOXEY, McFARLAND, MURDOCK, MURRAY, O'DANIEL, OVERTON, SMATHERS, SMITH, STEWART, TRUMAN, and

WALLGREN. It is to be noted that all Senators present from States south of the Ohio and Potomac Rivers, except those from Virginia and from North Carolina, voted against the Bailey amendment, which, if adopted, would have killed the bill. It is very seldom a bill passes the Senate when the chairman, as in this instance, tries to defeat it in committee and on the floor.

After the defeat of the Bailey amendment there was no yea-and-nay vote demanded on the bill's final passage. Had such a vote been taken, the bill would no doubt have received a substantial majority vote.

Much of the opposition to the bill itself came from citizens in southern Florida, many of whom apparently think the present measure provides for a sea-level ship canal. In letters coming to Washington they still argue that it would injure the underground water supply in the southern part of the State.

It is to be deeply regretted that there has been considerable State sectionalism involved from the first, with reference to the construction of a canal of any type across the northern part of the peninsula of Florida. The records in my office show that there has been little, if any, complaint from anyone against even a ship canal across Florida at route 13-B, coming from persons living north of Hillsborough, Polk, Orange, and Seminole Counties, where damage, if any, would naturally occur.

Nearly all the complaints have come from the southern part of the peninsula, and from many people who are no doubt conscientious in their views as to the feasibility of the canal. The indications are that if the canal had been authorized to be constructed across the peninsula at those points from which some of the complaints have come the project would have been enthusiastically received.

My colleague in the Senate, and I, representing the whole State, have tried to discourage sectionalism, and in doing so have been caught between two fires, as it were, ever since we were elected to the Senate.

It is interesting, however, to note the view taken by the executive vice president of the Greater Miami Board of Trade, the Better Business Bureau of Miami, and the Credit Clearing Bureau of the same city, in a letter written to me with regard to the view of those organizations, which explains that the opposition to the construction of the canal has been encouraged by propaganda.

I ask that the letter be inserted in the RECORD as a part of my remarks.

The PRESIDING OFFICER. Is there objection?

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

GREATER MIAMI BOARD OF TRADE,
Miami, Fla., July 9, 1942.

Hon. CHARLES O. ANDREWS,

The Senate, Washington, D. C.

DEAR SENATOR ANDREWS: Glad to receive your interesting letter of July 7 relative to H. R. 6999 for the completion and deepening of the Gulf Intracoastal Canal, from Brownsville, Tex., to Carrabelle, Fla., and barge canal from Gulf of Mexico to the St. Johns River, in Florida. In voting favorably on this bill

the Senate will render both our Nation and the State of Florida a substantial service.

Regarding the many telegrams and letters you are receiving in opposition to the completion of the canal, you may safely disregard the majority of such protests as selfish subsidized propaganda, or the natural reaction from fear propaganda circulated with dishonest intent to scare uninformed citizens. The protests you are receiving originate from a small subsidized group, in no manner representative of the citizens of Florida, and certainly without authority to speak for them.

The writer, as executive vice president and manager of the Better Business Bureau, Credit Clearing Bureau, and the Greater Miami Board of Trade, has yet to encounter any large number of our citizens who were actually opposed to the completion of the Cross State Canal; and the civic activities of the three organizations mentioned has es- local citizens during the past several years. The few expressions of fear that the completed thousands of contacts with our tion of the canal would destroy the fresh-water supply of south Florida were prompted by reaction from the dishonest propaganda circulated by local newspapers and their satellite civic organizations. The campaign to arouse a mass hysteria of fear opposition to the canal apparently did not fool many people in southeast Florida, so in desperation a flood of bogus telegrams and letters may be used to try and intimidate both the House and the Senate.

If you would request of those who may flood your office with misleading protests of opposition to the canal, an affidavit as to the names of the citizens they actually represent and the statement that those protesting are not being paid directly, or indirectly to carry on the subsidized campaign of opposition, very likely the volume of protest mail and telegrams to your office would subside very quickly.

In appreciation of the fine service you have rendered both the Nation and the State of Florida, may the writer frankly suggest that you ignore the adverse paid propaganda and uphold your reputation as the Senator from Florida who served both his country and State, in fostering necessary national defenses and the economic development of his State.

Cordially yours,
GREATER MIAMI BOARD OF TRADE,
W. E. LESTER,
Executive Vice President.

Mr. ANDREWS. Mr. President, the bill as passed provides for a high-level lock barge canal from the St. Johns River across Florida to the Gulf of Mexico, using route 13-B survey recommended by General Markham while Chief of Army Engineers, and by General Reybold, the present very able Chief of Army Engineers. I ask that the act be printed at this point in the RECORD.

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

[PUBLIC LAW 675—77TH CONGRESS]
[CHAPTER 520—2D SESSION]
[H. R. 6999]

An act to promote the national defense and to promptly facilitate and protect the transport of materials and supplies needful to the Military Establishment by authorizing the construction and operation of a pipe line and a navigable barge channel across Florida, and by deepening and enlarging the Intracoastal Waterway from its present eastern terminus to the vicinity of the Mexican border

Be it enacted, etc., That, in order to promote the national defense and to promptly

facilitate and protect the transport of materials and supplies needful to the Military Establishment, there is hereby authorized to be constructed under the direction of the Secretary of War and the supervision of the Chief of Engineers a high-level lock barge canal from the St. Johns River across Florida to the Gulf of Mexico in accordance with the plans set forth in the letter of the Chief of Engineers dated June 15, 1942; and that there is also authorized the enlargement of the present Intracoastal Waterway from the vicinity of Apalachee Bay to Corpus Christi, Tex., and its extension to the vicinity of the Mexican border so as to provide throughout the entire length of the canal a channel 12 feet deep and 125 feet wide: *Provided*, That between Mobile, Ala., and New Orleans, La., the project shall be modified in accordance with the recommendations of the Chief of Engineers in his report dated April 27, 1942, except that the annual payments to be made by the Government to the Board of Commissioners of the Port of New Orleans are not limited by this act to the amount recommended by the Chief of Engineers but are left open to negotiations between the Board of Commissioners of the Port of New Orleans and the Chief of Engineers: *Provided further*, That the Chief of Engineers is authorized to expedite the utilization of the facilities hereinabove authorized by the employment of temporary structures and available materials, and within reasonable limits to vary, in his discretion, the above-prescribed dimensions wherever advisable: *And provided further*, That subject to the provisions of Public Law 197, Seventy-seventh Congress, there is authorized to be constructed one or more pipe lines, together with all necessary terminal facilities, for the transport of petroleum and its products, from the vicinity of Port St. Joe and other points on the Gulf coast of Florida to the St. Johns River, and a crude-oil pipe line from the Tinsley oil field in the vicinity of Yazoo, Miss., to Charleston, S. C., and/or Savannah, Ga.

Sec. 2. There is hereby authorized to be appropriated the sum of \$93,000,000 to carry out the provisions of this act.

Approved, July 23, 1942.

Mr. ANDREWS. Mr. President, those in Congress who relied mainly upon the danger to water supply as an argument against the ship canal did not even mention that as an objection in the recent debates on the floor or at the hearings before either the House or Senate committees. That issue was considered entirely eliminated by the provisions of the bill just passed.

The amounts authorized by the bill and the four projects for which the total appropriation of \$93,000,000 is to be spent are as follows:

First. High-level lock barge canal 12 feet deep, 125 feet wide, from the St. Johns River to the Gulf of Mexico; estimated cost, \$44,000,000. Includes cost of overhead highway bridges.

Second. Enlargement of Gulf Intracoastal Canal to a depth of 12 feet and a width of 125 feet from Apalachee Bay—Carabelle—to the Mexican border; estimated cost, \$26,000,000.

Third. Pipe line from Port St. Joe or Carabelle to Jacksonville and one or more pipe lines from the Gulf coast to the St. Johns River, together with all necessary terminal facilities; estimated cost \$10,000,000. Estimated cost of the pipe line from Carabelle to Jacksonville is \$3,500,000, leaving \$6,500,000 for addi-

tional short pipe lines from the Gulf to the St. Johns River.

Fourth. Pipe line from Yazoo, Miss., to Charleston or Savannah; estimated cost, \$13,000,000.

A brief statement of the reasons why route 13-B was selected, and as to its practical use in aid of our war efforts, is contained in a letter written June 15, 1942, by General Reybold, Chief of Army Engineers, to Chairman MANSFIELD of the House Rivers and Harbors Committee, as follows:

WAR DEPARTMENT,
OFFICE OF THE CHIEF OF ENGINEERS,
Washington, June 15, 1942.
Hon. JOSEPH J. MANSFIELD,
Chairman, Committee on Rivers and Harbors,
House of Representatives,
Washington, D. C.

DEAR JUDGE MANSFIELD: Reference is made to your letter of June 11, 1942, stating that H. R. 6999 will be taken up in the House for consideration on June 17 and that in connection therewith information is desired pertaining to certain engineering features and costs of a barge canal across northern Florida and as to its effect on the fresh-water supply of that State. You also request a statement as to whether the proposed Intracoastal Waterway channel connecting such a barge canal with the existing eastern terminus of the Gulf Intracoastal Waterway might be eliminated.

The Board of Engineers for Rivers and Harbors, in connection with its studies of a waterway across northern Florida, finds that the most feasible method of providing for the accommodation of barge traffic between the Atlantic and Gulf coasts would be by means of a lock canal. Such a canal with depth of 12 feet and width of 150 feet along route 13-B, which follows the St. Johns River to Palatka, thence the valley of the Oklawaha River, across the divide, and the valley of the Withlacoochee River to the Gulf, is estimated to cost \$44,000,000.

A lock canal for barge traffic following route 13-B would in no way affect the ground water supply in the area. By providing three locks on the east slope and two on the west slope with total lifts of 55 feet, the water surface of the summit pool could be maintained between elevations 42 and 55, which is the range through which the water table in the adjacent area has fluctuated in the past. A barge canal of such design with necessary lockage water supplied from the combined natural discharge of the Oklawaha River and Silver Springs Run would result in no damage to lands as the ground water conditions along the route of the waterway would be unchanged.

With reference to the use by Intracoastal Waterway traffic of the open Gulf between the eastern terminus of the present Intracoastal Waterway in the vicinity of Apalachee Bay and the Gulf terminus of the above-mentioned barge canal, it may be stated that coastwise traffic now follows this route and that while some danger is connected therewith, I am informed that there is very little time lost in navigating this portion of the Gulf. Accordingly, it would be possible to eliminate that section of the Intracoastal Waterway from the improvements proposed in H. R. 6999 and still move very large quantities of commerce by barge from terminals along the Gulf coast to the eastern seaboard with the completion of the other improvements proposed in the bill.

Since time has not permitted me to ascertain whether the information presented in this letter is in accord with the program of the President, such information should be

considered as factual and involving no commitment as to that program.

Very truly yours,

E. REYBOLD,
Major General,
Chief of Engineers.

PIPE LINES NECESSARY

It has been indicated by officials that at least two or three pipe lines should immediately be constructed across the peninsular portion of the State from the Gulf to the St. Johns River, and several routes have been investigated by engineers, including the route from Port Inglis, near the mouth of the Withlacoochee, direct to the St. Johns River; and another from Tampa to Sanford, where the St. Johns is from 10 to 12 feet deep, on to Jacksonville, and as the inland waterway from Jacksonville on to New Jersey carries 12 feet, the larger class of tank barges could be accommodated.

The evidence before both the House and Senate committees shows that pipe lines are considered more or less a temporary medium for conveying petroleum, as they require many booster stations and heating along the route, but they can be built for use faster than any other conveyor, which is very essential at this time. We should have both methods, and as soon as possible.

In order to satisfy anyone who might raise the question of the effect of the authorized barge canal on underground water supply, I addressed an inquiry to Dr. W. C. Mendenhall, Director of the Geological Survey, Department of the Interior, and his reply on that point of my inquiry is as follows:

DEPARTMENT OF THE INTERIOR,
GEOLOGICAL SURVEY,
Washington, July 7, 1942.
Hon. CHARLES O. ANDREWS,
United States Senate.

MY DEAR SENATOR ANDREWS: In further reply to your letter of June 23, in which you request my opinion as to whether the construction of locks in the high-level lock barge canal from the St. Johns River across Florida to the Gulf of Mexico as provided for in H. R. 6999 of the second session, Seventy-seventh Congress, would eliminate any danger of the canal affecting the water supply in any part of Florida.

I understand that the route is 13-B, the same as that selected for the proposed ship canal and that the sites for the locks for the barge canal are approximately the same as those considered for a ship canal. The summit level will be maintained approximately at the same level as the water table, about 40 to 50 feet above sea level, and will fluctuate with the natural fluctuations of the water table. Water from Oklawaha River will be pumped into the high-level section of the canal at a rate sufficient to supply water for all lockage requirements for the canal and any leakage around the locks. Under these conditions it is expected that any effect that the canal may have on the water table will be negligible. The ground-water level in a local area east of Dunnellon would be lowered slightly because it is somewhat higher than the ground-water level elsewhere along the summit section of the canal. East of the summit section of the canal where the water in the Ocala limestone is under artesian pressure and will rise above the ground surface in wells, I understand the barge canal will not be excavated deep enough to release any of the artesian water.

In the event the water table or the artesian pressure is not appreciably lowered, there appears to be no danger of salt-water contamination of the fresh water excepting at the locks at the west end where salt water may be raised through the locks from that part of the canal which is approximately at sea level.

On the whole it does not appear to me that the construction of the proposed lock canal will have any significant effect on the Florida ground waters.

Sincerely yours,

W. C. MENDENHALL,

Director.

Testifying before the Senate committee on June 30, 1942, General Reybold, in describing the type of canal recommended by him from the St. Johns River to the Gulf of Mexico, said:

The proposed barge canal as described in item (2) would provide a waterway between the Gulf coast and the Atlantic seaboard. I am of the opinion that the canal should have a depth of 12 feet, minimum width of 150 feet, and should be of the lock type. The canal would receive its water supply for lockages from Oklawaha River and Silver Springs Run. The locks are to be designed so that the water surface in this section can be maintained between elevations 42 and 55, which is the range through which the water table in the adjacent area has fluctuated in the past. By maintaining the summit pool at the natural ground-water level at all times, the ground-water level in the area will in no way be affected by the canal (p. 52).

Of course, if the ground-water level cannot be affected in the canal-zone area, it could not be affected in other areas farther away.

When a sea-level ship canal was being considered 4 or 5 years ago, the railroad interests and some of the people in the lower central and southern sections of the peninsula argued that the construction of such a canal would be injurious to the agricultural and plant life, as it would have a serious effect on the underground fresh-water supply of the lower part of the State. To settle that objection exhaustive hearings were had, and a board of five specialists and engineers was appointed by the Chief of Army Engineers to make a complete survey and report.

I now read from page 14, Report No. 509, Seventy-sixth Congress:

Among these were Mr. Sidney Page, formerly Chief of the Division of Geology of the United States Geological Survey, and Mr. Malcolm Pirnie, water-resources expert for numerous municipalities of central and southern Florida, both of whom, it was shown, had conducted an intensive study of this question extending over more than 3 years. These witnesses presented convincing evidence of facts which preclude the possibility of any damage whatever to either the water resources or the agriculture of any part of the State of Florida resulting from the construction of the canal at sea level. Mr. Page has stated:

"There is nothing mysterious about the ground water of Florida and nothing mysterious as to what will happen when a sea-level canal is constructed.

"The long-continued and excellent work of the United States Geological Survey, coupled with the intensive work and special investigation of the Army engineers, has made possible the delineation on the map of the extent and nature of the underground reservoir.

"There has been much loose talk of damage to ground-water levels.

"A committee of able men from the Department of Agriculture have held that the find-

ings of the revisory board are sound; that vegetation is not related to the water table, except in swamp areas, which, if drained, will greatly improve agricultural conditions.

"We know that the canal cannot be salt water.

"It is a striking fact that an immense area of Florida on the surface is exceedingly wet * * * surplus water exists in immense quantities—water which does not enter the underground reservoir because the land is saturated to capacity.

"The terrain along the canal is given over to forests and scrub oak, with a few farms.

"We think the water table will be affected from practically nothing at a distance 10 to 15 miles from the canal to the canal, where it will fall to sea level. * * * as a matter of fact, it will not affect the vegetation immediately adjacent the canal.

"Miami, Tampa, or Palm Beach, or any of those cities, will be no more affected than digging a foundation in New York would affect the water supply of Washington, D. C."

There was also considered the report of the Special Board of Geologists and Army Engineers (S. Doc. No. 147) appointed to study this question. Among the conclusions of this Board are the following:

"The canal cut, insofar as its effects on the water reservoir are concerned, will be but a 'nick' in the western coast line of the peninsula.

"The Ocala limestone will not be cut beyond the vicinity of Silver Springs. The artesian reservoir will not be cut anywhere.

"The pursuit of agriculture and the growth of vegetation, even in the area contiguous to the right-of-way where the ground water table will be lowered by the canal cut, will not be affected."

There was also considered the report of the revisory board of Army engineers (H. Doc. 194), which concludes that:

"Material collateral damages to agriculture, forestry, and water supply will not result from its construction."

There was also considered the report of the special committee of experts from the Department of Agriculture, appointed to study this question, the conclusions of which are substantially in accord with those of the revisory board.

There was also considered the views of the Director of the United States Geological Survey, Dr. W. C. Mendenhall, who has stated:

"I have not heard * * * anybody who is a student of ground-water conditions in Florida express an opinion that southern Florida, Miami, or Tampa, would be affected in the slightest by the cutting of the canal. I certainly do not believe it, and no member of the staff believes it.

"You will not get a desert in Florida, because you have too much rainfall. All of the surface vegetation, of course, is supported by the surface rainfall of 50 or 60 inches."

The Chief of Engineers, the Director of the United States Geological Survey, the representatives of the Department of Agriculture, and all other departmental representatives are in entire agreement that there is no possibility that the construction of the canal at sea level will affect in any way the agriculture or plant life of any portion of the State of Florida.

No one could seriously maintain that the type of canal now authorized could be harmful, if the sea-level type could not be.

For 100 years pressure has been exerted, and not always by residents of Florida, to construct a canal across the shortest feasible and practicable route from the St. Johns River to the Gulf. The route has been surveyed by Army engineers many times. The first act authorizing the survey was passed by Congress in 1825. Since then, 17 differ-

ent routes have been under consideration. Under President Coolidge an authorization was given in 1927 for a complete survey. In 1930 or 1931, during President Hoover's administration, an appropriation of \$500,000 was made for the purpose of making surveys across Florida, and to determine the best location for a canal connecting the upper Gulf with the Atlantic, and as to whether it should be a barge, sea-level, or lock canal.

In 1935, following the survey authorized by President Hoover, President Roosevelt requested the State of Florida to furnish a right-of-way at least 1 mile wide across the State from the Gulf to the St. Johns and Atlantic coast. Up to that time the Federal Government did not assume the right to construct a canal across the State requiring a mile-wide zone, which might have involved many condemnation proceedings, and perhaps would have been resisted by some of the property owners. The B-13 route passes through or near some of the most valuable property sites in Florida and among others, several beautiful and historic estates along 20 miles of the majestic St. Johns River, including the world famous Silver Springs and Rainbow Springs, which are among the largest springs in the world. It is also near the Withlacoochee power dam near the Gulf.

In 1935 the legislature authorized the counties through which the proposed route B-13 would pass to call a bond election, and later they voted a bond issue of \$2,500,000, by approximately 90 percent of the votes cast. Immediately following, much of the 90 square miles of land in the mile-wide zone was purchased with the proceeds of the bonds, and deeded to the Federal Government. This obligation upon the counties through which the zone passes still exists, and they are now in the position in which the National and State Governments have placed them. It seems, therefore, that there is a moral obligation on the part of the Federal Government which should also receive consideration, as the self-imposed bond tax was evidently undertaken in good faith to aid the Government at its own request.

The canal would be built principally in the river beds of the Withlacoochee, the Oklawaha, and the St. Johns Rivers, with about 38 miles to be dug across the "saddle" of the State. In 1935 and 1936 the Army engineers, under the able direction of General Somervell, using relief labor, removed 13,000,000 cubic yards of earth at a cost of \$5,400,000, which would form part of the barge canal now authorized. In other words, nearly 15 percent of the original yardage required for a lock canal has already been removed. General Reybold, Chief of Engineers, advised that according to the plans now contemplated for this type it would require excavating about 80,000,000 cubic yards of dirt and muck, which is about one-tenth the amount that would have been required for the ship canal 33 feet deep, originally contemplated. The previous removal of the 13,000,000 cubic yards would be of no future service to the Government unless the barge canal is constructed.

Seven counties are obligated to the extent of \$2,500,000 in bonds, and the Fed-

eral Government has already spent \$5,400,000 in paid-for excavation, making a total of \$7,800,000 which the contemplated barge canal has cost the people of Florida and the United States up to the time of the enactment of the present law.

No objection was raised in the committee hearings on the ground that the canal would cost too much. Such objections came mostly from south Florida.

We have appropriated several billion dollars for lend-lease assistance, which is being sent all over the world, most of which will never be returned or repaid. The amount, \$44,000,000, authorized for dredging the cross-State barge canal to connect our Gulf and Atlantic inland waterways is a mere pittance in comparison. It is about one-half the cost of one modern battleship, which sooner or later will become obsolete, while the barge canal will remain to aid this and future wars and peacetime commerce.

DELAY RESPONSIBLE FOR LOSSES

In 1939 a bill providing for the construction of either a sea-level or a lock barge canal was before the Congress and was voted down in the Senate by a small margin. At that time I argued that we could not know what would happen in the near future, but that war clouds were gathering in Europe, and that if Germany and Italy succeeded in overrunning the smaller countries of Europe, we would face the danger of an invasion of the Western Hemisphere; that in the event of such a war, submarines of our enemies would endanger the transportation of raw materials from South and Central America, as well as from the Mississippi Valley, which furnishes nearly 90 percent of the oil, sulfur, and gas necessary to conduct the mechanized warfare we would be compelled to prosecute and face.

The indications were then that Germany, Italy, and Japan, our prospective enemies, had three or four times the number of submarines the United States had in service. Under the Monroe Doctrine, we would have to aid and defend any of the Latin-American republics if attacked, and the attacks from European enemies would undoubtedly take place in the Caribbean, the Florida Straits, and perhaps in the Gulf of Mexico.

Some opponents of the canal in the Senate and the House at that time looked upon the probability of war on our coast as ridiculous. The question may be asked, What has come to pass? There have already been sunk off our shores on the Atlantic coast, the Caribbean, and in the Gulf of Mexico by enemy submarines several hundred merchant ships and tankers. Many were undertaking to make the trip around the southern point of Florida to the Atlantic coast with cargoes of gas, oil, sulfur, cotton, and other essential war materials.

It is estimated that at least 300 seamen have gone down to watery graves off our southeast and Gulf coasts who evidently would not have died if the canal had been constructed as provided in the former bill of 1939. Scores of distressing letters have reached my office from mothers, fathers, and wives who have lost their loved ones on those vessels, men who

were trying to transport cargoes which were important in our effort to win the war. Each of those ships was constructed of very important strategic material, now hopelessly lost. The cause of these deaths cannot be laid on the doorstep of those Members who voted for the bill.

Mr. President, while I was in Florida last February, nine bodies of sailors, burned and boiled in oil, were brought to shore at Fort Pierce. Those who have found various and spurious reasons to oppose the construction of the canal should have given more thought to the value of human life.

The barge canal should be completed at the earliest possible time. It is well to state here that a bill is now pending in the House carrying plans to deepen and improve for navigation purposes the entire inland waterway from Jacksonville to Key West, as well as from Stuart, on the east coast, to Fort Myers, on the Gulf coast, and as far north as Tarpon Springs. I heartily favor these important improvements.

CONNECTING LINK

Already there have been constructed at great Government expense a thousand miles of Gulf barge canals from Corpus Christi, Tex., to Carrabelle, Fla., which would connect directly with the cross-State barge canal at the mouth of the Withlacoochee River, thence to the St. Johns River, where it is 10 to 12 feet deep, connecting with a waterway of the same depth all the way to New Jersey, over 1,000 miles.

The question arises, Should the whole inland waterway project of over 2,000 miles be further delayed on account of the relatively short cut of a few miles between the Gulf and the St. Johns, or because it might take 2 or even 3 years, or because of strategic material?

Everyone agrees that gas and oil constitute the lifeblood not only of our total war effort but likewise the lifeblood of our domestic and economic safety. There is nothing that can take their place, as all our war machines are built and equipped for the use of fuel oil and gas. The lack of transportation facilities has already thrown out of gear our domestic transportation and our industrial plants in all the States bordering the Atlantic Ocean.

Mr. President, every possible solution of the situation has been debated for the last 6 months, and at the present time there is a daily shortage of oil in rationed States of over 500,000 barrels. Ninety percent of the million and a half barrels daily required in the Eastern States was formerly transported from the oil fields of Texas and Louisiana via tanker around through the Florida Straits, practically all of which has now ceased by reason of submarines. There must be found some safe way to transport the petroleum, sulfur, and other war material, and the only feasible way, in addition to that supplied by the railroads, already loaded to limits and doing a most magnificent job, is by means of pipe lines and inland waterways. If the proposed canal authorized by the recently enacted bill were completed today, all necessary petroleum and

other materials could be supplied to the eastern seaboard within a few days. Barges and tugboats now idle can be found in sufficient number, kind, and quality to do the work.

WOULD CONSTRUCTION TAKE TOO LONG?

Mr. President, one of the main arguments advanced by opponents in the discussions in committee and on the floor of the Senate against the authorization bill was that the project could not be completed in time to help win this war.

In the first place, the canal would have already been completed if the bill defeated in 1939 had been passed by the Seventy-sixth Congress. It authorized a lock-barge canal or a sea-level canal, and left the type of construction within the discretion of the Chief of Engineers. It is true that General Reybold testified before the committee that it would take 3 years or perhaps longer to complete the barge canal. He also said in that calculation his estimate provided for only three crews using draglines on dry soil and dredges in the river beds. The contention of the proponents of the bill was that they could use a score or more crews if necessary. There could not be any priorities so important as the expeditious transportation of petroleum, sulfur, and cotton from the Gulf coast and Mississippi Valley to the war machine factories and maritime consumers in the eastern seaboard States.

Other competent engineers estimated that the barge canal could be completed within 15 or 20 months. The Senator from Texas [Mr. CONNALLY] stated that it could possibly be completed in one-third the time estimated. He based his opinion upon the fact that contracts for the construction of the naval air station and base at Corpus Christi provided for its completion within 3 years and that, as a matter of fact, it was finished in practically 1 year. A similar situation also obtains as to the Southeastern Naval Air Base at Jacksonville, Fla., which was completed 12 months in advance of the limit originally set by the engineers.

Mr. Roy Miller, the executive vice president of the Gulf Intracoastal Canal Association, testified, at pages 179 and 180 of the Senate committee hearings, as follows:

Is there any member of this committee, is there any thoughtful American citizen today, who would hazard a guess as to the length of this war?

So far as the 3 years' time is concerned, you can get all kinds of testimony on the other side of the question. The head of a dredging organization representing all of the dredging companies of America made this statement in my presence the other day, that if given the materials and the equipment they could dig the canal across Florida in 10 months.

No one can tell me that if this Florida barge canal is found to be necessary it cannot be constructed in record-breaking time.

Yes; the barge canal can perhaps be completed even within 1 year if the President gives the order for full speed ahead and removes just a few priorities.

The record of the debate in the Senate shows that the Bureau of the Budget, which directly represents the President,

stated that no critical materials or strategic materials will be diverted from the war effort in the construction of the lock barge canal and pipe lines. The bill was amended on the floor of the Senate to meet the objections of the Director of the Budget, as evidenced in a letter to the Senator from North Carolina [Mr. BAILEY], chairman of the Commerce Committee, which was placed in the RECORD.

ECONOMIC TRANSPORTATION

Mr. President, there must be annually transported from the sulfur beds of Texas and Louisiana at least 2,000,000 tons of sulfur, as it constitutes an essential ingredient in making steel for tanks, ships, planes, and guns, and for other war purposes. Sulfur, cotton, and grain for food cannot be pumped through oil pipe lines, and there are scores of other important bulky raw materials which must be conveyed to the eastern seaboard if possible. The transportation charge to Atlantic Coast States on sulfur and petroleum now being paid by the Government by tank cars is about \$7 a ton more than when carried by oil tankers around the Florida peninsula. Nearly all of these commodities could go in protected barges if the barge canal were now ready. Since gas has been rationed it has been costing 2½ to 5 cents more per gallon in Florida and some of the other rationed States, due mainly to increase in railroad freight over barge or tanker rates. Florida borders on the Gulf and near the great oil fields and should never have been included among the rationed States.

Experts testifying before the Senate Commerce Committee on this measure gave the relative cost of transporting oil from the Southwest to consuming centers of the East and Northeast, based on per ton-mile, as follows:

	Mills per ton-mile
Cost by rail.....	8
Cost by pipe line.....	3
Cost by shallow-draft barge.....	2¼
Cost by deep-draft tankers.....	1¼

(The above estimates made by General Reybold, Chief of Engineers, on Saturday, April 18, 1942.)

DURATION OF WAR

During the last few days we have received reports of the sinking of from two to five Allied and American vessels each day. The war situation in the Far East, in Europe, and in Africa indicates now, more than any time since Dunkerque, that this world-wide war may last from 3 to 5 years or longer.

It is essential that we should leave nothing for granted in this great struggle to preserve our liberties. For example, Congress has just authorized the construction, at a cost of billions of dollars, of an unlimited number of plane carriers about the size of ordinary battleships, and experts advise that it will be from 18 to 20 months before the first one authorized can be completed, and that it will be 1946 before very many can be finished. If the canal can be constructed within a few months, it will thereafter be an insurance policy against future losses such

as we have had to endure for not having started construction of the canal in 1937 or 1939. Failure to do so has cost us billions of dollars in the loss of ships, cargoes, and strategic materials, not to mention the precious lives of hundreds of our men who were destroyed in our own American waters by the torpedo boats of our enemies.

MOST IMPORTANT PRIORITIES

Mr. President, the planes, the tanks, and the ships operating on and off the east coast will be of little or no service without oil. No plane, tank, or Navy vessel is of any use without oil. It is therefore just as essential to build the canal and pipe-line facilities for transporting oil and gas as it is to build carriers, planes, and tanks. Indeed, if we must have priorities we must make oil A-1, as it is the first essential for operating our war machinery which we have already constructed, rather than run the risk of the situation facing us for lack of essential transportation.

It has been intimated that General Reybold, Chief of Engineers, is not in favor of the barge canal as authorized by this measure.

On page 21 of the House hearings before Judge MANSFIELD, it is recorded that General Reybold was asked the direct question whether both the pipe line and the finishing of the barge canal should be now authorized. The record shows the following at page 21:

Mr. RANKIN. General Reybold, the necessity for this transportation across Florida has been greatly increased on account of the submarine menace on the Atlantic, the Gulf, and the Caribbean, has it not?

General REYBOLD. Yes, sir.

Mr. RANKIN. And it makes it almost imperative that we get some kind of transportation across Florida for this oil and gasoline, does it not?

General REYBOLD. For petroleum products. That is all that pipe line will do, naturally. There are other commodities moving north and south that would probably demand the connecting waterway.

Mr. RANKIN. You recommend both the pipe line and the canal?

General REYBOLD. Yes, sir. I think both should be authorized.

STATE REVENUE LOSSES

Mr. President, the immediate construction of the intracoastal barge canal will help to remedy the tremendous loss in tax revenues that is being suffered by the States and counties in the rationed areas.

I have before me a letter which I received on July 9 from Hon. Henry W. Grady, Jr., grandson of the late great statesman of Atlanta, Ga., by the same name, who, it will be recalled, did more to heal the sectional wounds caused by the Civil War than any man living or dead. Mr. Grady shows in tabulated form the depleted tax income of the three rationed States of Georgia, Florida, and North Carolina, as compared to the three non-rationed States of Alabama, Arkansas, and Mississippi. I ask that the letter and comparative table be printed in the RECORD as a part of my remarks.

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

THE ROBINSON-HUMPHREY CO.,
Atlanta, Ga., July 9, 1942.

HON. CHARLES O. ANDREWS,
Senate Office Building,
Washington, D. C.

DEAR SENATOR ANDREWS: I recently wrote Gov. Spessard L. Holland at Tallahassee, sending him a copy of the enclosed letter which I sent on July 3 to Senators WALTER F. GEORGE and RICHARD B. RUSSELL. You will, of course, see in my letters to Senators GEORGE and RUSSELL that I was attempting to show the heavy penalty under the present gasoline rationing set-up that the rationed States are bearing compared to those which are not rationed. Governor Holland has suggested that I write you, enclosing copy of these letters and the recent figures which I have received from the respective State officials.

I feel sure that not only from the standpoint of the State of Florida but also from the standpoint of the country as a whole that you are anxious to see this matter equalized.

With best regards,

Very truly yours,

HENRY W. GRADY, JR.,
Vice President.

THE ROBINSON-HUMPHREY CO.,
Atlanta, Ga., July 3, 1942.

HON. WALTER F. GEORGE,
Senate Office Building,
Washington, D. C.

DEAR SENATOR GEORGE: In our business we watch the State gasoline-tax collections very closely, as it has a direct bearing on the credit of the various States, and more particularly the security and prices of their highway bonds. Since we deal in bonds of the Southeastern States, we are particularly interested in these gasoline-tax situations.

I have read with much interest and appreciation of your fight to get all States rationed on the same basis. I have just received figures from six of the nine Southeastern States which show the tremendous difference rationing has already made, and it seems evident that it will make more difference in succeeding months.

I am enclosing herewith figures for three rationed States (Georgia, Florida, and North Carolina) compared with figures for three unrationed States (Alabama, Mississippi, and Arkansas). These figures are for actual sales of gas made in May 1942 and collected in June compared with the similar period in 1941. The three rationed States showed a loss in revenue of \$1,673,605, which was equal to 22.61 percent, while the unrationed States showed a loss of \$174,044, or only 4.38 percent. This seems a disproportionate loss for the rationed States to have to take.

I do not believe there is any individual or municipality but what would be glad to make this or almost any other sacrifice, if it is needed in the war effort. If it is necessary, it is no sacrifice but a privilege to do our part. In any event, I believe the public and various State governments would want to share equally in such effort. You, of course, realize this, and my only purpose in presuming to write you was to set the actual figures before you to show the very large variation that is now occurring under the present set-up.

Since dictating this letter, I have just received from the Federal Reserve Bank of Atlanta their monthly review, which has further interesting figures on gasoline-tax collections. The figures in this review are only for actual sales made in April, as represented by gasoline-tax collections in May 1942. I think the Federal Reserve figures emphasize the uniform rate of gas-tax receipts up to the time of the rationing and the very heavy penalty on the rationed States since restrictions began on May 15.

If you would be interested, I would be glad to give you the other three Southeastern States (Louisiana, South Carolina, and Tennessee) as I receive them from the respective State officials.

With best regards,

Very truly yours,

HENRY W. GRADY, JR.,
Vice President.

Gas tax collections

3 RATIONED STATES

	Sales in May 1942 (reported in June)	Sales in May 1941 (reported in June)	Decrease	Per- cent de- crease
Georgia.....	\$1,759,920	\$2,266,234	\$506,314	22.34
Florida.....	1,887,180	2,473,380	586,200	23.70
North Caro- lina.....	2,079,963	2,661,054	581,091	21.83
Total.....	5,727,063	7,400,668	1,673,605	22.61

3 UNRATIONED STATES

	\$1,500,595	\$1,589,845	\$89,250	5.94
Alabama.....	1,011,125	1,079,981	68,856	6.37
Arkansas.....	1,270,024	1,294,962	24,938	1.92
Mississippi.....				
Total.....	3,790,744	3,964,788	174,044	4.38

These figures have been received from official sources but we do not guarantee their accuracy.

Mr. ANDREWS. Mr. President, at this point I desire to read a telegram dated Tampa, Fla., July 13, from Gordon Duke, secretary of the Florida Petroleum Marketers Association, as follows:

TAMPA, FLA., July 13, 1942.

HON. CHARLES O. ANDREWS,

Senate Office Building:

Concerning the Mansfield bill for waterway improvements and pipe lines coming up for Senate vote Wednesday wish to advise that Florida Petroleum Marketers Association representing owners of about 300 stations in all sections of Florida favor passage whole bill including the crude pipe line from Tinsley Field to Savannah and/or Charleston.

GORDON DUKE,

Secretary, Florida Petroleum Marketers Association.

I also wish to read a letter which I received from H. P. Nichols, executive vice president of the East Texas Oil Association, of Tyler, Tex., as follows:

EAST TEXAS OIL ASSOCIATION, INC.,

TYLER, TEX., June 26, 1942.

HON. CHARLES O. ANDREWS,

United States Senate,

Washington, D. C.

MY DEAR SENATOR: Gasoline is being rationed in the area contiguous to the Atlantic seaboard; the 26,000 wells in the East Texas oil field were allowed to operate but 12 days in April 1942, and according to the Texas Commission's order just published, these wells will be permitted to flow only 17 days in July. Shortage of petroleum products in one area, and wells shut down in another area easily creates a paradox which the average eastern consumer fails to understand; he does not know that heretofore his supply has moved from the Gulf area in tank ships, that many of these tankers have been sunk by submarines and others transferred to the Pacific for use of our armed forces.

A bill known as H. R. 6999 passed the House recently; it provides for the construction of a barge canal and pipe lines across Florida, and if this bill can be quickly passed by the Senate it will relieve any necessity of rationing of all petroleum products. A canal and pipe lines across Florida and the use of inland waterways will eliminate the submarine menace.

I would direct your attention to the fact that many homes, office buildings, and factories along the Atlantic seaboard and elsewhere use furnace oil for heating and generating power—much of this equipment was designed to use oil and cannot easily nor economically be changed to burn coal; too, it is possible an adequate supply of coal may not be available for use this winter. Pipe lines across Florida can be easily constructed in 45 to 60 days after material is on the ground.

Your support and efforts in expediting the passage of H. R. 6999 through the Senate will be of vast service in the prosecution of the war, and of great assistance to a large number of the citizenry of this country.

Thanking you in advance for your consideration of this matter, I am,

Yours truly,

EAST TEXAS OIL ASSOCIATION,

H. P. NICHOLS,

Executive Vice President.

At this point I desire to read as a part of my remarks pages 3 and 4 of a statement regarding the oil and gasoline shortage placed in the record of the House by Chairman MANSFIELD:

THE OIL AND GASOLINE SHORTAGE

Normal consumption of petroleum and its products in Atlantic seaboard territory (now rationed), 1,600,000 barrels per day. Minimum need, 1,400,000 barrels. Prior to war and discontinuance of tanker service, 1,400,000 barrels moved from Texas to Atlantic seaboard by tank ship. Present movement (statement Maj. J. R. Parten, Director of Transportation in the Office of Petroleum Coordinator, page 217 of the House hearings), for week ending May 9, as follows:

Barrels per day:

By tank car.....	650,000
By pipe line.....	125,000
By inland barge.....	64,000
Total.....	839,000

Proposed 24-inch pipe line from Texas to Salem, Ill., is estimated to carry 300,000 barrels daily. With this added facility, a total of approximately 1,200,000 barrels, theoretically, will be delivered to rationed territory; theoretically, because Salem, Ill., is several hundred miles west of territory where shortage exists.

There is now a completed and usable 12-foot inland waterway from Jacksonville, Fla., to Trenton, N. J., a distance, 1,046 miles. If there was now a 12-foot inland waterway from the Mexican border to the west coast of Florida (as provided in H. R. 6999), and a 12-foot barge canal across Florida, with sufficient towboats and barges, all of the petroleum needs of the Atlantic coast could be supplied.

Pending construction of the barge canal across Florida, pipe lines (as provided in H. R. 6999 and which, according to expert testimony, can be constructed in not to exceed 120 days) will be capable of supplying a large portion of the deficiency which will still exist after the 24-inch pipe line from Texas to Salem, Ill., is constructed. There are available in Texas, much unused pipe lines, 8 to 10 inches in diameter. An 8-inch line can handle 35,000 barrels per day, a 10-inch line, 60,000 barrels per day.

Pending completion of the barge canal across Florida, these pipe lines can be serviced by barges operating on the Gulf Intracoastal Waterway at terminals at Carrabelle or St. Joe, Fla., and barges operating in the Atlantic Intracoastal Canal from Jacksonville, Fla. With three pipe lines (8 or 10 inch) not less than 150,000 barrels a day can be supplied. Wooden barges which can be quickly constructed in practically unlimited quantities, are entirely satisfactory for the movement of all petroleum products with the exception of gasoline. To the extent that

pipe lines across Florida can handle crude and fuel oil, tank cars will be released to handle larger quantities of gasoline.

The total capacity of oil refineries along the Atlantic coast is approximately 714,000 barrels per day. Crude oil must be supplied if these refineries are to continue to operate.

CONCLUSION

H. R. 6999 is not a full, or complete, answer to the oil and fuel shortage along the Atlantic coast. It will, however, make a definite and distinct contribution toward the solution of the problem, and when the barge canal across Florida is completed, means for through and cheap transportation will be provided for many other essential and vital raw materials produced in great abundance along the Gulf coast.

The commerce now being handled on the Gulf Intracoastal Waterway (as shown above), which is rapidly increasing day by day, requires the immediate enlargement of the Gulf Intracoastal Waterway. The project (described in H. R. 6999), in its entirety, is recommended by Maj. Gen. Eugene Reybold, Chief of Engineers (this in conformity with the customary procedure), in his statement appearing on page 16 of the House hearings. After reviewing the project in all of its details, General Reybold says, "It is my opinion that such improvements [all features of the project] should be authorized by Congress now and that construction should be initiated at the earliest date on which work can be commenced without interfering with construction directly connected with the war effort."

AVAILABLE LABOR

Mr. President, on the question of whether there would be sufficient labor available to construct the canal and pipe lines, I direct the Senate's attention to the fact that, as a result of a recent act of Congress, the employment of W. P. A. workers was cut by half on July 1. Employment by W. P. A. in Florida dropped from about 19,000 to 8,000. There will, therefore, be several thousand persons idle in Florida unless they can find the kind of work they can do through some other source. Most of them are permanent residents with families and cannot move north to the great industrial States. The South, Florida in particular, has but few of the war industries and factories. Thousands of the younger mechanics and other laborers have migrated to northern States, such as New Jersey, Ohio, and Michigan, in any one of which States there are more war contracts, in terms of value, than in all five of the Southeastern States combined. There may be ample labor this winter in the Northeastern States where the people will be shivering with colds and perhaps influenza for lack of fuel. The fact is that the Southeast badly needs winter employment, as there will be but few tourists as compared to the million or more who heretofore required the employment of thousands of extra employees during the winter season.

Another serious matter confronting Florida is adequate transportation for its great citrus and vegetable crops to the other sections of the United States, and particularly to the great Army and Navy bases and camps throughout the United States. A great portion of these crops has been going by refrigerated ships to the northern markets at a rate which caused the railways to reduce their freight charges from about 80 to 55 cents a crate for citrus fruit. Under the present outlook, few, if any, ships can be

used to transport citrus fruit and vegetables to the northern markets, and railways are already loaded to capacity and threatening to raise freight rates. Likewise, a large portion of the transportation of fruit and vegetables to market has heretofore been carried on by means of autotrucks. By reason of the rationing of gas and tires, that medium of transportation may also be seriously impaired for several years.

Mr. President, the construction of the barge canal should commence at once, and it should be rushed to completion. There must be no further procrastination or vacillation, lest the tragic words "too little and too late" rise up again to smite us.

GASOLINE RATIONING ON THE EASTERN SEABOARD

Mr. DANAHER. Mr. President, on several previous occasions when opportunity was afforded on the floor of the Senate, I have called attention to the desperate plight of the New England area, particularly among the 17 rationed States in district No. 1. While the most dramatic impact of the rationing system is upon the individual who has insufficient gasoline for normal pleasure and other use of his automobile, by far the more serious of the impending dangers from the fuel-oil shortage derives from the very great need for bunker fuel oil for power in defense-plant operations and fuel oil for heating purposes.

We are faced in New England this winter with a dire problem.

I read from the Washington Post of this morning portions of an article by Ben W. Gilbert:

NATION-WIDE GAS RATIONING HELD NECESSARY—WAR PRODUCTION BOARD OFFICIALS SAY TIRES MUST BE SAVED FOR ESSENTIAL USES
(By Ben W. Gilbert)

Immediate rationing of gasoline on a Nation-wide scale is needed to make possible continued operation of the Nation's cars for essential purposes for the duration of the war, in the opinion of informed officials of the War Production Board, Rubber Division, it was learned yesterday.

Reading further:

Meanwhile, Joel Dean, head of the gasoline-rationing program of the Office of Price Administration, said that a recommendation for Nation-wide gasoline rationing endorsed by himself and Price Administrator Leon Henderson was before President Roosevelt.

Dean, speaking before a delegation of two-score Virginia traveling salesmen who asked for increased allotments of gasoline, agreed that Nation-wide rationing would tend to relieve the present east coast shortage by making additional tank cars and trucks available from unrationed areas.

The common-sense and obvious logic of that statement are so appealing that a mere reading of it affords a complete test.

Senator HARRY F. BYRD (Democrat), of Virginia, who also addressed the salesmen, declared that "every argument of fairness and common sense calls for immediate universal rationing of gasoline."

Nation-wide rationing has been stymied for 7 months because it is political dynamite. Congressmen from States outside the rationed eastern area, particularly those which produce oil, have thus far succeeded in blocking it—presumably until after the November

elections. However, Rubber Division officials retain a faint hope that something will be done before November, possibly as a result of the direct intervention of the President into the situation.

I cease reading at that point, Mr. President, to observe that I have no knowledge whatever as to the allegation that Members of Congress from States outside the eastern rationed area have succeeded in blocking a Nation-wide rationing scheme. I do not make such a charge. I know nothing of such a charge. However, I do know that personally I have conferred with Mr. Leon Henderson and other officials of the Office of Price Administration and have urged a Nation-wide rationing program. Such a program is an essential, in my humble opinion, if the East is to be freed this winter from the threat now facing it.

The New England council has appointed a special commission on gasoline and fuel oil. Its representative, Mr. M. M. Beckes, has conducted a survey for many months to ascertain exactly what the facts are. He has worked not only through New England business and New England industry but with the Association of American Railroads, with individual railroads serving New England, and with operating and traffic managers of the distributors of petroleum products in New England. I am certain that a short summary from its recent report will prove of interest to Senators who may not have had an opportunity to learn of the survey:

The latest estimates of New England's rationed requirements for gasoline and fuel oils indicate a year-round average need of about 1,250 tank cars per day to supplement barge receipts. The movement of tank cars will necessarily be slower during the winter. In fact it will be almost impossible to bring in certain products by rail during extreme weather. Therefore, it is necessary to build up reserve stocks of fuel oils before severe weather sets in.

Completed surveys show substantial storage capacity for all products in all parts of New England. These same surveys show that the required tank-car unloading facilities are available. The district No. 1 transportation committee (17 Atlantic seaboard States) and its subcommittees have pressed into service all possible tank cars, have reversed pipe lines and relaid other pipe lines. Every possible effort has been made and is being made to increase the efficiency of tank cars by scheduling train loads and eliminating delays. Competent men in the industry and in our Government are devoting all of their time to the industry's problems and every possible solution is being probed. The railroads are responding in a magnificent manner.

The net result of all this effort to date has been to increase the movement of tank cars into New England to approximately 900 cars per day. Although our average need is 1,250 cars per day, we should be receiving a minimum of 1,500 cars now to build up reserve stocks. The work being done will increase the volume of incoming shipments, but it will be difficult to jump from 900 to 1,500 cars per day without many more tank cars. No doubt we will get more but not enough to permit unrestrained use of petroleum products.

Our stocks of all products are roughly 44 percent below stocks of last year. We would have to increase shipments 65 percent to reach rationed requirements. We will be required to furnish war-production industries 100 percent of their requirements.

Mr. President, in view of the serious shortage in delivery facilities, and in view of the fact that only 900 cars a day loaded with petroleum products are reaching an area which requires at least 1,500 cars a day to meet reserve requirements, much less average normal daily needs, it becomes perfectly apparent that unless this national problem can be faced in a national way war industries are bound to suffer. Workers who depend upon the war industries and upon petroleum products to heat and light their homes are bound to suffer. Surely, Mr. President, we are reaching the point where a fair, reasonable, and all-over approach to this problem makes it absolutely imperative that the transportation facilities and tank cars now being utilized throughout 31 unrationed States, with 20,000,000 automobiles free to burn gasoline any day in any amount, be reallocated and shared with the beleaguered eastern rationed States.

I emphasize anew the point I have made on the floor of the Senate, in committees, and elsewhere, that the situation is drastic, and that drastic measures are required if we are to resolve it.

NAVAL AVIATION CADETS

The Senate resumed the consideration of the bill (H. R. 7364) to repeal certain laws and to amend other laws relating to naval aviation cadets, to provide for aviation cadets in the Naval Reserve and Marine Corps Reserve, and for other purposes.

Mr. WALSH. Mr. President, briefly the explanation for this bill is that during the past 5 years there have been several acts dealing with aviation cadets. The bill is a codification and clarification of all the laws, so that hereafter one act will give to the cadets and to the public information as to the naval cadet service. No money is involved.

The principal feature of the bill is that it takes away from the Secretary of the Navy the appointment of naval cadets and permits the enlistment of young men at various enlistment stations for training as cadets. When they finish their training they will be commissioned.

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

The bill (H. R. 7364) was ordered to a third reading, read the third time, and passed.

ADDITIONAL PAY FOR NAVAL PERSONNEL ON SUBMARINES

Mr. WALSH. Mr. President, there are only two more bills which are imperative. I am not calling up bills which are not imperative. The Navy Department has requested action on House bill 7140, Calendar 1615. I ask unanimous consent for its present consideration.

The PRESIDING OFFICER. The bill will be stated by title for the information of the Senate.

The LEGISLATIVE CLERK. A bill (H. R. 7140) to amend the act entitled "An act to provide additional pay for personnel of the United States Navy assigned to duty on submarines and to diving duty,"

so as to increase the additional pay of officers and enlisted men of the United States Navy assigned to duty on submarines, and for other purposes.

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.

Mr. WALSH. Mr. President, I ask that the report of the committee be printed in the RECORD at this point.

There being no objection, the report (No. 1564) was ordered to be printed in the RECORD, as follows:

The Committee on Naval Affairs, to whom was referred the bill (H. R. 7140) to amend the act entitled "An act to provide additional pay for personnel of the United States Navy assigned to duty on submarines and to diving duty," so as to increase the additional pay of officers and enlisted men of the United States Navy assigned to duty on submarines, and for other purposes, having considered the same, report favorably thereon without amendment, and recommend that the bill do pass.

The following letter from the Secretary of the Navy addressed to the chairman of the Committee on Naval Affairs of the House of Representatives sets forth the views and recommendation of the Navy Department on this bill. This letter is hereby made a part of this report:

NAVY DEPARTMENT,
Washington, July 18, 1942.

HON. CARL VINSON,
Chairman of the Committee on
Naval Affairs, House of Representatives.

MY DEAR MR. CHAIRMAN: The bill (H. R. 7140) to amend the act entitled "An act to provide additional pay for personnel of the United States Navy assigned to duty on submarines and to diving duty," to include additional pay for diving in depths of less than 90 feet under certain conditions, and for other purposes, was referred to the Navy Department with a request for views and recommendations thereon.

The purpose of the bill is to provide increased rates of pay to officers and enlisted men of the Navy for submarine and diving duty.

More specifically, it would increase the additional pay of officers assigned to submarine duty from the 25 percent now received to 50 percent additional of the pay for their rank and service, and it would give to enlisted men 50 percent additional of the pay for their rating and service in lieu of rates of from \$5 to \$30 per month in addition to the pay and allowances of their rating and service. The bill retains the provision for payment of 25 percent additional to officers on duty involving submarine escape and diving training and experimental diving.

The proposed bill incorporates the former provision for further additional pay for diving in connection with salvage operations, together with the amendment including such pay for diving in depths less than 90 feet under hazardous conditions enacted into law on June 27, 1942 (Public Law 628, 77th Cong., 2d sess.).

In view of the above, it is suggested that the title be amended to read as follows: "A bill to amend the act entitled 'An act to provide additional pay for personnel of the United States Navy assigned to duty on submarines and to diving duty,' so as to increase the additional pay of officers and enlisted men of the United States Navy assigned to duty on submarines, and for other purposes."

Also, in view of the enactment of Public Law 628, the bill H. R. 7140 should be amended by striking out line 6 of page 1 and inserting in lieu thereof the following: "Stat. 412), as amended by the act approved Janu-

ary 16, 1936 (49 Stat. 1091; 34 U. S. C. 886), and the act approved June 27, 1942 (Public Law 628, 77th Cong., 2d sess.)."

In addition to equalizing the increases in pay of officers and enlisted men for submarine duty, the bill would also equalize the percentage of increases for flying and submarine duty.

If the bill H. R. 7140 is enacted into law, the increase in cost for the fiscal year 1943 is estimated at \$4,982,977.

The Navy Department recommends early and favorable consideration of the proposed legislation.

The Navy Department has been advised by the Bureau of the Budget that there would be no objection to the submission of this recommendation.

Sincerely yours,

FORRESTAL, Acting.

Under existing law, officers on duty on board a submarine of the Navy, including submarines under construction for the Navy from the time builders' trials commence, receive 25 percent additional of the pay for their rank. Enlisted men, similarly, receive additional pay at the rate of not less than \$5 per month and not exceeding \$30 per month in addition to the pay and allowances of their rating and service. Commanders of submarine operating units and their staffs not regularly attached to a submarine and instructors and students at submarine schools receive the additional pay only on the days that they are actually under way in a submarine.

The purpose of the bill is to provide that all officers and enlisted men of the Navy on duty on board a submarine, including submarines under construction for the Navy from the time builders' trials commence, shall, while so serving, receive 50 percent additional of the pay for their rank or rating and service, under the same conditions as the present law is administered.

Prior to the act of April 9, 1928, officers received no extra pay for submarine duty. Enlisted men received \$5 per month when assigned to duty in a submarine, plus \$1 per dive up to 15 dives. It was provided also that enlisted men could not receive more than \$1 as diving pay for any single day. Thus, submarine pay for enlisted men was limited to \$20 per month.

The committee is of the opinion that operating conditions in submarines are not only hazardous but exceedingly arduous, especially during war operations. There have been instances of operations in the theaters of war where personnel have not seen the sunshine for as much as 60 days while on patrol. Under such conditions, surface operations are limited only to nighttime and, even then, everything must remain in readiness to crash-dive on an instant's notice.

Officers and enlisted men assigned to flight duty in the aeronautical organization now receive 50 percent additional pay and the committee is convinced from experience of the present war that there is no service in the Navy, including that involving flying, which is more arduous or hazardous than that now being performed by personnel assigned to submarine duty. Accordingly, the increased compensation contemplated by this bill would appear to be amply warranted.

The committee is advised that the Navy Department estimates the increased cost involved in enactment of the bill H. R. 7140 at \$4,982,977 for the fiscal year 1943.

AMENDMENT OF SOLDIERS' AND SAILORS' CIVIL RELIEF ACT OF 1940

Mr. JOHNSON of Colorado. Mr. President, I ask unanimous consent for the present consideration of House bill 7164, Calendar 1609.

The PRESIDING OFFICER. The bill will be stated by title for the information of the Senate.

The LEGISLATIVE CLERK. A bill (H. R. 7164) to amend the Soldiers' and Sailors' Civil Relief Act of 1940, as amended, to extend the relief and benefits provided therein to certain persons, to include certain additional proceedings and transactions therein, to provide further relief for persons in military service, to change certain insurance provisions thereof, and for other purposes.

The PRESIDING OFFICER. Is there objection to the request of the Senator from Colorado?

There being no objection, the Senate proceeded to consider the bill, which had been reported from the Committee on Military Affairs with an amendment, on page 13, after line 15, to strike out:

Sec. 400. In this article the term "policy" shall include any contract of life insurance on the level premium, endowment, or legal reserve plan. It shall also include any benefit in the nature of life insurance arising out of membership in any fraternal or beneficial association; the term "premium" shall include membership dues or assessments in such association, and the date of issuance of policy as herein limited shall refer to the date of admission to membership in such association; the term "insured" shall include any person who is the holder of a policy as defined in this article; the term "insurer" shall include any corporation, partnership, or other form of association which secures or provides insurance under any policy as defined in this article; the term "cash surrender value" shall include dividend accumulations, the value of any paid-up additions, and other amounts that are available to the insured upon complete surrender of all rights under the policy, less any indebtedness on the policy; the term "holder of a policy of life insurance" shall include insured persons who have assigned such a policy as security for the payment of indebtedness, except when such assignment completely and permanently divests the insured of all interest in the policy.

Sec. 401. (1) The benefits of this article shall apply to any person in military service who is the holder of a policy of life insurance, when such holder, or a person designated by him, or, in case the holder is outside the continental United States (excluding Alaska and the Panama Canal Zone), a beneficiary or dependent, shall apply for such benefits on a form prepared in accordance with regulations which shall be prescribed by the Administrator of Veterans' Affairs. Such form shall set forth particularly that the application therein made is a consent to such modification of the terms of the original contract of insurance as are made necessary by the provisions of this article and by receiving and filing the same the insurer shall be deemed to have assented thereto, to the extent, if any, to which the policy on which the application is made is within the provisions of this article. The original of such application shall be sent by the insured to the insurer, and a copy thereof to the Veterans' Administration.

(2) The Veterans' Administration shall issue through suitable military and naval channels a notice for distribution by appropriate military and naval authorities to persons in the military service explaining the provisions of this article and shall furnish forms to be distributed to those desiring to make application for its benefits.

Sec. 402. The benefits of this article shall be available to any person in military service in respect of contracts of insurance in force under their terms up to but not exceeding a face value of \$10,000, irrespective of the number of policies held by such person whether in one or more companies when such contracts were made and a premium was paid thereon before the date of approval of this act or not less than 30 days before entry into the military service. In no event shall the

provisions of this article apply to any policy on which premiums are due and unpaid for a period of more than 1 year at the time when application for the benefits of this article is made.

SEC. 403. The Veterans' Administration shall, subject to regulations, which shall be prescribed by the Administrator of Veterans' Affairs, compile and maintain a list of such persons in military service as have made application for the benefits of this article, and shall (1) find whether the policy is entitled to protection under this article; (2) reject any application for such benefits made by persons who are not persons in military service; (3) reject any applications for such benefits in excess of the amount permitted by section 402; and (4) reject any applications in respect of contracts of insurance otherwise not entitled to the benefits of this article. Said Administration shall immediately notify the insurer and the insured in writing of every rejection or approval.

SEC. 404. When one or more applications are made under this article by any one person in military service in respect of insurance exceeding a total face value of \$10,000, whether on one or more policies or in one or more companies, and the insured shall not in his application indicate an order of preference, the Veterans' Administration shall reject such policies as have the inferior cash-surrender value, so as to reduce the total benefits conferred within the face value of \$10,000, and where necessary for this purpose shall direct the insurer to divide any policy into two separate policies. The said Administration shall immediately notify the insurer and the insured in writing of such selection.

SEC. 405. In the event of maturity of a policy as a death claim or otherwise before the expiration of the period of protection under the provisions of this article, the insurer in making settlement will deduct from the amount of insurance the premiums guaranteed under this article, together with interest thereon at 4 percent per annum. The amount deducted by reason of the protection afforded by this article shall be reported by the insurer to the Administrator of Veterans' Affairs.

SEC. 406. No policy found by the Administrator of Veterans' Affairs to be entitled to protection under this article shall, subsequent to date of application and during the period of military service of the insured or during 1 year after the expiration of such service, lapse or otherwise terminate or be forfeited for the nonpayment of a premium becoming due and payable, or the nonpayment of any indebtedness or interest.

SEC. 407. Payment of premiums and interest thereon at the rate specified in section 405 hereof due or becoming due on a policy while protected under the provisions of this article is guaranteed by the United States, and if the amount so guaranteed is not paid prior to the expiration of the period of insurance protection under this article, the amount then due shall be treated by the insurer as a policy loan on such policy at 4 percent per annum; but if at the expiration of the period of insurance protection the cash surrender value is less than the amount then due and the insured has not applied for the benefits of section 408, the policy shall then cease and terminate and the United States shall pay the insurer the difference between such amount and the cash surrender value.

SEC. 408. Before the expiration of the period of 1 year from the date of the termination of the period of military service of the insured and upon application by the insured and payment by the insured to the insurer of at least one-third of the indebtedness in excess of the cash surrender value of the policy, the remaining amount of such excess indebtedness established against the policy under authority of this article will be placed as an interest-bearing indebtedness against the amount of insurance to be deducted in any settlement thereunder unless sooner paid.

The insured shall be required to pay the premiums on the policy as they become due and to pay such excess indebtedness with interest at a rate not to exceed 4 percent per annum within a period of 3 years from the date of termination of his period of military service. If any premium be not paid when due or within the grace period allowed by the policy, or if the indebtedness with interest be not paid in full by the insured within 3 years after the date of termination of his period of military service, then the policy shall cease and become void, and the Government shall pay to the insurer the difference between the remaining unpaid indebtedness and the cash value of the policy as of the due date of the unpaid premium.

SEC. 409. No dividend or other monetary benefit under a policy shall be paid to an insured or used to purchase dividend additions while a policy is protected by the provisions of this article, except with the consent and approval of the Veterans' Administration. If such consent is not procured, such dividends or benefits shall be added to the value of the policy to be used as a credit when final settlement is made with the insurer. No cash value, loan value, or withdrawal of dividend accumulation, or unearned premium, or other value of similar character shall be available to the insured while the policy is protected under this article, except upon approval by the Veterans' Administration. The insured's right to change a beneficiary designation or select an optional settlement for a beneficiary shall not be affected by the provisions of this article, but such policy may not be assigned while under the protection of this article.

SEC. 410. The Administrator of Veterans' Affairs is hereby authorized and directed to provide by regulations for such rules of procedure and forms as he may deem advisable in carrying out the provisions of this article. The findings of fact and conclusions of law made by the Administrator of Veterans' Affairs in administering the provisions of this article shall be final, and shall not be subject to review by any other official or agency of the Government. The Administrator of Veterans' Affairs shall report annually to the Congress on the administration of this article.

SEC. 411. This article shall not apply to any policy which is void or which may at the option of the insurer be voidable, if the insured is in military service, either in this country or abroad, nor to any policy which as a result of being in military service, either in this country or abroad, provides for the payment of any sum less than the face thereof or for the payment of an additional amount as premium unless such policy is revised so as to exclude such provisions and is in force under its terms as revised at the time the holder thereof applies for the benefit of this article.

SEC. 412. This article shall apply only to insurance companies or associations which are required by the law under which they are organized or doing business to maintain a reserve, or, which if not so required, have made or shall make provision for the collection from all those insured in such insurer of a premium to cover the special war risk of those insured persons who are in military service.

SEC. 413. (1) The provisions of this article in force immediately prior to the enactment of the Soldiers' and Sailors' Civil Relief Act Amendments of 1942 (hereinafter in this section called 'such provisions') shall remain in full force and effect with respect to all valid applications for protection executed prior to the date of enactment of the Soldiers' and Sailors' Civil Relief Act Amendments of 1942 and all policies to which such applications pertain shall continue to be entitled to the protection granted thereby.

(2) Any insurer under a policy accepted under such provisions shall, subject to the approval of the Administrator of Veterans'

Affairs and upon complete surrender by it to the United States, within 90 days after the date of enactment of the Soldiers' and Sailors' Civil Relief Act Amendments of 1942, of all certificates issued in accordance with such provisions together with all right to payment thereunder, be entitled to the guaranty of unpaid premiums and interest thereon and the mode of settlement for such policies as provided by this article, as amended. The privileges and benefits granted by the foregoing sentence shall be in lieu of the method of settlement, and the requirement for accounts and reports prescribed by such provisions. In the event any such insurer fails to surrender within the said 90 days all such certificates and rights to payment, the accounts, reports, and settlements required to be made by such insurer under such provisions shall continue to be made as required and shall be governed by such provisions.

And insert:

SEC. 400. As used in this article—

(a) The term "policy" shall include any contract of life insurance or policy on a level premium life or endowment plan which does not provide for the payment of any sum less than the face value thereof or for the payment of an additional amount as premiums if the insured engages in the military service of the United States as defined in section 101 of article I of this act or which does not contain any limitation or restriction upon coverage relating to engagement in or pursuit of certain types of activities which a person might be required to engage in by virtue of his being in such military service, and (1) which is in force on a premium-paying basis at the time of application for benefits hereunder, (2) has also been in force on a premium-paying basis for 1 year or more prior to the date the insured entered such active service, or 1 year or more prior to the date of enactment of this article, as amended, whichever is the later date, and (3) which will have a cash surrender value at the expiration of 1 year from the due date of the first annual premium guaranteed under the provisions of this act, equal to or greater than one annual premium required by the policy.

(b) The term "premium" shall include the amount specified in the policy as the stipend to be paid by the insured at regular intervals during the period therein stated.

(c) The term "insured" shall include any person in the military service of the United States as defined in section 101, article I, of this act, whose life is insured under and who is the owner of and has an interest in a policy as above defined.

(d) The term "insurer" shall include any firm, corporation, partnership, or association chartered or authorized to engage in the insurance business and to issue a policy as above defined by the laws of a State of the United States or the United States.

SEC. 401. The benefits and privileges of this article shall apply to any insured upon written application for protection under this article unless the Administrator of Veterans' Affairs in passing upon such application as provided in this article shall find that the policy is not entitled to protection hereunder. The original of such application shall be sent by the insured to the insurer, and a copy thereof to the Veterans' Administration. The total amount of insurance on the life of one insured under policies protected by the provisions of this article shall not exceed \$5,000. If an insured makes application for protection of policies on his life totaling insurance in excess of \$5,000, the Administrator is authorized to have the amount of insurance divided into two or more policies so that the protection of this article may be extended to include policies for a total amount of insurance not to exceed \$5,000, and a policy which affords the best security to the Government shall be given preference.

SEC. 402. Any writing signed by the insured and identifying the policy and the insurer, and agreeing that his rights under the policy are subject to and modified by the provisions of this article, shall be sufficient as an application for the benefits of this article, but the Veterans' Administration may require the insured and insurer to execute such other forms as may be deemed advisable. Upon receipt of the application of the insured the insurer shall furnish such report to the Veterans' Administration concerning the policy as shall be prescribed by regulations. The insured who has made application for protection under this article and the insurer shall be deemed to have agreed to such modification of the policy as may be required to give this article full force and effect with respect to such policy.

SEC. 403. The Administrator of Veterans' Affairs shall find whether the policy is entitled to protection under this article and shall notify the insured and the insurer of such finding. Any policy found by the Administrator of Veterans' Affairs to be entitled to protection under this article shall not, subsequent to date of application, and during the period the insured is on active duty with the military or naval forces, but not beyond 1 year after termination of active duty, nor beyond the date specified in section 409 of this article, whichever is the earlier date, lapse or otherwise terminate or be forfeited for the nonpayment of a premium becoming due and payable, or the nonpayment of any indebtedness or interest.

SEC. 404. No dividend or other monetary benefit under a policy shall be paid to an insured or used to purchase dividend additions while a policy is protected by the provisions of this article except with the consent and approval of the Veterans' Administration. If such consent is not procured, such dividends or benefits shall be added to the value of the policy to be used as a credit when final settlement is made with the insurer. No cash value, loan value, or withdrawal of dividend accumulation, or unearned premium, or other value of similar character shall be available to the insured while the policy is protected under this article except upon approval by the Veterans' Administration. The insured's right to change a beneficiary designation or select an optional settlement for a beneficiary shall not be affected by the provisions of this article.

SEC. 405. In the event of maturity of a policy as a death claim or otherwise before the expiration of the period of protection under the provisions of this article, the insurer in making settlement will deduct from the amount of insurance the premiums guaranteed under this article, together with interest thereon at the rate fixed in the policy for policy loans. If no rate of interest is specifically fixed in the policy, the rate shall be the rate fixed for policy loans in other policies issued by the insurer at the time the policy brought under the act was issued. The amount deducted by reason of the protection afforded by this article shall be reported by the insurer to the Administrator of Veterans' Affairs.

SEC. 406. Payment of premiums and interest thereon at the rate specified in section 405 hereof becoming due on a policy while protected under the provisions of this article is guaranteed by the United States, and if the amount so guaranteed is not paid prior to the expiration of the period of insurance protection under this article, the amount then due shall be treated by the insurer as a policy loan on such policy, but if at the expiration of said period the cash-surrender value is less than the amount then due, the policy shall then cease and terminate and the United States shall pay the insurer the difference between such amount and the cash-surrender value. The amount paid by the United States to an insurer on account of applications approved under the provisions of this article,

as amended, shall become a debt due to the United States by the insured on whose account payment was made and, notwithstanding any other act, such amount may be collected either by deduction from any amount due said insured by the United States or as otherwise authorized by law.

SEC. 407. The Administrator of Veterans' Affairs is hereby authorized and directed to provide by regulations for such rules of procedure and forms as he may deem advisable in carrying out the provisions of this article. The findings of fact and conclusions of law made by the Administrator of Veterans' Affairs in administering the provisions of this article shall be final, and shall not be subject to review by any other official or agency of the Government. The Administrator of Veterans' Affairs shall report annually to the Congress on the administration of this article.

SEC. 408. This article as amended shall remain in force until May 15, 1946: *Provided*, That should the United States be then engaged in war this article shall remain in force until war is terminated by a treaty of peace proclaimed by the President and for 6 months thereafter.

SEC. 409. (a) The provisions of such article IV in force prior to the date of enactment of this act (hereinafter in this section called "such provisions") shall remain in full force and effect with respect to all valid applications for protection heretofore executed thereunder and all policies to which such applications pertain shall continue to be entitled to the protection granted thereby.

(b) Any insurer under a policy accepted under such provisions shall, subject to the approval of the Administrator of Veterans' Affairs and upon complete surrender by it to the United States, within 90 days after the date of enactment of this act, of all certificates issued in accordance with such provisions together with all right to payment thereunder, be entitled to the guarantee of unpaid premiums and interest thereon and the mode of settlement for such policies as provided by the amendment made by this act. The privileges and benefits granted by the foregoing sentence shall be in lieu of the method of settlement, and the requirement for accounts and reports prescribed by such provisions. In the event any such insurer fails to surrender within the said 90 days all such certificates and rights to payment, the accounts, reports, and settlements required to be made by such insurer under such provisions shall continue to be made as required and shall be governed by such provisions.

Mr. JOHNSON of Colorado. Mr. President, the purpose of the bill is to make available additional and further relief and benefits to persons in the military and naval forces, and to clarify the original act, which is known as the act of 1940. Most of the amendments are technical in nature. However, the Senate Military Affairs Committee reported one amendment, which is a Senate bill which was passed by this body on November 10, 1941. The Senator from South Dakota [Mr. GURNEY] was in charge of that bill. The Senate Military Affairs Committee felt that that bill should be incorporated as part of the act, so we have reported it as an amendment.

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

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.

MRS. CLAUD TUCK—VETO MESSAGE (S. DOC. NO. 242)

The PRESIDING OFFICER (Mr. ROSS in the chair) laid before the Senate the following message from the President of the United States, which was read, and, with the accompanying bill, referred to the Committee on Claims and ordered to be printed:

To the Senate:

I return herewith, without my approval, S. 1694, for the relief of Mrs. Claud Tuck.

It is the purpose of the bill to pay the sum of \$5,769.75 to Mrs. Claud Tuck, of Lawrenceville, Ga., in settlement of her claim against the United States for reimbursement of medical, hospital, and funeral expenses incurred by her, and for compensation for the death of her husband, Claud Tuck, who died on June 14, 1938, from injuries sustained on May 23, 1938, when the truck which he was operating overturned while he was engaged in working on a project of the Works Progress Administration.

The act of February 15, 1934, extended the provisions of the Federal Employees' Compensation Act of September 7, 1916, subject to certain restrictions and limitations, to the employees of the Civil Works Administration, and provided maximum compensation of \$4,000 in death cases, payable in installments not in excess of \$50 per month. While the Employees' Compensation Commission denied this claim on the basis that Tuck was not employed by the Federal Government at the time of the accident, it pointed out certain equities in the case and indicated that an appropriate method of providing relief for the claimant would be the enactment of legislation which would authorize and direct the Commission to receive and act upon the claim of the widow and minor child under the provisions of the act of February 15, 1934, as amended, in the same manner as if the decedent, on the date in question, had been regularly employed by the Works Progress Administration.

While I feel obliged to withhold my approval of the bill for the reason that the proposed payment appears to be inappropriate and excessive, I would be glad to give my approval to legislation which would authorize the Employees' Compensation Commission to adjudicate the claim on its merits under the act of February 15, 1934.

FRANKLIN D. ROOSEVELT,

THE WHITE HOUSE, July 30, 1942.

MIKE CHETKOVICH—VETO MESSAGE (S. DOC. NO. 241)

The PRESIDING OFFICER laid before the Senate the following message from the President of the United States, which was read, and, with the accompanying bill, referred to the Committee on Claims and ordered to be printed:

To the Senate:

I am returning, without my approval, S. 1667, Seventy-seventh Congress, an act for the relief of Mike Chetkovich, which would authorize and direct the Secretary of the Treasury to pay to Mike Chetkovich the sum of \$10,000 as the face

amount of the certificate of war-risk insurance (numbered T-3229247) issued to him while in the military service on July 2, 1918, and which lapsed for nonpayment of the premium due April 1, 1919.

The bill is based upon an assumption that Mike Chetkovich became permanently and totally disabled as a result of an operation performed on or about August 12, 1918, at the Army base hospital at Camp Lewis, Wash. After denial of his claim for insurance benefits by reason of alleged permanent total disability by the Veterans' Administration, Mike Chetkovich brought suit on his \$10,000 contract of war-risk insurance in the United States District Court for the Western District of Montana. This suit was tried to the court with a jury, which rendered its verdict for the Government. From judgment entered on such verdict Mike Chetkovich took an appeal to the Ninth Circuit Court of Appeals. The judgment of the court below was affirmed, and certiorari was denied. Thus, it appears that the administrative finding of the Veterans' Administration to the effect that Mike Chetkovich did not become permanently and totally disabled while his \$10,000 contract of war-risk insurance remained in force has been fully sustained by the courts.

Because of partial disability connected with the military service, the claimant is receiving compensation in the amount of \$75 monthly.

The circumstances cited in support of the present claim do not, in my judgment, provide a showing of manifest wrong or oversight in the decisions of the court and the administrative agencies that requires or justifies the special relief that would be granted by this measure.

There are many other cases in which those granted war-risk insurance have failed to secure payment of insurance benefits by court action, brought after denial of claim by the Veterans' Administration. Legislation providing for payment of insurance benefits to an individual found not entitled to such benefits by both the Veterans' Administration and the Federal courts would establish an unwise precedent and open the way for special legislation for the relief of others similarly circumstanced, and thus destroy the finality of a court judgment.

FRANKLIN D. ROOSEVELT.

THE WHITE HOUSE, July 30, 1942.

EXECUTIVE SESSION

Mr. WALSH. 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. ROSIER in the chair) laid before the Senate messages from the President of the United States submitting sundry nominations and withdrawing certain nominations of members of the Army Specialist Corps, which nominations were referred to the appropriate committees.

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

EXECUTIVE REPORTS OF A COMMITTEE

Mr. McKELLAR, from the Committee on Post Offices and Post Roads, reported favorably the nominations of sundry postmasters.

ARMY NOMINATIONS REPORTED AND CONFIRMED

Mr. KILGORE. Mr. President, from the Military Affairs Committee, I report sundry nominations of persons for appointment in the Army Specialist Corps, and sundry officers for appointment, by transfer or promotion, in the Regular Army. It is very important that action be taken at once, particularly on the nominations in the Specialist Corps. I ask unanimous consent for the present consideration of the nominations.

The PRESIDING OFFICER. Is there objection to the present consideration of the nominations? The Chair hears none. Without objection, the nominations are confirmed en bloc.

Mr. KILGORE. I ask unanimous consent that the President be notified immediately of the confirmation of these nominations.

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

If there be no further reports of committees, the clerk will proceed to state the nominations on the calendar.

POSTMASTERS

The legislative clerk proceeded to read sundry nominations of postmasters.

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

The PRESIDING OFFICER. Without objection, the nominations of postmasters are confirmed en bloc, and the President will be notified forthwith.

THE NAVY

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

Mr. WALSH. I ask that the nominations for promotions in the Navy be confirmed en bloc, and that the President be immediately notified.

The PRESIDING OFFICER. Without objection, the nominations in the Navy are confirmed en bloc, and the President will be immediately notified.

That completes the calendar.

AUTHORIZATION FOR SIGNING BILLS, ETC.

Mr. BARKLEY. Mr. President, as in legislative session, I ask unanimous consent that during the adjournment or recess of the Senate following today's session, the Vice President be authorized to sign bills and resolutions ready for his signature.

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

ASSIGNMENT OF CERTAIN PERSONNEL TO CONGRESSIONAL INVESTIGATING COMMITTEES

As in legislative session,

Mr. BARKLEY. Mr. President, at the last session of the Senate I entered a motion that the Senate reconsider the vote by which it passed House bill 7297, a bill authorizing the assignment of personnel

from departments or agencies of the executive branch of the Government to certain investigating committees of the Senate and House of Representatives, and for other purposes. The bill had been signed by the Speaker of the House of Representatives, and I moved that the House of Representatives be requested to rescind the action of the Speaker in signing the enrolled bill and, further, that the House be requested to return the enrolled bill to the Senate.

The PRESIDING OFFICER. The House has complied with the request, and has returned the bill to the Senate.

Mr. BARKLEY. That leaves as the pending matter the motion that the Senate reconsider the vote by which it passed the bill, does it not?

The PRESIDING OFFICER. The Senator is correct.

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

Mr. BARKLEY. I yield.

Mr. LUCAS. As I understand, the bill to which the Senator refers was reported by the Committee to Audit and Control the Contingent Expenses of the Senate.

Mr. BARKLEY. The bill pertains to the use of employees in the executive departments by investigating committees of the Senate and the House. I desire to have the Senate reconsider the vote by which it passed the bill, and to have the bill returned to the calendar.

The PRESIDING OFFICER. The question is on agreeing to the motion of the Senator from Kentucky that the Senate reconsider the vote by which House bill 7297 was passed.

Mr. LUCAS. Mr. President, when the able majority leader entered his motion the other day, the Senator from Illinois was not in the Chamber. Let me ask the reason for the Senator's motion.

Mr. BARKLEY. I shall be glad to state the reason. I had received from the junior Senator from Montana [Mr. MURRAY] a request that the bill be passed over. I overlooked the request and did not ask that the bill go over. Following the passage of the bill by the Senate, my attention was called to the fact that the Senator from Montana had made that request. If I had been reminded of it at the time, I should have asked that the bill go over, and the bill would have gone over.

Mr. LUCAS. Let me say to the Senator that the chairman of the House Committee on Naval Affairs, Mr. VINSON of Georgia, was very much interested in the bill, as was the chairman of the House Committee on Accounts. The bill came to the Senate, and the Committee to Audit and Control the Contingent Expenses of the Senate very carefully examined it. We thought that the measure was very meritorious. According to Representative VINSON, chairman of the House Committee on Naval Affairs, the delay in passage of the bill was holding up some very important investigations which were being carried on in the House.

Mr. BARKLEY. I appreciate that. However, in spite of that, the House has complied with the request which the Senate made, that the signature of the Speaker be abrogated and that the House return the papers to the Senate.

Mr. LUCAS. I appreciate that.

Mr. BARKLEY. I have no desire to delay consideration of the bill; but in view of the request which I had received on the part of the Senator from Montana—

Mr. LUCAS. I should like to know when the Senator from Montana will be here; because the measure is an important one and should receive early consideration.

Mr. BARKLEY. I cannot answer that question, but I shall communicate with the Senator from Montana.

Mr. LUCAS. I cannot understand why he is holding up passage of the measure.

Mr. BARKLEY. I do not know the reasons; I cannot state them. However, the Senator will understand the difficulty of the position in which I am placed, since I had received the request, but overlooked it at the time when the bill was called. Of course, if I had been reminded of it I should have asked that the bill go over.

Mr. LUCAS. I understand that. I am raising the question only in connection with the interest of the chairman of the House Committee on Naval Affairs in this matter. The measure seems to me to be very important. In substance, it would merely permit us to continue to do what we have previously done; and it is tremendously important that we shall continue to be able to obtain from the various branches and agencies of Government employees to help us carry on investigation work.

Let me say to the Senator that prior to the time when the practice of borrowing employees was permitted, it cost the Senate alone approximately \$500,000 or \$600,000 to carry on investigations. When, however, we were at liberty, for the moment at least, to borrow employees from Government departments, expenditures for the purpose of investigations, which had been in the amount I have mentioned, were greatly decreased.

Mr. BARKLEY. I realize that.

Mr. LUCAS. If the bill is not passed, more money will have to be appropriated from the contingent fund in order to carry on investigations.

Mr. BARKLEY. I appreciate that. Without knowing the interest of the Senator from Montana in the bill, it would seem to me that he, as chairman of the special committee which we created to look into the interests of small business, would be sympathetic toward passage of the measure.

Mr. LUCAS. It certainly would seem so.

Mr. BARKLEY. I am not able to speak for him; I do not know his reasons for asking that the bill go over. However, I shall communicate at once with the Senator from Montana, and shall cooperate with the Senator from Illinois in endeavoring to secure early consideration of the measure.

Mr. CLARK of Missouri. Mr. President, will the Senator yield?

Mr. BARKLEY. I yield.

Mr. CLARK of Missouri. The bill in question has been before us on two or three prior occasions, and has been passed over at the request of various Senators. It is a very important matter,

and one which concerns the committees of both the Senate and the House. I understand that the Senator from Montana has been away for some time and for an entirely proper reason. Nevertheless, I do not think it is proper to hold up indefinitely consideration of an important measure because Senators have been out of town and have requested that the bill be passed over. I doubt the propriety of, from time to time, holding up consideration of a matter of such importance because each time it comes up for consideration some Senator who is interested may be absent.

Mr. BARKLEY. I realize that; and I fully appreciate the suggestion made by the Senator from Missouri. Of course, no time will be gained by simply allowing my motion to reconsider the vote by which the bill was passed to remain pending. The motion was entered in time. It could remain pending until October, and it would still hold up the matter.

All I am seeking to do is to have the Senate reconsider the vote by which the bill was passed, and to have the bill put back on the calendar. I shall communicate with the Senator from Montana and shall keep in touch with the Senator from Illinois, in the hope that we may have early action on the bill.

Mr. LUCAS. I hope the Senator will do so because I am of the distinct opinion that the measure is meritorious. I know that various Members of the House were vitally interested in it and held hearings on it; and Representative COCHRAN, of Missouri, who is chairman of the House Committee on Accounts, has come to me and discussed the entire matter with me. I was of the opinion, when I went over it together with the Senator from Arizona, that the bill had merit and was perhaps in line with what the Senate and the House should do as a result of the decision made by the Comptroller General.

Mr. BARKLEY. I entirely agree with the Senator from Illinois, and I shall cooperate with him in an endeavor to secure early consideration and disposition of the measure.

The PRESIDING OFFICER. The question is on agreeing to the motion of the Senator from Kentucky that the Senate reconsider the vote by which House bill 7297 was passed, and that the bill be returned to the calendar.

The motion was agreed to.

ADJOURNMENT TO MONDAY

Mr. BARKLEY. Mr. President, if there is nothing further, as in legislative session, I move that the Senate adjourn until Monday next.

The motion was agreed to; and (at 2 o'clock and 59 minutes p. m.) the Senate adjourned until Monday, August 3, 1942, at 12 o'clock noon.

NOMINATIONS

Executive nominations received by the Senate July 30, 1942:

DIPLOMATIC AND FOREIGN SERVICE

Douglas Flood, of Illinois, now a Foreign Service officer of class 7 and a secretary in the Diplomatic Service, to be also a consul of the United States of America.

Robert F. Woodward, of Minnesota, now a Foreign Service officer of class 7 and a secretary in the Diplomatic Service, to be also a consul of the United States of America.

APPOINTMENTS IN THE ARMY SPECIALIST CORPS

The following-named men for appointment in the Army Specialist Corps established under Executive Order 9078, dated February 26, 1942:

Samuel Williams Reynolds, Seventh Corps Area Director, \$6,500.

Thomas Francis Sullivan, First Corps Area Director, \$6,500.

William Buckhout Tuttle, Eighth Corps Area Director, \$6,500.

Robert Abbe Gardner, Sixth Corps Area Director, \$6,500.

William Wallace Lanahan, Third Corps Area Director, \$6,500.

George McNeal Trautman, Fifth Corps Area Director, \$6,500.

Emmett Francis Connely, head occupational analyst, Bureau of Commerce and Business Personnel, Army Specialist Corps, \$6,500.

Joseph Willard Kerr, liaison officer, \$5,600.

David William Killin Peacock, liaison officer, \$5,600.

Andrew Leon Malone, liaison officer, \$5,600.

John Henry Zabel, Assistant Chief of Field Service, Army Specialist Corps, \$5,600.

William Elton Jeffrey, engineer consultant, Chemical Warfare Service, Services of Supply, \$5,600.

Robert Cutler, head occupational analyst, \$6,500.

Marvin Lester Frederick, principal occupational analyst, \$5,600.

William Livingstone Muncy, Director, Petroleum Section, Transportation Service, Services of Supply, \$5,600.

APPOINTMENTS, BY TRANSFER, IN THE REGULAR ARMY OF THE UNITED STATES

TO JUDGE ADVOCATE GENERAL'S DEPARTMENT

Capt. Stanley Walker Jones, Infantry (temporary lieutenant colonel), with rank from June 13, 1939.

TO ORDNANCE DEPARTMENT

First Lt. Harvey Bower, Infantry (temporary major), with rank from June 12, 1938.

First Lt. William Francis Meany, Infantry (temporary major), with rank from June 12, 1939.

PROMOTIONS IN THE REGULAR ARMY OF THE UNITED STATES

To be lieutenant colonels with rank from August 4, 1942

Maj. Reginald Whitaker, Corps of Engineers (temporary colonel).

Maj. Eugene Mead Caffey, Corps of Engineers (temporary colonel).

Maj. James Milligan Gillespie, Air Corps (temporary colonel).

Maj. Milo Benson Barragan, Field Artillery (temporary lieutenant colonel).

Maj. Ernest William Gruhn, Infantry (temporary lieutenant colonel).

Maj. Edwin Luther Sibert, Field Artillery (temporary colonel).

Maj. Joseph Stubbs Robinson, Coast Artillery Corps (temporary colonel).

Maj. Charles Clifton Blanchard, Field Artillery (temporary lieutenant colonel).

To be lieutenant colonel with rank from August 6, 1942

Maj. Clyde Beauchamp Bell, Cavalry (temporary lieutenant colonel).

To be lieutenant colonel with rank from August 21, 1942

Maj. Henry Winston Holt, Field Artillery (temporary lieutenant colonel).

To be lieutenant colonel with rank from August 26, 1942

Maj. John Magruder Bethel, Cavalry (temporary lieutenant colonel).

To be lieutenant colonel with rank from August 29, 1942

Maj. Clarence Page Townsley, Field Artillery (temporary colonel).

To be first lieutenants with rank from August 15, 1942

Second Lt. Roy William Gustafson, Air Corps (temporary major).

Second Lt. Richard Pendleton Carr, Air Corps (temporary captain).

Second Lt. Howard Franklin Bronson, Jr., Air Corps (temporary major).

Second Lt. Elbert Helton, Air Corps (temporary major).

Second Lt. Henry Viccellio, Air Corps (temporary major).

Second Lt. Frederic Colbert Gray, Jr., Air Corps (temporary major).

Second Lt. Jack Walter Bleasdale, Air Corps (temporary major).

Second Lt. Ralph Lowell Wassell, Air Corps (temporary major).

Second Lt. Edwin Smith Green, Air Corps (temporary major).

Second Lt. Sidney Bruce Gimble, Jr., Air Corps (temporary major).

Second Lt. Osmond Jay Ritland, Air Corps (temporary major).

Second Lt. Harry Taylor Eidson, Air Corps (temporary major).

Second Lt. Raymond Paul Salzarulo, Air Corps (temporary major).

Second Lt. Lucius Griffith Drafts, Air Corps (temporary major).

Second Lt. Skidmore Neale Garrett, Air Corps (temporary major).

Second Lt. Jack Adams, Air Corps (temporary major).

Second Lt. Victor Lenvik Anderson, Air Corps (temporary major).

Second Lt. Joe Gordon Schneider, Air Corps (temporary major).

Second Lt. Ormond John Mosman, Air Corps (temporary major).

Second Lt. Bourne Adkison, Air Corps (temporary major).

Second Lt. Harold Douglas Courtney, Air Corps (temporary major).

Second Lt. George Benjamin Greene, Jr., Air Corps (temporary captain).

Second Lt. George Kenneth Crain, Air Corps (temporary major).

Second Lt. Loring Franklin Stetson, Jr., Air Corps (temporary major).

Second Lt. Glendon Philip Overing, Air Corps (temporary major).

Second Lt. Oscar Allen Heinlein, Air Corps (temporary major).

Second Lt. William Emanuel Eubank, Jr., Air Corps (temporary major).

Second Lt. John Peebles Proctor, Air Corps (temporary major).

Second Lt. William Edward Creer, Air Corps (temporary major).

Second Lt. Hubert Zemke, Air Corps (temporary major).

Second Lt. Edson Eugene Kester, Air Corps (temporary major).

Second Lt. Charles Edgar Grogan, Air Corps (temporary major).

Second Lt. Richard Thomas Kight, Air Corps (temporary major).

Second Lt. William John Bohnaker, Air Corps (temporary major).

Second Lt. James Crawford McGehee, Air Corps (temporary major).

Second Lt. Jo Kyle Warner, Air Corps (temporary major).

Second Lt. John Stephen Chennault, Air Corps (temporary major).

Second Lt. Graham Warren West, Air Corps (temporary major).

Second Lt. George Leroy Robinson, Air Corps (temporary major).

Second Lt. Weldon Halliwell Smith, Air Corps (temporary major).

Second Lt. Eugene Herbert Snaveley, Air Corps (temporary major).

Second Lt. Robert Edward Northcutt, Air Corps (temporary major).

Second Lt. Clarence Arthur Neely, Air Corps (temporary major).

Second Lt. Donald Waters Macdonald, Air Corps (temporary major).

Second Lt. Earle Lynn Hormell, Air Corps (temporary major).

Second Lt. Frank Joseph McGinity, Air Corps (temporary major).

Second Lt. Howard Alton Cheney, Air Corps (temporary major).

Second Lt. Richard Dowdy Callaway, Air Corps (temporary major).

Second Lt. John Allison Pechuls, Air Corps (temporary major).

Second Lt. Alexander Pritchard Couch, Air Corps (temporary major).

Second Lt. William Lodge Younklin, Air Corps (temporary major).

Second Lt. John Lynn Sullivan, Air Corps (temporary major).

Second Lt. Reesor Mott Lawrence, Air Corps (temporary major).

Second Lt. Hiette Sinclair Williams, Jr., Air Corps (temporary major).

Second Lt. Fred Delaway Stevers, Air Corps (temporary major).

Second Lt. Glenn Carlyle Nye, Air Corps (temporary major).

Second Lt. Arthur Columbus Agan, Jr., Air Corps (temporary major).

Second Lt. Ernest Gordon Ford, Air Corps (temporary major).

Second Lt. Lee Bannerman Coats, Air Corps (temporary major).

Second Lt. Charles Eugene Lancaster, Jr., Air Corps (temporary major).

Second Lt. Murray William Crowder, Jr., Air Corps (temporary major).

Second Lt. William Edwin Basye, Air Corps (temporary major).

Second Lt. George Henry Gutru, Jr., Air Corps (temporary major).

Second Lt. Thomas Carl McNeal, Air Corps (temporary major).

Second Lt. George Albert Hatcher, Air Corps (temporary major).

Second Lt. Wayne Earl Thurman, Air Corps (temporary major).

Second Lt. Edwin Miles Ramage, Air Corps (temporary major).

Second Lt. Don Coupland, Air Corps (temporary major).

Second Lt. Quentin Timson Quick, Air Corps (temporary major).

Second Lt. Beverly Howard Warren, Air Corps (temporary captain).

Second Lt. Van Hatton Slayden, Air Corps (temporary major).

Second Lt. Guilford Roland Montgomery, Air Corps (temporary major).

Second Lt. James Wilbur Anderson, Jr., Air Corps (temporary major).

Second Lt. Horace Daniel Aynesworth, Air Corps (temporary major).

Second Lt. George Wayne Thornbrough, Air Corps (temporary captain).

Second Lt. Clarence Vernon McCauley, Air Corps (temporary major).

Second Lt. William Erwin Elder, Air Corps (temporary major).

Second Lt. Lewis William Chick, Jr., Air Corps (temporary major).

Second Lt. Harney Estes, Jr., Air Corps (temporary major).

Second Lt. Hervey Haydon Whitfield, Air Corps (temporary major).

Second Lt. William Edgar Davis, Jr., Air Corps (temporary major).

Second Lt. Richard Arnold, Jr., Air Corps (temporary major).

Second Lt. Kenneth Hodder Gibson, Air Corps (temporary major).

Second Lt. Thomas Jay Barrett, Air Corps (temporary major).

Second Lt. Charles Clark Kegelman, Air Corps (temporary major).

Second Lt. Arnold Frederick Adolph Kluever, Air Corps (temporary major).

Second Lt. Harold Walter Ohlke, Air Corps (temporary major).

Second Lt. Robert Vernon DeShazo, Air Corps (temporary major).

Second Lt. Donald Bream Diehl, Air Corps (temporary major).

Second Lt. Chester Lee Sluder, Air Corps (temporary major).

Second Lt. Joseph Albro Morris, Air Corps (temporary major).

Second Lt. Donald James French, Air Corps (temporary major).

Second Lt. Julian Marian Bleyer, Air Corps (temporary major).

Second Lt. Huntington Kerr Gilbert, Air Corps (temporary major).

Second Lt. Frank William Jarek, Air Corps (temporary major).

Second Lt. Marvin Ernest Walseth, Air Corps (temporary major).

Second Lt. Thomas Fletcher, Jr., Air Corps (temporary major).

Second Lt. James Frederick Setchell, Air Corps (temporary major).

Second Lt. Karl Theodore Barthelmess, Air Corps (temporary major).

Second Lt. Allan Jackson Sewart, Jr., Air Corps (temporary major).

Second Lt. Donald Stuart Dunlap, Air Corps (temporary major).

Second Lt. Bruce Burns Price, Air Corps (temporary major).

Second Lt. Duane Louis Kime, Air Corps (temporary major).

Second Lt. Edward Richard Casey, Air Corps (temporary major).

Second Lt. David Arnold Tate, Air Corps (temporary major).

Second Lt. James Fred Starkey, Air Corps (temporary major).

Second Lt. Allman Tenney Culbertson, Air Corps (temporary major).

Second Lt. Franklin Emmett Schroeck, Air Corps (temporary major).

Second Lt. Jack Wesley Hughes, Air Corps (temporary major).

Second Lt. Charles Ross Greening, Air Corps (temporary major).

Second Lt. Wilkie Adsit Rambo, Air Corps (temporary major).

Second Lt. Raymond Leonard Cobb, Air Corps (temporary captain).

Second Lt. David Lowell Lewis, Air Corps (temporary major).

Second Lt. Howard Walter Gray, Air Corps (temporary major).

Second Lt. Norman Luellen Ballard, Air Corps (temporary major).

Second Lt. Robert Clyde Bagby, Air Corps (temporary captain).

Second Lt. Kermit Arpad Harcos, Air Corps (temporary major).

Second Lt. Leonard Boston Storm, Air Corps (temporary captain).

Second Lt. John Kermit Carr, Air Corps (temporary major).

Second Lt. Henry Bosworth Darling, Jr., Air Corps (temporary major).

Second Lt. Richard Austin Ames, Air Corps (temporary major).

Second Lt. Homer Morgan Truitt, Air Corps (temporary major).

Second Lt. Robert Julian Mason, Air Corps (temporary major).

Second Lt. Richard Paul Fulcher, Air Corps (temporary captain).

Second Lt. Eugene Terry Yarbrough, Air Corps (temporary major).

Second Lt. Hugh Boyd Manson, Jr., Air Corps (temporary major).

Second Lt. Paul Stanley Emrick, Air Corps (temporary major).

Second Lt. Arthur James Walker, Air Corps (temporary major).

Second Lt. A. J. Bird, Jr., Air Corps (temporary major).

Second Lt. Philip Gerald Cochran, Air Corps (temporary major).

Second Lt. Marvin Stoll Zipp, Air Corps (temporary major).

Second Lt. Thomas Estes Moore, Air Corps (temporary major).

Second Lt. Edwin Hugh Hawes, Air Corps (temporary major).
 Second Lt. Edgar Wade Hampton, Air Corps (temporary major).
 Second Lt. Harold Newt Chaffin, Air Corps (temporary captain).
 Second Lt. Robert Richard Rowland, Air Corps (temporary major).
 Second Lt. Hubert John Konopacki, Air Corps (temporary major).
 Second Lt. John Albert Rouse, Air Corps (temporary major).
 Second Lt. Frank Allen Kurtz, Air Corps (temporary major).
 Second Lt. Ancil David Baker, Air Corps (temporary major).
 Second Lt. William Coombs Clark, Air Corps (temporary major).
 Second Lt. Robert Lee Matthews, Air Corps (temporary captain).
 Second Lt. Charles Houston Terhune, Jr., Air Corps (temporary major).
 Second Lt. John DeGraff Bridges, Air Corps (temporary major).
 Second Lt. Willard Asa Fountain, Air Corps (temporary captain).
 Second Lt. Louis Rector Hughes, Jr., Air Corps (temporary major).
 Second Lt. James William Chapman, Jr., Air Corps (temporary major).
 Second Lt. David Mudgett Jones, Air Corps (temporary major).
 Second Lt. Richard Warren Philbrick, Air Corps (temporary major).
 Second Lt. Clair Arthur Peterson, Air Corps (temporary major).
 Second Lt. Stanley Anthony Zidiales, Air Corps (temporary major).
 Second Lt. Bingham Trigg Kleine, Air Corps (temporary major).
 Second Lt. William Hubbert Cleveland, Air Corps (temporary major).
 Second Lt. William Benjamin Reed, Air Corps (temporary major).
 Second Lt. Campbell Henderson Gould, Air Corps (temporary major).
 Second Lt. James Dean Berry, Air Corps (temporary major).
 Second Lt. Theron Coulter, Air Corps (temporary major).
 Second Lt. Heman Ward Randall, Jr., Air Corps (temporary major).
 Second Lt. Clinton Curtis Wasem, Air Corps (temporary major).
 Second Lt. Floyd William Rogers, Air Corps (temporary major).
 Second Lt. Alexander Wilson Bryant, Air Corps (temporary major).
 Second Lt. Franklyn Thomas Green, Air Corps (temporary captain).
 Second Lt. Philip Henry Greasley, Air Corps (temporary captain).
 Second Lt. Elliott Thomas Pardee, Air Corps (temporary captain).
 Second Lt. Cyrus William Kitchens, Jr., Air Corps (temporary major).
 Second Lt. John Patrick Healy, Air Corps (temporary major).
 Second Lt. Wilbur Grant Miller, Air Corps (temporary major).
 Second Lt. Charles Thaddeus Olmsted, Air Corps (temporary major).
 Second Lt. John Wendel Massion, Air Corps (temporary major).
 Second Lt. Troy Keith, Air Corps (temporary major).
 Second Lt. Cecil Leon Wells, Air Corps (temporary major).
 Second Lt. William Henry Schwartz, Jr., Air Corps (temporary major).
 Second Lt. Raymond Leavitt Curtice, Air Corps (temporary major).
 Second Lt. Walter Bennett Putnam, Air Corps (temporary major).
 Second Lt. Brian O'Neill, Air Corps (temporary major).
 Second Lt. John Timothy Fitzwater, Air Corps (temporary captain).
 Second Lt. Gladwyn Earl Pinkston, Air Corps (temporary major).
 Second Lt. Frederick Charles Grambo, Air Corps (temporary major).

Second Lt. William Pleasant Ragsdale, Jr., Air Corps (temporary captain).
 Second Lt. Jack Wilson Berry, Air Corps (temporary major).
 Second Lt. Leonard Clair Lydon, Air Corps (temporary major).
 Second Lt. Oliver George Cellini, Air Corps (temporary major).
 Second Lt. Charles Henry MacDonald, Air Corps (temporary captain).
 Second Lt. Joseph Anthony Kelly, Air Corps (temporary major).
 Second Lt. Arthur William Kellond, Air Corps (temporary major).
 Second Lt. Broadus Beene Taylor, Air Corps (temporary major).
 Second Lt. Monty Duran Wilson, Air Corps (temporary major).
 Second Lt. Otha Bennett Hardy, Jr., Air Corps (temporary major).
 Second Lt. Arthur Ray DeBolt, Air Corps (temporary major).
 Second Lt. William Edwin Dyess, Air Corps (temporary major).
 Second Lt. Joseph Harold Moore, Air Corps (temporary major).
 Second Lt. Cedric Elston Hudgens, Air Corps (temporary major).
 Second Lt. Frank B. James, Air Corps (temporary major).
 Second Lt. Theodore Wightman Tucker, Air Corps (temporary major).
 Second Lt. Robert Sidney Quinn, Air Corps (temporary major).
 Second Lt. Raymond Frank Rudell, Air Corps (temporary major).
 Second Lt. Ralph William Rodieck, Air Corps (temporary major).
 Second Lt. Norton Harding Van Sicklen 3d, Air Corps (temporary major).
 Second Lt. John Jacob VanderZee, Air Corps (temporary major).
 Second Lt. Charles Gardner Chandler, Jr., Air Corps (temporary major).
 Second Lt. Albert Vandenburg Endress, Air Corps (temporary major).
 Second Lt. William Sydnor Barksdale, Jr., Air Corps (temporary major).
 Second Lt. Robert Danforth Van Auker, Air Corps (temporary major).
 Second Lt. James Edwin Roberts, Air Corps (temporary major).
 Second Lt. Leland Stanford McGowan, Air Corps (temporary major).
 Second Lt. James Carpenter Averill, Air Corps (temporary major).
 Second Lt. Harvey Joseph Watkins, Air Corps (temporary major).
 Second Lt. Keith Karl Compton, Air Corps (temporary major).
 Second Lt. Jack William Saunders, Air Corps (temporary major).
 Second Lt. William Lane, Jr., Air Corps (temporary captain).
 Second Lt. Christopher Otho Moffett, Air Corps (temporary major).
 Second Lt. Delbert Henry Hahn, Air Corps (temporary major).
 Second Lt. John Eugene Dougherty, Air Corps (temporary major).
 Second Lt. Albert Murray Cate, Air Corps (temporary major).
 Second Lt. Pau Christian Droz, Air Corps (temporary major).
 Second Lt. McHenry Hamilton, Jr., Air Corps (temporary major).
 Second Lt. James Baird Tipton, Air Corps (temporary major).
 Second Lt. Moultrie Powell Freeman, Air Corps (temporary major).
 Second Lt. John Affleck Dunning, Air Corps (temporary major).
 Second Lt. Eugene Lee Strickland, Air Corps (temporary major).
 Second Lt. Dalene Edward Bailey, Air Corps (temporary major).
 Second Lt. John Edgar Carmack, Air Corps (temporary major).
 Second Lt. Burton Kennedy Voorhees, Air Corps (temporary major).
 Second Lt. Clemens Kieffer Wurzbach, Air Corps (temporary major).

Second Lt. Pinkham Smith, Air Corps (temporary captain).
 Second Lt. John Doyle Whitt, Air Corps (temporary major).
 Second Lt. George Mabin MacNicol, Air Corps (temporary major).
 Second Lt. William David Gilchrist, Air Corps (temporary captain).
 Second Lt. Claude C. Sturges, Jr., Air Corps (temporary major).
 Second Lt. Elmer Earle McKesson, Air Corps (temporary major).
 Second Lt. Richard Dellinger Dick, Air Corps (temporary major).
 Second Lt. Bailey Cavanaugh Cook, Air Corps (temporary major).
 Second Lt. J. C. Bailey, Air Corps (temporary major).
 Second Lt. James Valentine Edmundson, Air Corps (temporary major).
 Second Lt. Hadley Vincent Saehlenou, Air Corps (temporary captain).
 Second Lt. Adam Joseph Heintz, Air Corps (temporary major).
 Second Lt. Vincent George Huston, Air Corps (temporary major).
 Second Lt. Harry Joseph Holt, Air Corps (temporary major).
 Second Lt. Philip Lambeth Mathewson, Air Corps (temporary major).
 Second Lt. David Henry Walker, Air Corps (temporary major).
 Second Lt. Ansel James Wheeler, Air Corps (temporary major).
 Second Lt. Guy Hamilton Rockey, Air Corps (temporary major).
 Second Lt. Andre Jacques Dechaene, Air Corps (temporary major).
 Second Lt. Woodrow Wilson Korges, Air Corps (temporary captain).
 Second Lt. David Woodson Wallace, Air Corps (temporary major).
 Second Lt. Leo Francois Dusard, Jr., Air Corps (temporary major).
 Second Lt. John Kenton Hester, Air Corps (temporary major).
 Second Lt. Frank Douglas Sharp, Air Corps (temporary major).
 Second Lt. Charles Lewis Nothstein, Air Corps (temporary major).
 Second Lt. Harry Blake Young, Air Corps (temporary major).
 Second Lt. Samuel Eugene Lawrence, Jr., Air Corps (temporary captain).
 Second Lt. Horace Milton Wade, Air Corps (temporary major).
 Second Lt. Thomas Edward Gurnett, Air Corps (temporary major).
 Second Lt. William Renwick Nevitt, Air Corps (temporary major).
 Second Lt. Coleman Hinton, Air Corps (temporary major).
 Second Lt. Roy Murray Loe, Air Corps (temporary major).
 Second Lt. James Giannatti, Air Corps (temporary major).
 Second Lt. George Richard Anderson, Air Corps (temporary major).
 Second Lt. Carlos Conrad Pratt, Air Corps (temporary captain).
 Second Lt. William Elton Taylor, Air Corps (temporary major).
 Second Lt. Robert Norton Maupin, Air Corps (temporary captain).
 Second Lt. Milton Herbert Ashkins, Air Corps (temporary captain).
 Second Lt. Harry J. Bullis, Air Corps (temporary major).
 Second Lt. Jack Simmons Jenkins, Air Corps (temporary major).
 Second Lt. Willis Eugene Beightol, Air Corps (temporary major).
 Second Lt. Frank Henry Mears, Jr., Air Corps (temporary lieutenant colonel).
 Second Lt. Adolph Edward Tokaz, Air Corps (temporary major).
 Second Lt. Lewis Bruno Meng, Air Corps (temporary captain).
 Second Lt. David Dickson Terry, Jr., Air Corps (temporary major).
 Second Lt. John Huile de Russy, Air Corps (temporary major).

Second Lt. William Rufus Yancey, Air Corps (temporary major).

Second Lt. Francis Robert Feeney, Air Corps (temporary major).

Second Lt. John Clinton Bowen, Air Corps (temporary major).

Second Lt. Louis Charles Adams, Jr., Air Corps (temporary captain).

Second Lt. Clifford John Heflin, Air Corps (temporary major).

Second Lt. Kenneth Andrew Cavenah, Air Corps (temporary major).

Second Lt. William Leete Hayes, Jr., Air Corps (temporary major); subject to examination required by law.

Second Lt. George Theodore Chadwell, Air Corps (temporary captain).

Second Lt. James Allison Johnson, Air Corps (temporary major).

Second Lt. Nathan Hoover Ranck, Air Corps (temporary major).

Second Lt. Harold Jacob Rau, Air Corps (temporary major).

Second Lt. Sam Wilkins Westbrook, Air Corps (temporary major).

Second Lt. Marion Newton Pharr, Air Corps (temporary major).

Second Lt. Earl Herbert Dunham, Air Corps (temporary major).

Second Lt. Melvin Francis McNickle, Air Corps (temporary major).

Second Lt. Theodore Romaine Aylesworth, Air Corps (temporary major).

Second Lt. William James Wrigglesworth, Air Corps (temporary major).

Second Lt. Houston Walker Longino, Jr., Air Corps (temporary major).

MEDICAL CORPS

To be major

Capt. Armin Walter Leuschner, Medical Corps (temporary lieutenant colonel), with rank from August 18, 1942.

To be captains

First Lt. Russell Burton Watson, Medical Corps (temporary major), with rank from August 1, 1942.

First Lt. Herbert Herbolt Kerr, Medical Corps (temporary major), with rank from August 5, 1942.

First Lt. Aaron Louis Kaminsky, Medical Corps (temporary major), with rank from August 13, 1942.

First Lt. Ephraim Bernard Cohen, Medical Corps (temporary captain), with rank from August 15, 1942.

First Lt. George Arthur Peck, Medical Corps (temporary major), with rank from August 21, 1942.

First Lt. Carl Taylor Dubuy, Medical Corps (temporary captain), with rank from August 23, 1942.

First Lt. Larry Allen Smith, Medical Corps (temporary major), with rank from August 24, 1942.

VETERINARY CORPS

To be colonel

Lt. Col. Daniel Sommer Robertson, Veterinary Corps, with rank from August 3, 1942.

To be majors

Capt. Wesley Watson Bertz, Veterinary Corps (temporary major), with rank from August 4, 1942.

Capt. Edgerton Lynn Watson, Veterinary Corps (temporary major), with rank from August 4, 1942.

To be captain

First Lt. Robert Henry Yager, Veterinary Corps (temporary major), with rank from August 22, 1942.

MEDICAL ADMINISTRATIVE CORPS

To be captain

First Lt. James Coney Bower, Medical Administrative Corps (temporary captain), with rank from August 3, 1942.

WITHDRAWALS

Executive nominations withdrawn from the Senate July 30, 1942:

ARMY SPECIALIST CORPS

The following-named persons to be members of the Army Specialist Corps which were submitted to the Senate on July 22, 1942:

Samuel Williams Reynolds, Seventh Corps Area Director, \$6,500.

Thomas Francis Sullivan, First Corps Area Director, \$6,500.

William Buckhout Tuttle, Eighth Corps Area Director, \$6,500.

Joseph Willard Kerr, liaison officer, \$5,600.

David William Killin Peacock, liaison officer, \$5,600.

Robert Abbe Gardner, Sixth Corps Area Director, \$6,500.

William Wallace Lanahan, Third Corps Area Director, \$6,500.

George McNeal Trautman, Fifth Corps Area Director, \$6,500.

Emmett Francis Connelly, head occupational analyst, Bureau of Commerce and Business Personnel, Army Specialist Corps, \$6,500.

William Elton Jeffrey, engineer consultant, Chemical Warfare Service, Services of Supply, \$5,600.

John Henry Zabel, Assistant Chief of Field Service, Army Specialist Corps, \$5,600.

CONFIRMATIONS

Executive nominations confirmed by the Senate July 30, 1942:

ARMY SPECIALIST CORPS

APPOINTMENTS IN THE ARMY SPECIALIST CORPS, WITH TITLE AND SALARY INDICATED WITH EACH NAME

Samuel Williams Reynolds, Seventh Corps Area Director, \$6,500.

Thomas Francis Sullivan, First Corps Area Director, \$6,500.

William Buckhout Tuttle, Eighth Corps Area Director, \$6,500.

Robert Abbe Gardner, Sixth Corps Area Director, \$6,500.

William Wallace Lanahan, Third Corps Area Director, \$6,500.

George McNeal Trautman, Fifth Corps Area Director, \$6,500.

Emmett Francis Connelly, Head Occupational Analyst, Bureau of Commerce and Business Personnel, Army Specialist Corps, \$6,500.

Joseph Willard Kerr, liaison officer, \$5,600.

David William Killin Peacock, liaison officer, \$5,600.

Andrew Leon Malone, liaison officer, \$5,600.

John Henry Zabel, assistant chief of field service, Army Specialist Corps, \$5,600.

William Elton Jeffrey, engineer consultant, Chemical Warfare Service, Services of Supply, \$5,600.

Robert Cutler, head occupational analyst, \$6,500.

Marvin Lester Frederick, principal occupational analyst, \$5,600.

William Livingstone Muncy, director, petroleum section, transportation service, Services of Supply, \$5,600.

APPOINTMENTS, BY TRANSFER, AND PROMOTIONS IN THE REGULAR ARMY

The nominations of Capt. Stanley Walker Jones et al. for appointment, by transfer, or promotion in the Regular Army, whose names appear in full in the proceedings of the Senate in the CONGRESSIONAL RECORD for today under the caption "Nominations."

IN THE NAVY

APPOINTMENT FOR TEMPORARY SERVICE

Daniel J. Callaghan to be rear admiral for temporary service, to rank from April 26, 1942.

PROMOTIONS IN THE REGULAR SERVICE

To be assistant surgeons to rank from January 25, 1942

John H. Griffin Edward W. Pinkham, Jr.
George L. Basham Thomas R. Counihan
Roger D. Sherman Louis R. Gens
Hubert M. Poteat, Jr. Kenneth M. Coyne

Robert B. Strother Joseph A. Tyburczy
Jerome J. Burke Robert H. Parker
Gilbert C. Campbell David J. Henry
Merrill W. Etzenhouser John J. Tordoff
Robert M. Wallace Herbert Wilson, Jr.
Charles A. Sand James N. Jeter

To be assistant paymasters with rank of ensign, from July 11, 1942

Charles E. Haney Edward F. Willi
Robert A. Felthous Leon "G" Lenkoff
John K. Hoffrichter Waverly D. Kesselring
Robert Hogan Robert E. McCarthy
Wallace R. Dowd, Jr. Max "R" Connelly
Victor S. Peters Forrest A. Lee
Russell W. Spreen Joseph C. VanZant
Ralph P. Countryman Richard C. Hoskins
Gunter Geismann Jose A. Perez, Jr.
Floyd A. Chambers Walter I. Rodgers 3d
Eric C. Goodwin Doble McF. Doyle
Harry B. Arthur Frank W. Purdy
William H. Hermes Thomas H. Russell 3d

To be assistant surgeon with rank of lieutenant (junior grade) from June 15, 1942

Donald S. Smith

To be lieutenant (junior grade) from June 1, 1942

Robert H. Price Charles W. Kinsella
Charles LeR. Lambing Frank L. Butters
Frederick C. William G. Logan, Jr.
Bamman, Jr. Dick H. Rice
Robert M. Harper

To be chief boatswains to rank with but after ensign, from March 1, 1942

Jessie L. Hill
Perry P. Wynn

To be chief machinists to rank with but after ensign

Albert D. Robbins
Alphonse V. Zeis

To be chief pay clerks to rank with but after ensign

Harry D. Stafford
George A. Kelley, Jr.

POSTMASTERS

ALABAMA

Robert R. Hairston, Hayneville.
S. Adeline Laster, Irondale.
Emma E. Yarbrough, Monroeville.
Craig Smith Robbins, Selma.
Leslie D. Strother, Shawmut.

ARIZONA

Robert E. Briscoe, Fort Defiance.
Frank A. Rhodes, Gila Bend.

COLORADO

Walton T. Day, Byers.
William B. Sutley, Center.
Melvin F. Hofstetter, Hayden.
Nicholas C. Huffaker, Hot Sulphur Springs.
Robert R. Menhennett, Kremmling.
Ershil A. Stansbury, La Veta.
John W. Anson, Silt.
William B. Giacomini, Sterling.
Charles L. Dickson, Westcliffe.
James G. Evans, Wray.

INDIANA

Asa C. Clark, Bedford.
William S. Darneal, New Albany.

IOWA

Marguerite Biller, Dunkerton.
Zoe S. Nabers, Fort Madison.
Clarence V. McDonald, Independence.
Floyd A. Bishop, Mitchellville.
Gordon H. Carl, Paton.
Maurice J. Harrington, Rockwell City.
Cotton Etter, S'gourney.
Oscar J. Johnson, Thompson.
Lewis E. Mease, Truro.
Arthur O. Reinhardt, Van Horne.
Murray W. Gibson, West Branch.

MAINE

Walter O. Dunton, Boothbay Harbor.
Edwin J. Bossie, Stockholm.
Hilliard R. Spear, Warren.

MASSACHUSETTS

Henry J. Cottrell, Beverly.
 Arthur A. Hendrick, Brockton.
 John E. Perkins, Essex.
 Elmer A. Rollins, Lincoln.
 Maurice J. Bresnahan, Medway.
 John H. McCue, Nantasket Beach.
 Neil R. Mahoney, North Billerica.
 Michael J. Walsh, North Reading.
 Mary L. McParlin, Sandwich.
 William F. Lawless, Stockbridge.
 Charles H. McDonald, Westboro.
 Paul Revere Robie, West Dennis.
 Philip J. Gallagher, Woburn.

MICHIGAN

Floyd Slate, Dryden.
 David L. Treat, Flint.
 William De Kuiper, Fremont.
 John R. O'Meara, Hillsdale.
 Arthur A. Baxter, Ionia.
 Ethel M. Wood, Rives Junction.

NEBRASKA

Russell B. Somerville, McCook.

NEW HAMPSHIRE

Albert J. Picard, Derry.
 Benjamin H. Dodge, New Boston.
 Robert E. Gould, Newport.
 Harriette H. Hinman, North Stratford.
 Marlon H. Weeks, Warren.
 Margaret A. Laughery, Whitefield.

NEW YORK

William McMichael, Annandale-on-Hudson.
 James P. Bruen, Bedford Hills.
 Wayne H. Wright, East Aurora.
 John M. Corey, Saratoga Springs.
 William P. Degenaar, Slingerlands.
 Anthony J. Kennedy, Suffern.
 Dennis A. Ferris, Windham.

OHIO

Edward R. Reichenbach, Bluffton.
 Sam F. Dickerson, Cadiz.
 Abner C. Barnhouse, Caldwell.
 James J. Zerla, Dillonvale.
 Albert K. Merriman, Gallipolis.
 Ruth H. Brinkman, Minster.
 Roland E. Jackson, Neffs.
 Wallace F. Mock, Powhatan Point.
 George C. Kreinbuhl, Ridgeway.
 Charles A. Ferren, St. Clairsville.
 Michael F. Mulheran, Salineville.
 Dale Kessel, Wellsville.
 Henry C. Stapf, Willard.

OREGON

Clement Y. Arnold, Cave Junction.
 William E. Reed, Mitchell.
 Jay Terrill, Talent.

UTAH

Paul G. Johnson, Grantsville.
 Isaac A. Smoot, Salt Lake City.
 James Walton, Tremonton.

WISCONSIN

Sheldon S. Chandler, Brooklyn.
 Alphonse J. McGuire, Highland.
 Cyril H. Eldridge, Hilbert.
 William J. Corry, South Milwaukee.
 Ralph W. Jeffery, Statesan.
 Edward M. Laneville, Withee.

HOUSE OF REPRESENTATIVES

THURSDAY, JULY 30, 1942

The House met at 12 o'clock noon, and was called to order by the Speaker pro tempore, Mr. BULWINKLE.

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

O Thou God of grace and mercy, with bowed heads and uncovered hearts we come into Thy presence, compelled not

only by our necessities but encouraged by the revelation of Thy Fatherly heart, which always opens with love in response to the needs of Thy children.

We pray Thou wilt share with us Thine infinite wisdom and strength that we may know how to think clearly and act courageously as we face the tasks and responsibilities of each new day.

Help us to be faithful coworkers with Thee and with all who are seeking to minister unto humanity's deep and bitter needs.

Grant that the ultimate victory for which we are struggling may be that glorious day when men and nations shall give themselves in a willing obedience to the King of Kings and the Lord of Lords.

In the name of the Christ, we pray. Amen.

The Journal of the proceedings of Monday, July 27, 1942, was read and approved.

MESSAGE FROM THE SENATE

A message from the Senate, by Mr. Galling, one of its clerks, announced that the Senate had passed without amendment bills of the House of the following titles:

H. R. 6217. An act to amend section 13 of the Classification Act of 1923, as amended; and

H. R. 7100. An act to amend the act entitled "An act authorizing vessels of Canadian registry to transport iron ore on the Great Lakes during 1942 (Public Law 416, 77th Cong.), to continue it in force during the existing war.

The message also announced that the Senate had passed, with amendments in which the concurrence of the House is requested, a bill and joint resolution of the House of the following titles:

H. R. 6818. An act authorizing the temporary appointment or advancement of commissioned officers of the Coast and Geodetic Survey in time of war or national emergency, and for other purposes; and

H. J. Res. 246. Joint resolution to authorize the Maritime Commission to sell two merchant vessels to the Government of Ireland.

The message also announced that the Senate agrees to the amendments of the House to bills of the Senate of the following titles:

S. 2322. An act to remove the time limit for cooperation between the Bureau of Reclamation and the Farm Security Administration in the development of farm units on public lands under Federal reclamation projects; and

S. 2456. An act to amend the act approved February 4, 1919 (40 Stat. 1056), entitled "An act to provide for the award of medals of honor, distinguished-service medals, and Navy crosses, and for other purposes," so as to change the conditions for the award of medals, and for other purposes.

The message also announced that the Senate had passed the following resolution:

Resolved, That the Secretary be directed to request the House of Representatives to rescind the action of the Speaker in signing the enrolled bill (H. R. 7297) entitled "An act authorizing the assignment of personnel from departments or agencies in the executive branch of the Government to certain investigating committees of the Senate and House of Representatives, and for other purposes," and that the House of Representatives be further requested to return the above-numbered engrossed bill to the Senate.

ADJOURNMENT OVER

Mr. COCHRAN. Mr. Speaker, I ask unanimous consent that when the House adjourns today it adjourn to meet on Monday next.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Missouri?

There was no objection.

RESIGNATION OF MEMBER

The SPEAKER pro tempore laid before the House the following letter of resignation:

TACOMA, WASH., July 30, 1942.

HON. SAM RAYBURN,
Speaker of the House of Representatives,
The Capitol, Washington, D. C.

SIR: I beg leave to inform you that I have this day transmitted to the Governor of the State of Washington my resignation as a Representative in the Congress of the United States from the Fifth District of the State of Washington, effective as of August 1, 1942.

Very respectfully yours,

CHARLES H. LEAVY.

The resignation was accepted.

RETURN OF H. R. 7297 TO THE SENATE

The SPEAKER pro tempore laid before the House the following resolution from the Senate:

Resolved, That the Secretary be directed to request the House of Representatives to rescind the action of the Speaker in signing the enrolled bill (H. R. 7297) entitled "An act authorizing the assignment of personnel from departments or agencies in the executive branch of the Government to certain investigating committees of the Senate and House of Representatives, and for other purposes," and that the House of Representatives be further requested to return the above-numbered engrossed bill to the Senate.

The SPEAKER pro tempore. Without objection, it is so ordered.

There was no objection.

SALE OF MERCHANT VESSELS TO GOVERNMENT OF IRELAND

Mr. BLAND. Mr. Speaker, I ask unanimous consent to take from the Speaker's table the joint resolution (H. J. Res. 246) to authorize the Maritime Commission to sell two merchant vessels to the Government of Ireland, with Senate amendments, and concur in the Senate amendments.

The Clerk read the title of the joint resolution.

The Clerk read the Senate amendments, as follows:

Lines 3 and 4, strike out "United States Maritime Commission" and insert "War Shipping Administration."

Line 5, after "sell" insert "or charter."

Line 7, strike out "Commission" and insert "War Shipping Administration."

Amend the title so as to read: "Joint resolution to authorize the War Shipping Administration to sell or charter two merchant vessels to the Government of Ireland."

Mr. MICHENER. Mr. Speaker, reserving the right to object, will the gentleman explain the bill?

Mr. BLAND. The bill passed by unanimous consent formerly with a provision that the activity named therein to sell should be the United States Maritime Commission. One of the changes names the War Shipping Administration, which is now the proper agency. The other amendment simply adds the words "or

charter" so that the measure will read "sell or charter." The authority granted is permissive authority and carries out negotiations that were had with the Government of Ireland with reference to the acquisition of these vessels. If it had been that the Maritime Commission had no authority of law at the time to have sold, otherwise than by competitive bidding, the purpose of the measure would have been carried out.

This bill was introduced by the majority leader, who appeared before the committee when it was first considered and pressed these matters earnestly. The negotiations as brought out by the majority leader transcend a mere commercial transaction. Ireland is not self-sustaining and never has produced sufficient wheat to supply home consumption. The negotiations had reached the point where, if adequate authority had existed, the negotiations would have been consummated some time ago.

Mr. MICHENER. Mr. Speaker, this bill is not controversial; that is, it was not controversial when it passed the House. The changes that have been made in the Senate are of such a nature as not to add controversy, and inasmuch as the bill has to do with the war endeavor I withdraw the reservation of objection.

The Senate amendments were concurred in.

A motion to reconsider was laid on the table.

TEMPORARY APPOINTMENT OR ADVANCEMENT OF COMMISSIONED OFFICERS OF THE COAST AND GEODETIC SURVEY

Mr. BLAND. Mr. Speaker, I ask unanimous consent to take from the Speaker's table the bill (H. R. 6818) authorizing the temporary appointment or advancement of commissioned officers of the Coast and Geodetic Survey in time of war or national emergency, and for other purposes, with Senate amendments and concur in the Senate amendments.

The Clerk read the title of the bill.

The Clerk read the Senate amendments as follows:

Page 1, line 3, strike out "personnel of the Coast and Geodetic Survey" and insert: "officers on the active list of the Coast and Geodetic Survey in commissioned ranks shall be deemed to be in active military service and."

Page 1, line 4, strike out "subject" and insert "subject."

Page 1, line 6, strike out "in an" and insert "to the."

Mr. MICHENER. Mr. Speaker, reserving the right to object, these Senate amendments have the approval of the Committee on Merchant Marine and Fisheries of which the distinguished gentleman from Virginia is chairman.

Mr. BLAND. I have consulted the ranking minority member on the committee, the gentleman from California [Mr. WELCH], and they undoubtedly have the approval of the members of the committee because they carry out the purposes of the original amendment. The last amendment is purely a grammatical correction and the first amendment is purely clarifying. The original purpose of the bill was to authorize temporary advancement or appointment of

commissioned officers of the Coast and Geodetic Survey in time of war or national emergency and extend to that service provisions of law similar to those previously enacted for the Navy, Marine Corps, and Coast Guard. Similar authority has been provided for the Army.

Mr. MICHENER. The bill was given careful consideration when it was before the House?

Mr. BLAND. It was given very careful consideration when it was before the committee and at the time the bill came up on the Consent Calendar in the House there was an inquiry propounded by the gentleman from New York [Mr. COLE], which was satisfactorily answered or answered at that time so that he did not press his objection, and then take up later and answered to the satisfaction of the gentleman from New York.

Mr. MICHENER. I have been advised by the gentleman from California [Mr. WELCH], the ranking minority member of the committee, that these changes are desirable and are in the interest of what the House intended when it passed the bill. Therefore there is nothing controversial added to the bill, and I withdraw my reservation of objection, Mr. Speaker.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Virginia?

There was no objection.

The Senate amendments were concurred in.

A motion to reconsider was laid on the table.

INDECENT EXPOSURE IN THE DISTRICT OF COLUMBIA

Mr. RANDOLPH. Mr. Speaker, I ask unanimous consent for the present consideration of the bill (H. R. 7399) to increase the penalty for indecent exposure in the District of Columbia, which I send to the desk and ask to have read.

The Clerk read as follows:

Be it enacted, etc., That section 9 of the act entitled "An act for the preservation of the public peace and the protection of property within the District of Columbia," approved July 29, 1892, as amended, be, and the same is hereby, amended by amending the first sentence thereof to read as follows:

"That it shall not be lawful for any person or persons to make any obscene or indecent exposure of his or her person or their persons in any street, avenue or alley, road or highway, open space, public square, or other public place or enclosure, in the District of Columbia, or to make any such obscene or indecent exposure of person in any dwelling or other building or other place wherefrom the same may be seen in any street, avenue, alley, road or highway, open space, public square, or public or private building or enclosure, under penalty of imprisonment for not more than 90 days, or a fine of not more than \$250, for each and every such offense."

The SPEAKER pro tempore. Is there objection to the present consideration of the bill?

Mr. MICHENER. Mr. Speaker, I reserve the right to object, and ask the gentleman from West Virginia to explain the measure.

Mr. RANDOLPH. Mr. Speaker, under the act of July 29, 1892, the maximum penalty prescribed for the offense of in-

decent exposure in the District of Columbia is a fine of \$250. Imprisonment in these cases, no matter how many times the defendant has been previously convicted of that offense, is possible only when the defendant is unable to pay the fine, in which case he may be imprisoned for a period not exceeding 1 year. It is felt that in cases of this nature the court should have power to impose a sentence of imprisonment. The proposed bill fixes the punishment at imprisonment for not more than 90 days or a fine of not more than \$250. We are told by the Corporation Counsel and by the police authorities of the District of Columbia that a more stringent law in connection with this violation is needed here at the present time.

Mr. MICHENER. I see no objection to taking care of these repeaters, and I withdraw the reservation of objection.

The SPEAKER pro tempore. Is there objection to the present consideration of the bill?

There was no objection.

The bill 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.

THE TAX SALES IN THE DISTRICT OF COLUMBIA

Mr. RANDOLPH. Mr. Speaker, I ask unanimous consent for the present consideration of the bill (H. R. 6171) to amend an act entitled "An act in relation to tax sales in the District of Columbia," approved February 28, 1898, as amended, which I send to the desk.

The Clerk read the bill, as follows:

Be it enacted, etc., That an act entitled "An act in relation to taxes and tax sales in the District of Columbia," approved February 28, 1898, as amended, be, and the same is hereby, further amended by inserting in section 3 thereof immediately preceding the word "Provided" where the same first appears in said section the following: "Provided, That no deed shall be issued unless application therefor be made within 5 years from the last day of sale; and if no such application be made, then the owner of any property sold as aforesaid, or any other person having an interest therein at the time of redemption, may redeem the property by paying to the collector of taxes for the legal holder of the certificate the amount for which it was sold at such sale, exclusive of surplus, plus interest thereon for the first 2 years after the date of such certificate of sale at the rate hereinabove provided, and thereafter at the rate of 6 percent per annum; that when the said property is redeemed as aforesaid, the collector of taxes shall, within a reasonable time thereafter, notify the owner of record of such tax sale certificate at his last known address, by registered mail, of the redemption of such certificate; that within 5 years from the time that payment has been made to the collector of taxes to redeem such tax sale certificate, the owner thereof may apply for, and, upon the surrender of the certificate, shall receive from the District of Columbia the payment made as hereinbefore prescribed; that upon the failure of the owner of such tax sale certificate to apply within the period of 5 years, as hereinbefore prescribed, such money shall be forfeited to the District of Columbia, and be deposited by the collector of taxes in the Treasury of the United States to the credit of the general revenues of the District of Columbia."

The SPEAKER pro tempore. Is there objection?

Mr. MICHENER. Mr. Speaker, I reserve the right to object, and ask the gentleman from West Virginia to give some explanation of the bill.

Mr. RANDOLPH. Mr. Speaker, in connection with this legislation, which comes with the unanimous vote of the members of the District of Columbia Committee, both majority and minority, it is the purpose of this legislation to provide means whereby the owner of property which has been sold for taxes may redeem his property by paying to the collector of taxes of the District of Columbia, or the legal holder of the tax-sales certificate, the amount for which the property was sold, exclusive of surplus, plus interest thereon for the first 2 years after the date of such certificate of sale, at the rate of 12 percent per annum, and thereafter at the rate of 6 percent per annum. It is believed that this is necessary legislation, as it appears that certain rackets have grown up through persons coming in here and purchasing property that is delinquent for taxes.

Mr. RANKIN of Mississippi. Mr. Speaker, I reserve the right to object. I do not see how any racket could be much worse than charging 1 percent per month. These people ought to have at least 2 years in which to redeem their property, but I do not believe in having them pay 1 percent interest per month. It seems to me that 6 percent interest per year ought to be sufficient, and I would like to have the bill changed in that respect.

Mr. MICHENER. Mr. Speaker, no business can come up here by unanimous consent that is controversial. I understand that this is most important at this particular time and is not controversial among those who have studied the matter. I shall not assume any responsibility in that respect, but I shall assume responsibility of seeing to it that no legislation passes by unanimous consent that is controversial.

Mr. RANDOLPH. Mr. Speaker, the chairman of the committee would not violate that agreement.

Mr. RANKIN of Mississippi. Let me say to the gentleman that I do not intend to object. I am going to let this go through in the hope that it will be amended in the Senate. A charge amounting to 24 percent for 2 years, or approximately one-fourth of the value of the property, seems to me to be out of all reason. I am going to let this measure pass because of the smallness of the membership and the understanding between the leaders of the two sides, with the hope that when it reaches the Senate the Senate will amend it and protect these people whose property has been under mortgage.

Mr. SABATH. Mr. Speaker, I reserve the right to object and ask whether there are a large number of these sales for taxes in the District. Personally, I am of the opinion that every owner of property in the District receives such a tremendous return on his investment that there is no justification for letting the

property be sold for taxes, unless there be some sharper or some gentlemen who are here to benefit by it by picking up some of these things and then letting it go until they can dispose of the property at a tremendous profit.

Mr. MICHENER. Mr. Speaker, further reserving the right to object, this is one of those controversial matters, and we all have our own State laws. I wish the District of Columbia, Virginia, and Maryland would pattern after Michigan in this respect, and give 1 year equity of redemption and a lot of considerations that should be given. I realize, however, that within the last 2 years tremendous strides toward equity have been made in change of mortgage and foreclosure laws in the District of Columbia. Of course, we ought to remember that not long ago when one defaulted in payment in the District of Columbia on a mortgage on his home, that within 10 or 15 days some chap appeared at the front door ringing a bell, and sold it, and the owner was through.

Now those things are getting better. I want to compliment the Committee on the District of Columbia on bringing the foreclosure laws in the District of Columbia more in line with the forward-acting and forward-thinking States of the Union.

Mr. RANDOLPH. That is the purpose of this legislation. It is brought here after a statement by the District Commissioners that they believe such an amendment to the present law necessary as a protection to the property holders of the District.

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

There was no objection.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

EXTENSION OF REMARKS

(By unanimous consent Mr. REED of New York, Mr. FOGARTY, and Mr. DOWNS were granted permission to extend their own remarks in the RECORD.)

PERMISSION TO ADDRESS THE HOUSE

Mr. MASON. Mr. Speaker, I ask unanimous consent that on Monday next, after the regular business on the Speaker's desk and any other special orders, I may be permitted to address the House for 20 minutes on the subject of Our Present Crisis and Our Patriotic Duty.

The SPEAKER pro tempore. Is there objection?

There was no objection.

EXTENSION OF REMARKS

Mr. WOODRUFF of Michigan. Mr. Speaker, I ask unanimous consent to place in the Appendix of the RECORD two statements or articles.

The SPEAKER pro tempore. Without objection, it is so ordered.

There was no objection.

Mr. GUYER. Mr. Speaker, I ask unanimous consent to extend my remarks and include an editorial from the Ottawa Herald.

The SPEAKER pro tempore. Without objection, it is so ordered.

There was no objection.

MEAT SHORTAGE IN NEW ENGLAND

Mrs. ROGERS of Massachusetts. Mr. Speaker, I ask unanimous consent to address the House for 1 minute and to revise and extend my remarks and include therein a resolution that I am introducing regarding the shortage of meat.

The SPEAKER pro tempore. Is there objection?

There was no objection.

Mrs. ROGERS of Massachusetts. Mr. Speaker, in Massachusetts—in fact, all over New England, and I believe in New Jersey and New York—there is an acute meat shortage. There are conflicting stories as to the reasons for that shortage.

I am introducing a resolution which would require that the Speaker appoint a committee of five to study the situation and to report as to the remedy.

We in New England are more than willing to do every bit of our share in the war movement, and we are willing to go without meat if necessary, but we do feel that we should have our just share and that our people should not be weakened in their work for the war by a lack of beef. There is a shortage of poultry and other meat for the consumers because of the beef shortage, with resultant rises in price because of the demand. The situation is serious indeed.

The resolution is as follows:

Whereas it is currently reported in the public press that a meat shortage exists or is threatened throughout the United States, and that many conflicting statements are made as to the cause or causes therefor; and

Whereas an actual and acute shortage of meat and meat products and poultry exists in the State of Massachusetts and in other parts of New England, enhancing prices for other necessities of life, to the detriment of the consuming public in that section of the country, and resulting in unemployment; and

Whereas it appears that shipments of cured meats are greatly in excess of those of last year, reflecting increased slaughter activities to meet export requirements and military needs; and

Whereas it is alleged that there is a so-called squeeze between rising livestock prices and ceilings on processed meat products, and that small packers are being forced out of business: Therefore

Resolved, That a select committee of five Members of the House is hereby created, to be appointed by the Speaker, whose duty it shall be to make a thorough investigation of the alleged meat shortage and possible rationing of meat and meat products.

Said committee shall ascertain (1) the amount of shipments of cured and fresh meats at points of shipment during the current year and during the last 6 years; and (2) the cost of production; and (3) the prices for livestock offered and those demanded; and (4) the fixed ceiling on meat products and its effect upon slaughtering; and (5) the production of cattle for market and the cost of feeding; and (6) the amount of exports of meat and meat products under the lend-lease program and for military needs, and the amount, after these requirements are met, for domestic consumption; and (7) the causes or causes which threaten or have resulted in a meat shortage in the United States or in any part thereof.

Said committee is hereby authorized to send for persons and papers, to administer

oaths to witnesses, to hold hearings in the District of Columbia or elsewhere, to employ necessary employees and stenographic assistance, and to incur necessary traveling expenses.

Said committee shall report its findings to the House at the earliest practicable date, together with recommendations for legislation as it may deem to be necessary, and such proposed legislation shall have privileged status for consideration by the House.

[Here the gavel fell.]

EXTENSION OF REMARKS

Mr. VREELAND. Mr. Speaker, I ask unanimous consent to extend my remarks in the RECORD and include two letters.

The SPEAKER pro tempore. Without objection, it is so ordered.

There was no objection.

RATIONING

Mr. HANCOCK. Mr. Speaker, I ask unanimous consent to address the House for 1 minute and to revise and extend my remarks and include therein a letter I have received.

The SPEAKER pro tempore. Is there objection?

There was no objection.

Mr. HANCOCK. Mr. Speaker, the American people are not accustomed to rationing, price control, allocations, priorities, freeze orders, and the other restrictions on individual liberty of action which this most devastating of all wars makes necessary. But they are willing and glad to submit to any privation and any sacrifice the responsible heads of Government deem advisable in the common struggle, if they can understand, or even guess, how such privations are contributing toward our war effort, and if the administration of the various agencies charged with enforcing them is reasonable and intelligent. The habit of asking questions is characteristic of a free people and distinguishes them from the enslaved subjects of dictators.

I am speaking particularly of the rationing of gasoline and sugar. The people are eager to cooperate. They stand patiently in line for many weary hours to receive their rationing cards while patriotic, unselfish volunteers (particularly our school teachers) struggle to the point of exhaustion to interpret vague regulations and apply them fairly and intelligently.

Let someone in authority state clearly why sugar must be rationed and why one section of the country is treated differently than another in the rationing of gasoline. The people are not complaining. They merely wish to know the truth. If it cannot be told for some military reason, let them know, and they will cease questioning. If it helps our boys in uniform to the smallest degree they will acquiesce without a murmur.

Rationing has been a tremendous task, and public-spirited citizens everywhere have risen up to take charge of it, without compensation and without hope of reward except the satisfaction which comes from public service in a great emergency.

In my own home city of Syracuse, Mr. Oscar Soule has been chairman of the rationing board since its inception. He

is patriotic, energetic, and inspired by no selfish motive, political or otherwise. For many months he and a devoted staff of assistants have labored for incredible hours to do the job. Most of the expense of carrying on the work has been borne personally by Mr. Soule. About this he makes no complaint, but volunteers willing to serve the Government without any compensation whatever should not be limited to those who are willing and able to spend their own funds in a public cause.

As a protest against the inefficiency of the national heads of the O. P. A. and their utter lack of consideration for the local boards directly responsible for enforcement of rationing regulations, Mr. Soule has filed a letter of resignation with the New York State director. In the hope that it may attract the attention of those in authority and result in corrective measures, I am appending Mr. Soule's letter to these remarks.

JULY 24, 1942.

MR. LEE BUCKINGHAM,
State Director of Office of
Price Administration,
New York City.

MY DEAR MR. BUCKINGHAM: As a protest against the manner in which rationing has been handled by Office of Price Administration and the lack of support the local boards have had from the Washington office through the official channels, I herewith tender my resignation as chairman of the Onondaga County rationing board, effective August 25 or earlier, at your convenience.

To say that I am "fed up" is putting it mildly. The apparent lack of appreciation by those who conceive the programs of the problems of administration in the field is beyond belief, and it is to me truly a miracle that the work has been carried out as well as it has.

The lack of support I feel is due largely to Washington. No one could have had better support from a community than I have had in Syracuse. The press, the radio, the volunteer workers, and the public have been perfectly magnificent. But from the top it is another story.

I know that the Office of Price Administration field men have been given advance information and have been told not to pass it on to the local boards. The local boards are never given instructions until the last minute, but are expected to provide an efficient organization to do a mammoth job on the spur of the moment.

Press releases from Washington appear days before local boards receive any official notification of changes in regulations. Orators from Office of Price Administration give glowing accounts of easing of eligibility rules, then we are left holding the bag and in the position of denying applicants what they consider their just rights.

Unnecessary demands which double and triple the work involved are the rule rather than the exception. For instance, we had to work 30,000 applications for sugar for home canning twice because we were not allowed to give certificates for more than 2 months at a time.

That meant certificates for early canning, and now certificates for fall canning. Through volunteer effort we have been able to prepare and mail these fall-canning certificates, but we were unable to obtain even envelopes in which to mail them.

We have had to purchase them mostly at my own expense and rubber stamp the official franking notices on each one. How much easier it would have been to have done the job once and for all.

But the pay-off is the gasoline program. The treatment the local boards receive in the

administration of this complicated set-up is beyond comprehension. And the program itself is conceived to try the soul beyond endurance.

The most important tool was delivered last and only a few days before the program became effective—namely, the regulations.

How we could organize and school volunteers to efficiently scale mileages on applications, how we could school others to tailor books, how we could familiarize ourselves with the rules without the regulations is beyond me.

Field men had mimeograph copies, but it was "hush, hush, don't tell the local boards." Inadequate time for instruction has necessarily meant that 500 volunteer application examiners have 500 interpretations of the rules.

The iniquities in administration and the necessity to review a great many of these applications later because of these iniquities will cause lack of confidence and a tremendous amount of work that could have been avoided by a more orderly procedure.

Three months from now and then again at 3-month intervals, all supplementary applicants, some 30,000 or 40,000 of them, must come trooping into our rationing headquarters to sign their applications again.

The most we can handle will be about 1,000 a day. Our headaches haven't begun—and will never end. A plan beautifully conceived but impossible to administer.

Tools with which to operate are totally inadequate. We asked for a five-trunk seven-station telephone line—we got a two trunk five-station exchange which is so crowded with calls we cannot get a call out.

We asked for more paid help. We got word we can have a lesser number than asked for 1 month. It will take nearly that long to adequately train them. We have an excellent location, but no arrangements have yet been made with the city to establish the board there on a permanent basis. We obtain no office supplies and equipment except four filing cases. Yet the public expects and is entitled to prompt and efficient treatment.

I want to quote a paragraph which fits the case exactly:

"I am Mr. Rush Job. I belong to no age, for men have always hurried. I pervade all human endeavor. Men believe me necessary, but I am not. I rush today because I was not planned yesterday. I demand excessive energy and concentration.

"I over-ride obstacles, though at great expense. I illustrate the old saying, 'Haste makes waste.' My path is strewn with the hummocks of overtime, fatigue, mistakes, misunderstandings, and disappointments. I force accuracy and quality to stand aside and give way to speed. I am the rush job."

Yours sincerely,

OSCAR F. SOULE,
Chairman, Onondaga County
Rationing Board.

PACIFIC COAST DEFENSES

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

The SPEAKER pro tempore. Is there objection?

There was no objection.

Mr. ANGELL. Mr. Speaker, the public press today carries the announcement that the President has directed unified control of Pacific coast defenses under the jurisdiction of the Navy. Those of us who represent Pacific Coast States in the Congress from the outbreak of the war have been deeply concerned over the program for the defense of the Pacific coast area. Long before the attack by the Japanese upon us at Pearl Harbor and in the Philippines it was evident to

all who were familiar with the strategy involving a conflict in the Pacific that the Japs when once in the war would have as a major objective an attack on the Pacific coast. Without doubt their first offensive, the Hawaiian Islands, was the initial step in this strategy. Had they succeeded, their next move, of course, would have been reaching toward the mainland on the Pacific. They now have acquired a foothold in the Aleutians, which brings them within striking distance of continental United States through Alaska.

Those of us on the Pacific coast delegation have been urging upon those in charge of the war program to forestall these moves on the part of the Japs and not find ourselves sleeping as we were at Pearl Harbor. We must not come too late with too little in the defense of this vital area, which must at all hazards be defended and the Japanese prevented from securing further vantage points nearer to vital continental United States. We all appreciate that those in charge of the program for obvious reasons cannot disclose their hand and take the public into their confidence as to just what is being done in this vital protection to our coastal areas on the Pacific. It cannot, however, be too strongly urged that every effort be made to dislodge the Japanese from the Aleutians and make our defenses so strong on the Pacific that any further attempt to make an attack in this area will be successfully repulsed, as was the last attack on Midway.

Mr. Speaker, our entire delegation of the coast have been acting in unison in all these matters having to do with the prosecution of the war as it affects this vital area. We have divided the delegation up into a number of subcommittees, each one having for its immediate objective certain factors involved in our defense. I have been serving on several of these committees, one of which had to do with the supplying of gas masks and other equipment for civilian defense.

A matter of great concern to us on the Pacific coast is the utilization of our shipbuilding facilities to the full extent as a means of the successful prosecution of the war. We now see that transportation is the major bottleneck in our war effort. Over 400 ships have been sunk since Pearl Harbor, and they are being sunk faster than we can produce them. We cannot win the war by merely building enough ships to provide replacement for those being sunk. There is a vital defect in our defenses against submarines, and we have not been able thus far to solve this acute problem.

Mr. Henry J. Kaiser, the master shipbuilder of the Pacific coast, whose shipbuilding plants have made such an enviable record, has come forward with the proposal that nine of the big shipyards of the United States—three on the Pacific, three on the Atlantic, and three on the Gulf—be converted into plants for the manufacture of mammoth cargo airships of the type of the *Mars*, recently constructed by the Glenn L. Martin Co. The efficiency and farsightedness of Mr. Kaiser and his ability to make good on his promises gives his proposal great strength. If 5,000 of these monster air

carriers were built in accordance with the proposal of Mr. Kaiser, it would be the first effective answer to the submarine sinkings, and would enable us to keep our supply lines open and bring victory to our cause. Heretofore, I have urged on the floor that this plan be given full consideration, and I urge upon you, my colleagues, to make a complete study of this whole program and lend your influence to an effective solution of this problem of transportation in our war program, which is about to stymie our war efforts.

[Here the gavel fell.]

EXTENSION OF REMARKS

Mr. HOLLAND. Mr. Speaker, I ask unanimous consent to extend my remarks in the Appendix and include an editorial appearing in the Chicago Sun of June 29.

The SPEAKER pro tempore. Is there objection?

There was no objection.

Mr. SMITH of Washington. Mr. Speaker, I ask unanimous consent to revise and extend my remarks and include therein a telegram and proclamation issued by Abraham Lincoln.

The SPEAKER pro tempore. Without objection, it is so ordered.

There was no objection.

Mr. MONRONEY. Mr. Speaker, I ask unanimous consent that my colleague the gentleman from New York [Mr. BARRY] be permitted to extend his own remarks in the RECORD.

The SPEAKER pro tempore. Is there objection?

There was no objection.

Mr. LUDLOW. Mr. Speaker, I ask unanimous consent to extend my remarks in three particulars—in one, to include a letter written by an aviator to his parent at Indianapolis; in the second, certain excerpts from committee hearings; and, in the third, an address by Mr. Frank L. Burdette, of Purdue University.

The SPEAKER pro tempore. Is there objection?

There was no objection.

FLYING CARGO SHIPS

Mr. JOHNSON of Oklahoma. Mr. Speaker, I ask unanimous consent to address the House for 3 minutes and to revise and extend my remarks.

The SPEAKER pro tempore. Is there objection?

There was no objection.

Mr. JOHNSON of Oklahoma. Mr. Speaker, today I have introduced a House joint resolution, a companion bill of that presented to the Senate by the distinguished junior Senator from Oklahoma, Senator LEE, to provide additional transportation facilities for furnishing supplies to the armed forces of the United States, in foreign countries. This resolution was sent to the Military Affairs Committee, where I sincerely hope it will be given immediate and thorough consideration.

The Military Affairs Committee of the United States Senate is now in session. I had the pleasure and the unusual privilege this morning of sitting with that committee and hearing much valuable

testimony. Many of America's greatest engineers are in daily attendance and have either testified or will testify before that committee during the next few days.

The outstanding witness before that committee this morning was one of the greatest builders in all the world. I refer to Henry V. Kaiser, well-known west coast shipbuilder, who only a few months ago started from scratch on what he referred to today as a boggy flat, and who is now actually producing cargo and other ships faster than is any other shipbuilding plant in the world.

It will be recalled that this same master builder played a major role in the construction of Boulder Dam, which was finished about 2 years sooner than a great many other outstanding engineers said it could be constructed. Today he is turning out ships of various kinds every 46 days, although he testified this morning that he had never seen a ship launched and had never been in a shipyard but once before he started building them.

A few days ago this same great engineer, now recognized as America's foremost shipbuilder, pointed out that America is losing the battle of transportation because of the activities of enemy submarines and suggested that the only practical answer to the constantly increasing and tragic sinkings was to build flying cargo ships. He also proposed that we could within a few months convert some nine of the great shipbuilding plants that are now building various types of seagoing vessels, into the construction of mammoth cargo planes. He further pointed out that 5,000 of such flying boats could transport an army of 500,000 soldiers and millions of tons of food, guns, and material to either the Atlantic or the Pacific battle areas within a few days' time.

Of course, there are many, including some high-up officials, who scoff at this novel idea and insist it cannot be done. Some of the same officials, I regret to say, and other so-called military and naval experts scoffed at Kaiser's insistence, a few months ago, that he could build ships in mass production. He testified today that a member of the Maritime Commission made a bet that he would not turn out one ship within a couple of years. He was asked if it was the same member who was responsible for canceling the Higgins contract in New Orleans. He is today doing what the critics call the impossible. This man Kaiser is not a mere fanciful theorist; he has proven himself to be a genius, and his suggestion cannot be laughed off or scoffed at when the very future security of the Nation is in peril.

It was only a few months ago that some of the higher ups scoffed at the idea of building fighting planes and bombers in mass production. Some of the same critics ridiculed the suggestion that a capital battleship could be sunk by planes, but subsequent events have demonstrated plainly that the so-called military and naval experts were dead wrong then, and they might be wrong now.

One thing is certain, we Members of Congress have our own responsibility,

and I am not one of those who is willing to sit idly by and say that nothing can be done to solve these tragic shipping losses. Nothing is impossible. The people of the United States are becoming restless and impatient with the tremendous submarine sinkings right at our very door. A few weeks ago the Secretary of the Navy assured the country and the world that this problem would be solved by July 1, but it is not necessary to remind Members that it has not been solved nor has it been appreciably remedied. The resolution in question is as follows:

House joint resolution to provide additional transportation facilities for furnishing supplies to the armed forces of the United States in foreign countries, and for other purposes

Whereas the United States is faced with the increasingly difficult problem of supplying its armed forces in foreign countries with necessary material and equipment; and

Whereas enemy submarines are a constant menace to the vessels of the United Nations; and

Whereas the sinking of such vessels has been at a rate which has not been offset by the construction of new vessels; and

Whereas as a result of such sinkings there is not sufficient tonnage available to supply the needs of the armed forces of the United States abroad and the other needs of the United Nations; and

Whereas it is essential that the existing shipping facilities should be reinforced as rapidly as possible and by every feasible means; and

Whereas the construction of flying boats and land-based airplanes to carry troops and cargo is not only feasible, but will also help to provide an adequate transportation system for furnishing supplies to our armed forces abroad: Therefore, be it

Resolved, etc., That there is hereby created a board to be known as the Supply Board (hereinafter referred to as the "Board") and to be composed of the Secretary of War, the Secretary of the Navy, the Administrator of the War Shipping Administration, and the Chairman of the War Production Board. All of the members of the Board shall serve without compensation for their services as such members.

SEC. 2. It shall be the duty of the Board to proceed immediately with the construction of such flying boats and land-based airplanes for carrying troops and cargo as in its opinion will be necessary to supplement the shipping facilities now available and in process of construction and to provide an adequate transportation system to supply the needs of the armed forces of the United States that are stationed in Alaska and Hawaii, in outlying possessions (including bases) over which the United States has jurisdiction and control, and in foreign countries. For such purpose the Board is authorized to enter into such contracts and other arrangements as may be necessary.

SEC. 3. It shall also be the duty of the Board to determine the types of planes to be constructed, the number of shipbuilding yards, airplane plants, and other facilities to be devoted to the manufacture of such planes, and the disposition to be made of such planes after construction.

SEC. 4. The Board may, subject to the civil-service laws, employ such personnel as may be necessary to carry out its functions under this joint resolution, and shall fix the compensation of such personnel in accordance with the Classification Act of 1923, as amended.

SEC. 5. The Board is authorized to make such rules and regulations as may be neces-

sary to carry out its functions under this joint resolution.

SEC. 6. There are hereby authorized to be appropriated, out of any money in the Treasury not otherwise appropriated, such sums as may be necessary to carry out the provisions of this joint resolution.

POWER POSSIBILITIES OF THE NORTHWEST

Mr. PIERCE. 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 Oregon?

There was no objection.

Mr. PIERCE. Mr. Speaker, our colleague the gentleman from Idaho [Mr. WHITE] has been called out of the city and is not with us today.

An attack has been made on our colleague by the Public Power League of Idaho to the effect that he did not take any interest in developing the power possibilities of the Northwest. On the part of our colleague the gentleman from Idaho, Mr. COMPTON I. WHITE, I wish to have inserted in the RECORD the statement made by the United States Public Ownership League of Idaho, together with a debate that took place and excerpts from the CONGRESSIONAL RECORD in 1940 when an appropriation was under consideration in the House for construction of a transmission line to Lewiston, Idaho. I remember quite well the vote, by tellers. The vote broke even, and, being the moving side, they failed to cut out the appropriation.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Oregon?

There was no objection.

EXTENSION OF REMARKS

Mr. COFFEE of Washington. Mr. Speaker, I ask unanimous consent that the gentleman from Massachusetts [Mr. ELIOT] may be permitted to extend his remarks in the RECORD and to include therein an article from the Catholic weekly, America.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Washington?

There was no objection.

A SECOND FRONT IN EUROPE

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

The SPEAKER pro tempore. Is there objection to the request of the gentleman from West Virginia?

There was no objection.

Mr. RANDOLPH. Mr. Speaker, we read that in London 60,000 persons and in New York City 30,000 persons have attended mass meetings called for the purpose of bringing about enthusiasm for a second front in Europe. I believe it is vitally necessary that those who are advocating a second front realize the implications of such a movement. When a second front comes, it must be of such a nature that it will divert the forces of Hitler rather than just annoy his war machine, which, apparently, at the present time is fighting a victorious battle in Russia.

LEAVE OF ABSENCE

Mr. CANNON of Missouri. Mr. Speaker, I am glad to report that our colleague the gentleman from Missouri [Mr. SHANNON], who has been dangerously ill, is much improved. However, he is still very sick and I ask unanimous consent that he may have leave of absence from the House on account of serious illness until September 15 next.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Missouri?

There was no objection.

HON. JAMES G. SCRUGHAM

Mr. CANNON of Missouri. Mr. Speaker, I am certain it is a matter of regret to all of us that we learn that our esteemed friend and colleague the Honorable JAMES G. SCRUGHAM, of Nevada, will terminate his long and distinguished service in this body at the close of the present Congress.

Governor SCRUGHAM, or JIM SCRUGHAM, as he is known to us, has announced his candidacy to represent his State in the Senate. If elected, he will contribute largely to the prestige of the upper House. Win or lose, the House will be deprived of an invaluable Member, for JIM SCRUGHAM is an exemplary character, a great statesman, a wise counselor, and a lovable companion.

Governor SCRUGHAM entered the House at the beginning of the Seventy-third Congress. He became a member of the Committee on Appropriations in the succeeding Congress, and, after but 4 years, succeeded to the chairmanship of the naval subcommittee, and today he is the ranking majority member of the Interior Department subcommittee.

He is possessed of a wealth of learning and experience which has enabled him to discharge his large responsibilities with great credit to himself and with great credit to the Committee on Appropriations and the Congress. As both a mining engineer and a mechanical engineer, a World War ordnance officer, and a former Governor of his State, his broad experience has exceptionally well fitted him to legislate wisely and counsel sagely upon many matters of far-reaching importance that have confronted the Congress during the most momentous period in the history of our Government.

We of the Committee on Appropriations have leaned heavily upon Governor SCRUGHAM, and shall miss him, as shall all of us who have been privileged to serve with him in the House.

EXTENSION OF REMARKS

Mr. CANNON of Missouri. Mr. Speaker, I ask unanimous consent to extend my remarks in the RECORD by including an article from the Daily News, and I also ask unanimous consent to extend my remarks in the RECORD by including a speech delivered over the radio during the Farm and Home Hour on the 11th of this month.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Missouri?

There was no objection.

THE AGRICULTURAL APPROPRIATION BILL

Mr. CANNON of Missouri. Mr. Speaker, I ask unanimous consent to address the House for 5 minutes.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Missouri?

There was no objection.

Mr. CANNON of Missouri. Mr. Speaker, beginning on March 13, during a period extending over 3 months, the House voted on four different occasions, and by overwhelming majorities, against the sale of agricultural products below parity. Heavy pressure was brought to bear upon the House to reverse these four votes, and a reversal was finally secured, largely through assurance that two immediate steps would be taken to remedy the disparity between agriculture and industry.

The first of these was the 100-percent-parity-loan bill. The Secretary of Agriculture advocated the enactment of the 100-percent bill and we were told that the Bureau of the Budget approved it. It would solve all our problems and would offset any untoward effects of the Senate amendment on parity. But no sooner had the Senate amendment been agreed to than there was a notable lack of interest developed in the enactment of the 100-percent bill. It was returned to its pigeon hole and has not been heard from since. Apparently it was merely molasses to catch flies.

The second influence brought to bear was the well-authenticated report that all wages, prices, and profits were to be frozen straight across the board. Every newspaper in the country carried it, and it was announced and accepted as an accomplished fact that this was the next step on the agenda and would be disposed of before the commencement of the informal recesses. But once the Senate amendment for the sale of farm commodities at less than parity was agreed to, all reference to national freezing ceased and Members of the House are in receipt of a release under date of July 28 as follows:

At an important White House conference, leaders of the American Federation of Labor and the Congress of Industrial Organizations were assured by President Roosevelt that he has no intention of seeking to abolish collective bargaining nor of barring wage increases by legislation or decree.

I am in heartiest accord with that policy. I have advocated and supported on this floor, in season and out of season, the right of labor to collective bargaining. It is fundamental. It ranks with the principles enunciated in the Bill of Rights. And the fact that in agreeing to the Senate amendment reducing the wages of the farmer—for the price of his products are his wages for his labor—we have denied the farmer the right of collective bargaining confirms me in my opposition to denying that right to labor.

But note the inconsistency. The automobile industry in 1918 enjoyed an average hourly wage of 57 cents; today it is \$1.13.

The iron and steel industry had an hourly wage of 74.8 cents in 1918 but

today receives 92½ cents per hour, which with the 44-cent increase just granted raises the rate to approximately \$1 per hour.

Industrial prices and profits have kept pace, and machinery, furniture, fertilizer, and all costs of production items entering into costs of farm production have likewise vastly exceeded 1918 prices.

Now, turn to the farm side of the ledger. In 1918 corn was \$1.52 a bushel. Today is it 91 cents per bushel. I bought corn delivered on my farm for that price last week. Cotton in 1918 was bringing 33.9 cents, and today is selling for 18.55 cents. Wheat was \$2.05 per bushel in 1918, and when we voted for the Senate amendment last week we voted to sell it for feed at 83 cents per bushel.

But the Department of Agriculture announces in a press release carried by the newspapers distributed on the street an hour ago, that farm prices are now the highest since 1928. That announcement by the Department, taken alone, is a very misleading statement. All prices are relative. A dollar a bushel for wheat is high if everything else is low. And \$5 a bushel for wheat is low if everything else is high. Let us examine the prices announced by the Department from that point of view.

To illustrate, here is a table showing what industry would be getting for its products if it had no legislative favors and industrial prices had kept step with farm prices:

Prices of selected industrial commodities purchased by farmers if such prices had followed prices of 5 basic agricultural commodities sold by farmers, Dec. 15, 1940

Commodity	Unit	Price Dec. 15, 1940	Price at farm ratio
Mower, 5-foot.....	Each.....	\$97.14	\$32.09
Binder, 7-foot.....	Each.....	259.00	91.74
Paint, ready-mixed.....	Gallon.....	2.85	1.30
Lumber, rough.....	M board ft.....	46.20	16.76
Kitchen chairs.....	Each.....	1.56	.54
Horse blanket.....	Each.....	3.50	1.66
Men's work shoes.....	Pair.....	2.59	1.48
Barbed wire.....	80-rod spool.....	3.54	1.84

And here is what labor would be getting if Congress had not passed laws putting a floor under wages and otherwise insuring fair and equitable treatment at the hands of industry:

Weekly earnings in construction and of factory workers if wages had kept pace with changes in the general level of prices received by farmers since 1910-14

Occupation	Earnings per week, June 1, 1940	Earnings per week at farm ratio
Plumbers.....	\$58.10	\$24.74
Electricians.....	58.04	22.28
Stonemasons.....	59.60	24.12
Steam fitters.....	59.91	23.48
Carpenters.....	55.15	21.86
Painters.....	50.32	21.04
Bricklayers.....	64.85	28.82
Factory workers.....	25.77	11.40

And, on the other hand, here is the table of farm prices which would be in force today if the farmer's prices had kept step with the prices he has to pay:

Prices which farmers would have received for specified commodities on Oct. 15, 1940, if farm prices had kept pace with industrial wages (weekly average earnings of New York State factory workers)

Commodity	Unit	Prices received, Oct. 15, 1940 ¹	Prices at industrial ratio ¹
Cotton, per pound.....	Cents.....	9	0.28
Wheat, per bushel.....	Cents.....	68	2.02
Corn, per bushel.....	Cents.....	59	1.47
Oats, per bushel.....	Cents.....	28	.91
Rice, per bushel.....	Cents.....	63	1.86
Potatoes, per bushel.....	Cents.....	52	1.60
Peanuts, per pound.....	Cents.....	3	.10
Butterfat, per pound.....	Cents.....	29	.60
Eggs, per dozen.....	Cents.....	24	.49
Hogs, per 100 pounds.....	Dollars.....	5.83	16.53
Hay, per ton.....	Dollars.....	6.99	27.18
Horses, each.....	Dollars.....	69.10	312.81

¹Fractions omitted.

The SPEAKER pro tempore. The time of the gentleman from Missouri has expired.

Mr. CANNON of Missouri. Mr. Speaker, I ask unanimous consent to proceed for 5 minutes more.

The SPEAKER pro tempore. Is that agreeable to the gentleman from California?

Mr. GEARHART. It is agreeable to me, and I yield back the balance of my time.

The SPEAKER pro tempore. Without objection, the gentleman from Missouri is recognized for 5 minutes more.

Mr. CANNON of Missouri. The monthly Bulletin of the Department of Agriculture, just issued for July 1942, which Members of the House found on their desks when the mail came in Monday, has more pertinent information than this release handed to the newspapers this morning. Turn to the back page of the Bulletin and you will find there that while the income of industrial workers increased from an index figure of 126 in 1925 to an index figure of 202 in April of this year, the cost of living—that much advertised and much discussed cost of living—declined from an index figure of 125 in 1925 to 116 in May 1942. In other words, while the consumers' income increased from 125 to 202, his cost of living, supplied largely by the farmer, decreased from 125 to 116.

And observe what income the farmer got while the consumer's income was advancing so handsomely. From March to June of 1942 the price of grain decreased from an index figure of 122 to 116. The price of cotton declined from 158 to 153. Truck crops declined from 204 in January to 169 in June. Dairy products fell from 148 to 141. And chickens and eggs dropped from 157 in November 1941 to 137 in June 1942.

These are not newspaper runners. They are the official reports of the Bureau of Agricultural Statistics of the United States Department of Agriculture in their report on your desk at this minute.

Every discrimination has been exercised against the farmer. The tariff on wool was quietly eliminated and wool is now being brought into the country duty

free. I sold my clip in May for 47 cents a pound, a normal price, and within a week later when my neighbors and my farm cooperative sought to sell, they could not get a bid at any price. Buying was finally resumed but at a much reduced figure, and wool is today quoted on the market at a maximum price of 39.2. The tariff on farm products which has been represented as compensating the farmer for the high industrial tariffs all these years is now repealed, but no industrial tariff is disturbed. The farmer alone is singled out for this sacrifice. The Demand and Price Situation for July 1942, issued by the Department of Agriculture, says frankly at page 11 that the price has declined and that it is due to the fact that "the mills and dealers hold considerable stocks of foreign wool" which "are sufficient for current needs." But it does not say that this foreign wool came in over the tariff wall duty free.

Mr. PIERCE. Mr. Speaker, I think there is no better comparison to be had than the price the farmers were getting during the first World War and what they are getting now, and the cost of raising the stuff was higher then than now. I was a real farmer during the first World War. I sold wheat at \$2.10 and now it is about half of what I got then.

The SPEAKER pro tempore. The time of the gentleman from Missouri has again expired.

Mr. CANNON of Missouri. I ask unanimous consent to proceed for 5 minutes more.

The SPEAKER pro tempore. Is there objection?

There was no objection.

Mr. PIERCE. The cost of hogs is about two-thirds of what it was during the first World War. I think if you would put in a table showing the prices paid for the principal crops during the first World War and now you could make a very favorable argument along the line you are going.

Mr. CANNON of Missouri. In the meantime everything that enters into the farmer's cost of production has gone up.

Mr. PIERCE. Yes. It costs more to raise it now than it did then.

Mr. CANNON of Missouri. No one here is more competent to speak on that than the gentleman from Oregon [Mr. PIERCE], because he is not only a farmer but he has had much to do with agricultural legislation before this House for the last several years.

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

Mr. CANNON of Missouri. I yield to the gentleman from Ohio.

Mr. THOM. How was the tariff rate on wool reduced? By a reciprocity agreement?

Mr. CANNON of Missouri. It was reduced by Executive order exempting from duty purchases by the Treasury, Army, Navy, and Reconstruction Finance Corporation, which, of course, means all wool, since they are taking practically all wool produced today.

Another recent discrimination is the denial of fertilizer to the small grain

planter. There is no restriction on the use of fertilizer for any other crop but the grain farmer is asked to incur all the labor and expense of producing a crop and then take half a crop for his toil and expenditure. The farmer alone is asked to contribute a full season's work and a full season's expense and then take half pay because without fertilizer he can make only half a crop.

Agriculture is asked to produce more than ever before, and is producing it. But with the demand to increase production under price ceilings imposed on no other workers—with the boys drained from the farm into the camps or lured away by the high wages paid in munitions factories, the farmer finds himself confronted by another restriction—the denial of needed machinery.

I am in receipt of requests from individual farmers and from the Missouri Farmers Association, one of the great farm cooperatives in the Nation, for aid in securing indispensable machinery to take the place of the labor no longer available on the farm.

In my section of the country the hay crop is about all we have left. We could not sow wheat last fall on account of the continuous rains and the floods this spring and summer have destroyed most of the corn crop. About all we have left is the hay crop. And now we are unable to get balers to save the hay. I took up with the Priorities Field Service the matter of securing bail balers and am just in receipt of this report:

We have contacted all of the large farm equipment dealers in this territory and are unable to find a pick-up baler, which is the type Mr. Meyer wants.

Due to the shortage of labor and heavy hay crop this year there has been an unusual demand for this type of equipment. Mr. Lapham, manager of the J. I. Case Co. office, St. Louis, tells us that he has over 1,900 orders for pick-up balers. He is unable to fill any of these orders.

The farmers are producing loyally and efficiently. They are accepting every restriction imposed by the Government. But they must have machinery. I appeal to those in charge of the food-production program to let us have tools with which to handle the heavy tasks shouldered on the American farmers. We cannot make bricks without straw.

[Here the gavel fell.]

EXTENSION OF REMARKS

Mr. HENDRICKS. Mr. Speaker, I ask unanimous consent to revise and extend my remarks.

The SPEAKER pro tempore. Without objection, it is so ordered.

There was no objection.

PERMISSION TO ADDRESS THE HOUSE

Mr. SABATH. Mr. Speaker, I ask unanimous consent to address the House for 5 minutes.

The SPEAKER pro tempore. Is there objection?

There was no objection.

Mr. SABATH. Mr. Speaker, ladies, and gentlemen, I greatly regret that when our country is in such grave danger the gentleman from Missouri [Mr. CANNON], who is the chairman of the Ap-

propriations Committee, complains that certain legislation before my committee is being held up to the detriment of the farmers. Although the gentleman from Missouri has the right to continue to plead for favorable legislation for the farmers, he should not be so reckless with the figures and statements he has given.

As all of you know, I have at all times cooperated to aid the farmer. I have granted the gentleman from Missouri a special rule, and have made possible appropriations of millions upon millions of dollars before a legislative committee acted. Consequently I have a right to point out erroneous deductions or statements on his part.

Mr. CANNON of Missouri. Mr. Speaker, will the gentleman yield?

Mr. SABATH. I cannot yield. It is because of the unfair complaints from the gentleman that I have taken the floor.

Mr. Speaker, I deny that farmers are not being fairly treated. On the contrary, more has been done for the farmers in the last few years than ever before in the history of our country. I know that we have appropriated over \$12,000,000,000 to aid the farmers in the last 10 years. In fact, I gave the correct figures to the House last year. The following figures are the appropriations for the last 3 years alone: \$1,455,481,000 in 1940; \$1,255,839,000 in 1941; and \$1,299,172,000 in 1942. In addition to these last appropriations, we have legislated in many other ways to aid the farmers.

Mr. CANNON of Missouri. The Department of Agriculture tells us—

Mr. SABATH. I cannot yield to the gentleman.

He complains about the reduced prices of farm products when, in fact, never before in history, with the exception of 1 year during the last war, has the farmer received a higher price for his products than today. He has given some figures showing reductions in prices by fractions of pennies 3 or 4 months ago, but I will give him the real figures and prices that prevail today on principal agricultural products. They are as follows:

Calves and cattle.....	per pound.....	\$0. 15
Hogs.....	do.....	. 15
Sheep.....	do.....	. 14
Poultry.....	do.....	22- 28
Wheat.....	per bushel.....	1. 15
Corn (about).....	do.....	1. 00
Rye.....	do.....	. 90
Potatoes.....	do.....	1. 00
Butter (up to).....	per pound.....	. 40
Eggs.....	per dozen.....	. 32

The same increases can be found to exist on all fruits and vegetables.

Compare these with the prices of 1933 when wheat was selling for 27 cents per bushel, corn for 22 cents, barley for 22 cents, cattle and hogs at 3 cents per pound, potatoes at 25 cents per bushel, and so forth. Today's prices are 300 and 400 percent higher. Therefore the gentleman's complaint is unjustified.

Personally I have no objection to the gentleman making a speech for home consumption, but that should not be necessary for him, because everyone in his district knows that there is no man in Congress who has fought harder to ob-

tain more and more for the farmer than the gentleman from Missouri. Therefore I cannot conceive the underlying reason for his speech today.

Mr. Speaker, ladies and gentlemen, the conditions that confront our country and the American people are such that it is absolutely necessary that selfishness and greed be eliminated and that we concentrate our efforts to aid our country in these threatening and perilous days. It is to be regretted that some people do not realize the true situation. Our efforts should be directed toward awakening the American people to the dangers confronting them and to prevent more advantages for the selfish and greedy interests, many of whom for the purpose of personal gain and advantage make the country believe that a shortage in this and a shortage in that exists.

During the last few days I have been reading about the meat shortage which threatens the country, and I say such reports are not warranted by facts. We have increased our meat production, if the report that I have read is correct, and I believe it is, by nearly 40 percent over 1941, but the cattle growers and packers have feared that there would be a ceiling put on the price of livestock, as well as on meats, which accounts for the undue publicity as to the alleged meat shortage. It was the same clamor as to the sugar shortage. You will recollect that months ago I called attention to the fact that there was and there would be a sufficient supply of sugar for all, but at that time the refiners and sugar interests, in order to boost the price and get rid of their surpluses, misled well-meaning people, and as a result ration cards were issued. The scare about a shortage of meats is just as unjustifiable as it was then about sugar.

Yes: I admit that wages have gone up, as the gentleman from Missouri stated, but so has the cost of living. Rents have gone sky high, so that when the week is over the wage earner finds he has no surplus of food or money on hand such as the farmer has.

I had hoped that the gentleman from Missouri would some day take the floor and point out the advantages our farmers enjoy today as compared with past years, and unlike, as in former years, there are no foreclosures on farms. It is true that the boys on the farms are in the armed forces, but so are the sons of the wage earners. Therefore, the situation does not warrant that the gentleman from Missouri should continually point out the sacrifices on the part of the farmers, as all fair-minded farmers will admit.

In conclusion, the gentleman from Missouri is not obliged to pay rent, and in all likelihood does not realize the big increase in foodstuffs and in the cost of living to the wage earner in the cities. He deprecates the fact that the farmers cannot obtain farm implements, wire, fertilizer, and so forth. Even if the farmers have been unable to obtain the fertilizer about which he complains, the reports indicate that this has in no way reduced the crops.

I hope that the gentleman from Missouri, as the chairman of the Appropriations Committee, will compile the appropriations that have been made for our farmers and the legislation passed in their interest instead of complaining and nearly shedding tears about their misfortunes.

UNIFIED COMMAND FOR ALEUTIAN WAR AREA

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

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Washington?

There was no objection.

Mr. MAGNUSON. Mr. Speaker, I know the House was pleased to read in the newspapers this morning that the military has announced a unified command for the so-called Aleutian war area. This now completes the establishment of these unified commands in every war frontier where American troops or sailors are to be found. It must be remembered that the remainder of Alaska, outside of the Aleutian territory, is entirely under the Army, and that there are no naval establishments in any other section of Alaska, so that the Army naturally has a unified command there. So that in every frontier—Australia, New Zealand; the Panama Canal Zone—a unified command now exists.

THE PRICE OF MEAT

Mrs. ROGERS of Massachusetts. Mr. Speaker, I ask unanimous consent to proceed for 1 minute.

The SPEAKER pro tempore. Is there objection?

There was no objection.

Mrs. ROGERS of Massachusetts. Mr. Speaker, I am very glad that the gentleman from Illinois [Mr. SABATH] is interested in the meat situation. I introduced a resolution for investigation, which goes to the gentleman's committee for action, to clarify that whole situation, and I am interested to know from him that there is a great plenty of meat, and the trouble is a lack of proper distribution. Then it ought to make the problem of giving more meat to Massachusetts much simpler and action must be taken to that end.

Mr. SABATH. There is plenty of meat available.

Mrs. ROGERS of Massachusetts. But the ice chests of the meat men in Boston are almost empty, and also there is an acute shortage of beef in the retail stores.

EXTENSION OF REMARKS

Mr. TALLE. Mr. Speaker, I ask unanimous consent to amend my earlier request to extend my remarks by including certain excerpts.

The SPEAKER pro tempore. Is there objection?

There was no objection.

LEAVE OF ABSENCE

Mr. COCHRAN. Mr. Speaker, I ask unanimous consent that my colleague the gentleman from Missouri [Mr. SULLIVAN] be granted leave of absence, as he has been appointed a member of a select

committee to make an investigation for the Committee on the Merchant Marine and Fisheries in New Orleans.

The SPEAKER pro tempore. Is there objection?

There was no objection.

By unanimous consent, leave of absence was granted to Mr. MAGNUSON, indefinitely, on account of official business.

PRICE OF MEAT

Mr. CANNON of Missouri. Mr. Speaker, I ask unanimous consent to proceed for 3 minutes.

The SPEAKER pro tempore. Is there objection?

There was no objection.

Mr. CANNON of Missouri. Mr. Speaker, with my friend the gentleman from Illinois [Mr. SABATH] available, there is no need for statistical bureaus in either the Department of Labor or the Department of Agriculture. The figures cited to which he refers are official reports from the Federal departments. But his statement that the farmer is getting more than he ever did before reflects a much-repeated fallacy and should be corrected. Hogs sold in the last war as high as \$28; they are now selling at less than \$14. Cattle sold for \$18, wheat for \$2.40, and the Secretary of Agriculture said but for the law holding it down, it would have gone to \$7.50. Cotton sold for 40 cents.

While agriculture was getting these prices labor and industry were getting half what they get now. The farmers are today getting a smaller percentage of the consumer's income than ever before in the history of the Nation. As to the price of meat, the policy of the Department of Agriculture in putting a ceiling on the price of beef has resulted, as reported by the Associated Press this morning, in the sending of cattle to market 100 pounds light and is decreasing the supply of meat available for the Nation. The farmer cannot afford to put the extra 100 pounds on at present costs of production. The increase in the cost of meat is out of all proportion to the price paid to the farmer. A man on this floor told me this morning that in a hotel in this city a couple of days ago he and five guests, six of them altogether, paid \$21 for a piece of beefsteak. The farmer got less than a dollar for that steak.

And here is an interesting report on the price of milk:

Look at the price of milk in the New York milkshed. In January 1918 the price of milk to producers was \$3.78 a hundredweight. In January 1942 it was only \$2.67; 71 percent less than in January 1918. Meanwhile, the retail price had gone up from 15 cents a quart to 17 cents. In other words, farmers were getting 2 cents a quart less and consumers were paying 2 cents a quart more.

It is not the farmer that starts the spiral of rising prices.

The SPEAKER pro tempore. The time of the gentleman from Missouri has expired.

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 pro tempore:

H. R. 6217. An act to amend section 13 of the Classification Act of 1923, as amended; and

H. R. 7100. An act to amend the act entitled "An act authorizing vessels of Canadian registry to transport iron ore on the Great Lakes during 1942," approved January 27, 1942 (Public Law 416, Seventy-seventh Congress), to continue it in force during the existing war.

The Speaker announced his signature to enrolled bills of the Senate of the following titles:

S. 2322. An act to extend the time limit for cooperation between the Bureau of Reclamation and the Farm Security Administration in the development of farm units on public lands under Federal reclamation projects;

S. 2440. An act for the relief of the Bridgeport irrigation district;

S. 2456. An act to amend the act approved February 4, 1919 (40 Stat. 1056), entitled "An act to provide for the award of medals of honor, distinguished service medals, and Navy crosses, and for other purposes," so as to change the conditions for the award of medals, and for other purposes;

S. 2600. An act to expedite the prosecution of the war by making provision for an increased supply of rubber manufactured from alcohol produced from agricultural or forest products; and

S. 2645. An act to amend Article of War 50½.

BILLS AND JOINT RESOLUTION 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 and a joint resolution of the House of the following titles:

H. R. 1030. An act to provide increases of pension payable to dependents of veterans of the Regular Establishment, and for other purposes;

H. R. 2545. An act for the relief of Chin Hoy;

H. R. 3956. An act to amend the Bankhead-Jones Farm Tenant Act to permit exchange of land with private owners;

H. R. 5839. An act to amend the act entitled "An act to provide compensation for employees of the United States suffering injuries while in the performance of their duties, and for other purposes," as amended;

H. R. 6071. An act to grant a preference right to certain oil and gas leases;

H. R. 7188. An act to amend the Canal Zone Code; and

H. J. Res. 285. Joint resolution providing for the filling of a vacancy in the Board of Regents of the Smithsonian Institution of the class other than Members of Congress.

ADJOURNMENT

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

The motion was agreed to; accordingly (at 12 o'clock and 58 minutes p. m.), in accordance with the order heretofore made, the House adjourned until Monday, August 3, 1942, at 12 o'clock noon.

EXECUTIVE COMMUNICATIONS, ETC.

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

1827. A letter from the Secretary of War, transmitting a draft of a proposed bill to

grant the consent of Congress for the construction of bridges over navigable waters of the United States; to the Committee on Interstate and Foreign Commerce.

1828. A letter from the Secretary of War, transmitting a draft of a proposed bill to provide that promotions to higher grades of officers of the Army of the United States, or any components thereof, shall be deemed to have been accepted upon the dates of the orders announcing such promotions, and for other purposes; to the Committee on Military Affairs.

1829. A letter from the Acting Secretary of the Navy, transmitting reports of lands acquired from January 29 to June 30, 1942, for naval uses; to the Committee on Naval Affairs.

1830. A letter from the secretary, the American Academy of Arts and Letters, transmitting official report of the American Academy of Arts and Letters; to the Committee on the Library.

1831. A letter from the chairman, Joint Committee on Reduction of Nonessential Federal Expenditures, transmitting a second report on reduction of nonessential Federal expenditures; to the Committee on Ways and Means.

1832. A letter from the Acting Secretary of the Interior, transmitting a copy of a resolution from the Acting Governor of the Virgin Islands, passed by the Municipal Council of St. Thomas and St. Johns at a meeting held March 25, 1942; to the Committee on Military Affairs.

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. MASON: Committee on Immigration and Naturalization. H. R. 4353. A bill for the relief of George Harrison Outerbridge; with amendment (Rept. No. 2389). Referred to the Committee of the Whole House.

Mr. LESINSKI: Committee on Immigration and Naturalization. H. R. 2370. A bill for the relief of Constantinos Dardas; with amendment (Rept. No. 2390). Referred to the Committee of the Whole House.

Mr. MASON: Committee on Immigration and Naturalization. H. R. 3776. A bill for the relief of Freda Utley; without amendment (Rept. No. 2391). 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. Martin J. Kennedy:

H. R. 7446. A bill adding section 207-A to the Criminal Code concerning notices filed by Members of the House of Representatives and of the Senate of the United States; to the Committee on the Judiciary.

By Mr. RANDOLPH:

H. R. 7447. A bill to amend an act entitled "An act to regulate the hours of employment and safeguard the health of females employed in the District of Columbia," approved February 24, 1914; to the Committee on the District of Columbia.

By Mr. MAGNUSON:

H. R. 7448. A bill to amend the act entitled "An act to establish a Women's Army Auxiliary Corps for service with the Army of the United States," approved May 14, 1942, to provide that the base pay of auxiliaries, officers, and leaders in the Women's Auxiliary Corps shall be the same as the base pay of the corresponding grades in the Army, and

for other purposes; to the Committee on Military Affairs.

By Mr. JACKSON:

H. R. 7449. A bill to amend section 2 of an act approved June 29, 1938 (52 Stat. 1241), entitled "An act to establish the Olympic National Park, in the State of Washington, and for other purposes"; to the Committee on the Public Lands.

By Mr. JOHNSON of Oklahoma:

H. J. Res. 339. Joint resolution to provide additional transportation facilities for furnishing supplies to the armed forces of the United States in foreign countries, and for other purposes; to the Committee on Military Affairs.

By Mrs. ROGERS of Massachusetts:

H. Res. 533. Resolution to investigate meat shortage; 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. FITZPATRICK:

H. R. 7450. A bill for the relief of Robert Kish Lee and Elizabeth Kish; to the Committee on Claims.

By Mr. MARTIN of Iowa:

H. R. 7451. A bill for the relief of Lt. Comdr. Walter H. Schwartz, Medical Corps, United States Navy; to the Committee on Claims.

By Mr. MARTIN of Massachusetts:

H. R. 7452. A bill for the relief of Adolphe James Pinault; to the Committee on Naval Affairs.

By Mr. PETERSON of Georgia:

H. R. 7453. A bill for the relief of Hosea Aldred; to the Committee on Claims.

By Mrs. ROGERS of Massachusetts:

H. R. 7454. A bill for the relief of Adela Demers; to the Committee on Claims.

PETITIONS, ETC.

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

3279. By Mr. FITZPATRICK: Petition of the Central Trades and Labor Council of Greater New York and Vicinity, enlisting the aid and assistance of the Governor of the State of New York, the mayor of New York City, and such other agencies concerned with the welfare of the workers in Greater New York in an effort to bring about greater employment opportunities in this area; to the Committee on Labor.

3280. By Mr. JOHNSON of California: Resolution adopted by the Board of Supervisors of the County of Mariposa, State of California, endorsing and approving House bill 7344, a bill that would permit senior and blind citizens receiving aid under the Social Security Act to earn up to \$15 per month without having it deducted from their pension; to the Committee on Ways and Means.

3281. By Mr. LYNCH: Resolution of the New York State Credit Union League, New York, N. Y., urging increases in compensation for postal employees; to the Committee on the Post Office and Post Roads.

3282. By Mr. MERRITT: Resolution of the Kiwanis Club of Bayside, N. Y., petitioning the Congress of the United States to take appropriate action so that national recognition and appreciation be shown to Coxswain John C. Cullen, United States Coast Guard, in view of the highly meritorious and valuable services rendered to this country while patrolling the ocean beach near Amagansett, Suffolk County, N. Y., in the early morning of June 13, 1942; to the Committee on Naval Affairs.