COMMITTEE ON THE JUDICIARY

Subcommittee No. 1 of the Committee on the Judiciary will conduct hearings on H. R. 2620, a bill to provide for a Delegate from the District of Columbia to the House of Representatives of the United States, and for other purposes, at 10 a. m. on Wednesday, June 16, 1943, in room 346, Old House Office Building, Washington, D. C.

REPORTS OF COMMITTEES ON PUBLIC BILLS AND RESOLUTIONS

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

Mr. BLAND: Committee on the Merchant Marine and Fisheries. H. R. 2750. A bill to amend section 353 (b) of the Communications Act of 1934, as amended; without amendment (Rept. No. 509). Referred to the Committee of the Whole House on the state of the Union.

PUBLIC BILLS AND RESOLUTIONS

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

By Mr. ROBSION of Kentucky:

H. R. 2828. A bill to permit certain burials in the Scottish Rite Temple in the District of Columbia; to the Committee on the District of Columbia.

By Mr. HAGEN:

H. R. 2829. A bill to authorize a preliminary examination and survey of the following streams, which are tributaries to the Red River of the North: Buffalo River, Wild Rice River, Marsh River, Sand Hill River, Red Lake River, Roseau River, Snake River, Middle River (tributary to Snake River), Tamarac River, and Two Rivers in the State of Minnesota, for flood control, for run-off and water-flow retardation, and soil-erosion prevention; to the Committee on Flood Control.

By Mr. TAYLOR:

H. Res. 245. Resolution to authorize the Territories Committee to investigate the Hawaiian Islands' political, economic, and social conditions; 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. FARRINGTON:

H. R. 2830. A bill for the relief of Mrs. Lim Shee Chang; to the Committee on Claims.

By Mr. SABATH:

H. R. 2831. A bill for the relief of Canal Dredging Co.; 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:

1032. By Mr. HOPE: Petition favoring House bill 2082; to the Committee on the Judiciary.

1033. Also, petition concerning House bill 2082; to the Committee on the Judiciary.

1034. Also, petition favoring House bill 2082; to the Committee on the Judiciary.

1035. Also, petition concerning House bill 2082; to the Committee on the Judiciary.

1036. Also, petition concerning House bill 2082; to the Committee on the Judiciary.

1037. Also, petition of sundry citizens of Fowler, Kans., favoring House bill 2082; to the Committee on the Judiciary.

1038. By Mr. BALDWIN of Maryland: Petition of various citizens of Maryland, supporting House bill 2082, a bill to prohibit the manufacture, sale, and transportation of alcoholic liquors in the United States for the duration of the war; to the Committee on the Judiciary.

1039. By Mr. HEIDINGER: Resolution adopted by the members of Local Union No. 116, Progressive Miners of America, Harrisburg, Ill., signed by Clarence Osborn, president, and William Pearron, secretary, urging the continuance of the National Youth Administration and that a sufficient appropriation be made therefor; to the Committee on Appropriations.

1040. Also, communication from the Home Loan & Finance Co., of Flora, Ill., signed by L. L. Bottorff, manager, and Elahoon Harshbarger, secretary; to the Committee on Ways and Means.

1041. By Mr. ANDREWS: Petition of Dr. Harold F. Hewitt, pastor, Ripley Memorial Church, Buffalo, N. Y., and others, containing 18 names, favoring passage of House bill 2082; to the Committee on the Judiciary.

1042. By Mr. CUNNINGHAM: Petition of H. D. Lamb and 146 other citizens of Des Moines, Iowa, urging support of House bill 2082, introduced by Hon. JOSEPH R. BRYSON, of South Carolina, to reduce absenteeism, conserve manpower, and speed production of materials necessary for the winning of the war, by prohibiting the manufacture, sale, or transportation of alcoholic liquors in the United States for the duration of the war and until the termination of mobilization; to the Committee on the Judiciary.

1043. By Mr. ROHRBOUGH: Petition of Mrs. T. E. Kidd and 44 other citizens of the city of Buckhannon, W. Va., advocating passage of House bill 2082, introduced by the Honorable JOSEPH H. BRYSON, of South Carolina, to reduce absenteeism, conserve manpower, and speed production of materials necessary for the winning of the war, by prohibiting the manufacture, sale, or transportation of alcoholic liquors in the United States for the duration of the war and until the termination of mobilization; to the Committee on the Judiciary.

1044. By Mr. VORYS of Ohio: Petition of H. O. Nippert and 59 others, urging the enactment of House bill 2082; to the Committee on the Judiciary.

1045. By Mr. JEFFREY: Petition of 65 citizens of Preble and Butler Counties, Ohio, urging the passage of House bill 2082, introduced by the Honorable JOSEPH R. BRYSON, of South Carolina, to reduce absenteeism, conserve manpower, and speed production of materials necessary for the winning of the war, by prohibiting the manufacture, sale, or transportation of alcoholic liquors in the United States for the duration of the war and until termination of mobilization; to the Committee on the Judiciary.

1046. By Mr. McCOWEN: Petition of Rev. Newton Crider, of Milford, Ohio, Clermont County, and 19 other citizens from Milford and other surrounding places in the vicinity of the Sixth Ohio District, urging Congress to pass House bill 2082, to prohibit the manufacture, sale, or transportation of alcoholic liquors in the United States for the duration of the war and until the termination of the mobilization; to the Committee on the Judiciary.

SENATE

TUESDAY, JUNE 1, 1943

(Legislative day of Monday, May 24, 1943)

The Senate met at 11 o'clock a. m., on the expiration of the recess.

The Chaplain, Rev. Frederick Brown Harris, D. D., offered the following prayer:

Our Father God, all the ways of our need lead to Thee; our deepest cravings but drive us to Thy everlasting arms; Thou alone art our refuge and our strength. For this quiet moment may we rise above our baser selves and, instead of our cramped and cabined conceptions, may there come the lure of far horizons, the light of lifted skies. We confess with shame and sorrow that often on life's lower levels we find ourselves surprised and trapped by unworthy compromises, by cowardly concessions, by weak acquiescence, by betrayals of integrity, and disobedience to the heavenly vision. When we would do good, evil is ever present with us. But we are grateful for those better moods when even in the pressure of daily duty there comes to us the hush of solemn thoughts, vistas of splendor, windows of insight, when the darkening veil on the face of all things falls away and the inner eyes of the soul see through the sham and show of the common days. May we find Thy highway through the fields of time and sense.

Breathe through the things that are seen the peace of the unseen and eternal. We ask it in the dear Redeemer's name. Amen.

THE JOURNAL

On request of Mr. HILL, and by unanimous consent, the reading of the Journal of the proceedings of the calendar day Friday, May 28, 1943, was dispensed with, and the Journal was approved.

MESSAGE FROM THE PRESIDENT

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

CALL OF THE ROLL

Mr. HILL. I suggest the absence of a quorum.

The VICE PRESIDENT. The clerk will call the roll.

The Chief Clerk called the roll, and the following Senators answered to their names:

Aiken	George	Overton
Andrews	Gerry	Pepper
Austin	Gillette	Radcliffe
Bailey	Green	Reed
Ball	Guffey	Reynolds
Bankhead	Gurney	Russell
Barbour	Hatch	Scrugham
Bilbo	Hawkes	Shipstead
Bone	Hayden	Smith
Brewster	Hill	Stewart
Brooks	Holman	Taft
Buck	Johnson, Colo.	Thomas, Idaho
Burton	La Follette	Thomas, Okla.
Bushfield	Langer	Thomas, Utah
Butler	Lodge	Tobey
Byrd	Lucas	Truman
Capper	McCarran	Tunnell
Caraway	McFarland	Tydings
Chandler	McKellar	Vandenberg
Chavez	McNary	Van Nuys
Clark, Idaho	Maloney	Wagner
Clark, Mo.	Maybank	Wallgren
Connally	Mead	Walsh
Danaher	Millikin	White
Davis	Moore	Wiley
Downey	Murray	Willis
Eastland	Nye	Wilson
Ellender	O'Daniel	
Ferguson	O'Mahoney	

AUTHENTICATED U.S. GOVERNMENT INFORMATION GPO

Mr. HILL. I announce that the Senator from Kentucky [Mr. BARKLEY], the Senator from Virginia [Mr. GLASS], and the Senator from West Virginia [Mr. KILGORE] are absent from the Senate because of illness.

The Senator from Arkansas [Mr. MCCLELLAN], the Senator from Utah [Mr. MURDOCK], and the Senator from Montana [Mr. WHEELER] are detained on important public business.

Mr. MCNARY. The Senator from California [Mr. JOHNSON] is absent because of illness.

The Senator from New Hampshire [Mr. BRIDGES], the Senator from West Virginia [Mr. REVERCOMB], the Senator from Wyoming [Mr. ROBERTSON], and the Senator from Nebraska [Mr. WHERRY] are necessarily absent.

The VICE PRESIDENT. Eighty-five Senators have answered to their names. A quorum is present.

EXECUTIVE COMMUNICATIONS, ETC.

The VICE PRESIDENT laid before the Senate the following communications and letter, which were referred as indicated:

SUPPLEMENTAL ESTIMATES, LEGISLATIVE ESTABLISHMENT (S. DOC. NO. 60)

A communication from the President of the United States, transmitting supplemental estimates of appropriations for the legislative establishment, fiscal year 1943, amounting to $24,192 (with accompanying papers); to the Committee on Appropriations and ordered to be printed.

SUPPLEMENTAL ESTIMATE, INTERIOR DEPARTMENT (S. DOC. NO. 61)

A communication from the President of the United States, transmitting a supplemental estimate of appropriation for the Department of the Interior, fiscal year 1944, in the amount of $1,500,000 in the form of an amendment to the Budget for that fiscal year (with an accompanying paper); to the Committee on Appropriations and ordered to be printed.

WAIVER OF PROSECUTION OR CIVIL ACTION UNDER ANTITRUST LAWS

A letter from the Attorney General, transmeeting, pursuant to section 12 of Public Law No. 603, Seventy-seventh Congress, approved June 11, 1942, his third report covering the period from February 1, 1943, through May 26, 1943 (with an accompanying report); to the Committee on Banking and Currency.

PETITIONS AND MEMORIALS

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

By the VICE PRESIDENT:

A resolution of the City Council of Springfield, Ill., favoring the adoption as a national policy of the so-called "American All—Immigrants All Program"; to the Committee on Education and Labor.

A resolution of the House of Representatives of the State of Illinois relating to the care of ill and wounded soldiers and sailors returning from the wars; to the Committee on Finance.

(See resolution printed in full when presented to Mr. BROOKS on the 28th ultimo, p. 5017, CONGRESSIONAL RECORD.)

A joint resolution of the Legislature of Illinois; to the Committee on Education and Labor:

"House Joint Resolution 47

"Whereas the growth of this country from a small republic of 3,000,000 people to a mighty Nation of 135,000,000 may be attributed largely to the fact that our high ideals of government contain a universal appeal to the freedom-loving people of the entire world; and

"Whereas the cosmopolitan composite thus formed has its roots in divers origins, the cooperation of each one of which is essential to the harmonious functioning of the whole; and

"Whereas a national program designed to blend these various elements into a homogeneous pattern and still preserve their native cultural standards is a desirable method of combating enemy propaganda directed at fostering national jealousies and prejudices which should have no place in our American way of life; and

"Whereas the basis of such a program was perfected by Mr. Avinere Toigo during his term of office as executive secretary of the State of Illinois committee on citizenship and found expression in the beautifully executed "Americans All—Immigrants All" pageant held in Springfield, Ill., in 1940 and 1941, which was the culmination of an intensive educational campaign; and

"Whereas it is appropriate that this movement should receive impetus from the city which aided in the development of Abraham Lincoln, who so ably personified tolerance in its every aspect; and

"Whereas it is of the utmost importance that the unification of divergent national concepts be intelligently and sympathetically directed toward the formation of a truly indivisible union: Therefore be it

"Resolved by the House of Representatives of the Sixty-third General Assembly of the State of Illinois (the Senate concurring herein), That we respectfully urge the institution of a national program consonant with the principles stated in the preamble, and that a suitably engrossed copy of this preamble and resolution be forwarded by the secretary of state to President Roosevelt and to the presiding officer of each House of Congress for such action as may be necessary."

A joint resolution of the Legislature of Alabama; to the Committee on Foreign Relations:

"Senate Joint Resolution 14

"Joint resolution endorsing United States Resolution 114, which provides for the forming of an organization of the United Nations with specific and limited authority, and urging passage of said resolution by the United States Senate

"Whereas the people of Alabama are desirous that the war be brought to a successful termination as rapidly as possible and that guaranties of enduring peace and security be provided; and

"Whereas the formation of an organization of the United Nations as provided in United States Senate Resolution 114 is a proper step toward attaining these ends, in that said organization—

"(1) Will assist in the coordination and complete utilization of the military and economic resources of all member nations in the prosecution of the war against the Axis;

"(2) Will better enable the establishment of satisfactory temporary administrations for Axis-controlled areas of the world as these are occupied by United Nations forces until such time as permanent governments can be established;

"(3) Will further the administration of relief and assistance in economic rehabilitation in territories of member nations needing such aid and in Axis territory occupied by United Nation forces;

"(4) Will enable the development of procedures and machinery for peaceful settlement of dissensions and disagreements between nations; and

"(5) Will provide for the assemblance and maintenance of a military force and the suppression by immediate use of such force any future attempt at military aggression by any nation: Therefore be it

"Resolved by the senate (the house of representatives concurring), That the Legislature of Alabama does hereby approve United States Senate Resolution 114, and does urge its speedy adoption by the Senate of the United States; be it further

"Resolved, That copies of this resolution be sent to the President of the United States, the President of the United States Senate, the Senators from Alabama, and to each of the four Senators who joined in presenting this resolution."

A resolution of the Senate of the State of Alabama; to the Committee on Military Affairs:

"Senate Resolution 33

"Resolved by the Senate of the State of Alabama, in session assembled, That the War Production Board and such other authorities as may have concurred in the announced proposal to take over the car-manufacturing plant of the Pullman Standard Car Manufacturing Co. at Bessemer for the purpose of housing machinery for the extrusion of aluminum be requested to give full consideration to the fact that the existing plant is engaged to full capacity in war production, is organized and equipped to continue the operation of its car-manufacturing business upon the cessation of the war effort, is one of the principal industries in the Birmingham area processing into finished product the raw materials of that region, and that the taking over of the plant for the purposes proposed would sacrifice and destroy a permanent business for no other purpose than to provide a roof and walls for the processing of aluminum.

Resolved, further, That the Federal authorities are assured of the full cooperation of public agencies and citizens within the State of Alabama in the matter of the establishment of the proposed aluminum-processing unit, but are desirous of avoiding what is obviously an unnecessary sacrifice of one of the most important industrial units in the State fully equipped to assist in the post-war economy and assured of a market for its production if it is not dismantled as threatened by the public announcement; Be it further

"Resolved, That the Senate of Alabama does protest the action of the War Production Board in this regard and calls upon it to reconsider and rescind its action and asks that this plant for processing of aluminum be located elsewhere within the State than in the plant of the Pullman Car Manufacturing Co. at Bessemer and that a copy of this resolution be sent to the President of the United States, the President of the Senate, and the Speaker of the House of Representatives of the National Congress, the two Senators and the Congressmen from Alabama, and the Chairman of the War Production Board."

A memorial of the Legislature of the State of Florida; to the Committee on Commerce:

"Senate Memorial 3

"Memorial to the Congress of the United States of America urging that all departments and functions of the Federal Government relating to commercial fishing and fisheries be transferred from the United States Department of the Interior and placed under the United States Department of Agriculture

"Whereas by reason of the present war in which the United States of America is engaged there exists a meat shortage in this country; and

"Whereas a considerable amount of the food produced and consumed by the people of this country consists of fish and seafoods, which is helping to alleviate the existing meat shortage; and

"Whereas all departments and functions of the Federal Government relating to commercial fishing and fisheries are now administered by the United States Department of the Interior; and

"Whereas such departments and functions more properly belong under the United States Department of Agriculture and if transferred from the United States Department of the Interior to the United States Department of Agriculture, such change would be conducive to greater production of fish and seafoods and would aid and assist our country in combating the existing meat shortage and facilitate the prosecution and successful early termination of the present war: Be it

"Resolved by the Legislature of the State of Florida:

"SECTION 1. That we do hereby respectfully memorialize and petition the Congress of the United States of America to take such action as is necessary to immediately effect the transfer of all departments and functions of commercial fishing and fisheries under the Federal Government from the United States Department of the Interior and place the same under the United States Department of Agriculture.

"SEC. 2. That a copy of this memorial under the great seal of the State of Florida be immediately forwarded by the secretary of state to the President of the United States Senate, to the Speaker of the House of Representatives of the United States Congress, and to each member of the delegation representing the State of Florida in both the House of Representatives and Senate of the Congress of the United States of America.

"SEC. 3. That a copy of this memorial be spread upon the journal of both the Senate and the House of Representatives of the State of Florida and that sufficient copies thereof be furnished to the press.

"Approved by the Governor May 27, 1943."

By Mr. CAPPER:

A petition of sundry citizens of Baxter Springs, Kans., praying for the enactment of Senate bill 860, relating to the sale of alcoholic liquors to the members of the land and naval forces of the United States; to the Committee on Military Affairs.

By Mr. TYDINGS:

A petition of sundry citizens, members of the Salem United Brethren Church, of Baltimore, Md., praying for the enactment of Senate bill 860, relating to the sale of alcoholic liquors to the members of the land and naval forces of the United States; to the Committee on Military Affairs.

Petitions, numerously signed, of sundry citizens of the State of Maryland, praying for the enactment of Senate bill 860, relating to the sale of alcoholic liquors to the members of the land and naval forces of the United States; to the Committee on Military Affairs.

REPORTS OF COMMITTEE ON TERRITORIES AND INSULAR AFFAIRS

The following reports of a committee were submitted:

By Mr. TYDINGS, from the Committee on Territories and Insular Affairs:

H. R. 332. A bill to revise the Alaska game law; with amendments (Rept. No. 268);

H. R. 338. A bill to authorize the incorporated city of Anchorage, Alaska, to purchase and improve the electric light and power system of the Anchorage Light & Power Co., Inc., an Alaska corporation, and for such purpose to issue bonds in the sum of not to exceed $1,250,000 in excess of present statutory debt limits; without amendment (Rept. No 269); and

H. J. Res. 128. Joint resolution to authorize an appropriation for work relief in Puerto Rico and the Virgin Islands; without amendment (Rept. No. 270).

BILLS INTRODUCED

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

By Mr. McKELLAR:

S. 1149. A bill for the relief of Vodie Jackson (with accompanying papers); to the Committee on Claims.

By Mr. DOWNEY:

S. 1150. A bill for the relief of Mrs. Joe J. Svejkovsky; to the Committee on Claims.

By Mr. McCARRAN:

S. 1151. A bill to amend the law of the District of Columbia relating to the carrying of concealed weapons; to the Committee on the District of Columbia.

S. 1152. A bill to provide for the conservation of wildlife on public lands and reservations of the United States; to the Committee on Public Lands and Surveys.

By Mr. CLARK of Idaho:

S. 1153. A bill for the relief of Anders Hjalmar Evert Johnson; and

S. 1154. A bill for the relief of Antonio Arguinzonis, Aquilino Echevarria, Mario Rosario Arriaga, Aboitis Luis Maria Astuy, Jose Diaz Villar, Benedicto Jeraro Diaz Fernandez, Leon Monasterio Sagasti, Pedro Onarteechevarria, Mario Canuto Goicoechea, Manuel Zulueta, and Arturo Calvo Berriochoa; to the Committee on Immigration.

By Mr. THOMAS of Oklahoma:

S. 1155. A bill for the relief of Peter L. Richter; to the Committee on Claims.

By Mr. REYNOLDS:

S. 1156 A bill to authorize the disposition of certain property under the jurisdiction of the War Department; and

S. 1157. A bill to amend section 61 of the National Defense Act of June 3, 1916, as amended, for the purpose of providing such training of State and Territorial military forces as is deemed necessary to enable them to execute their internal security responsibilities within their respective States and Territories; to the Committee on Military Affairs.

EXTENSION OF RECIPROCAL TRADE AGREEMENTS ACT—AMENDMENT

Mr. REED submitted an amendment intended to be proposed by him to the joint resolution (H. J. Res. 111) to extend the authority of the President under section 350 of the Tariff Act of 1930, as amended, which was ordered to lie on the table and to be printed.

COMPENSATION FOR UNUSED LEAVE OF MEMBERS AND FORMER MEMBERS OF CAPITOL POLICE FORCE ENTERING THE ARMED SERVICES—AMENDMENT

Mr. MEAD submitted an amendment intended to be proposed by him to the concurrent resolution (S. Con. Res. 13), to compensate members or former members of the Capitol Police force entering the armed forces for unused leave, which was referred to the Committee to Audit and Control the Contingent Expenses of the Senate and ordered to be printed.

STUDY FOR PURPOSE OF REVISION OF THE STANDING RULES OF THE SENATE

Mr. GILLETTE submitted the following resolution (S. Res. 154), which was referred to the Committee on Rules:

Resolved, That the Committee on Rules, or any duly authorized subcommittee thereof, is hereby authorized and directed to make a full and comprehensive study of the Standing Rules of the Senate with a view to determining what amendments, modifications, or other revision is necessary and desirable for the purpose of bringing such rules up to date. The committee shall report to the Senate at the earliest practicable date the results of its study, together with such recommendations as it may deem desirable.

The expenses of the committee, which shall not exceed $, shall be paid from the contingent fund of the Senate upon vouchers approved by the chairman of the committee.

WAGES AND COST OF LIVING—RESOLUTION OF SEATTLE LABOR CONSUMERS' LEAGUE

Mr. BONE. Mr. President, a short time ago I received a communication from the Labor Consumers' League operating in the city of Seattle, Wash. Its vice president is Mr. L. H. Paqué; its executive secretary is Mr. Charles Mentrin; its president is Mr. Peter E. Terzick, secretary of the Puget Sound District Council, Lumber and Saw Mill Workers; its recording secretary is Mr. Roy W. Atkinson, field representative of the C. I. O.

To this communication is attached a resolution praising the President of the United States for his recent directive freezing wages. It is a resolution of commendation of the President sent by this organization, which in its letter to me uses this language:

In consideration of the Presidential directive, which pertains to wages and cost of living, you will find the attached resolution a true criterion of the temper and attitude of the American people who are partially represented by the Labor Consumers' League; and that when the public realizes the seriousness of this last Presidential directive, and the importance of it to the war effort, you will find that all of the working people are in accord with proper stabilization of wages in relation to the cost of living.

The Labor Consumers' League present endorsing body consists of over 200,000 members of organized labor in Seattle and vicinity, both American Federation of Labor and Congress of Industrial Organizations.

The letter is signed by Mr. Paqué and Mr. Mentrin. I ask that the resolution attached to the letter be printed in the RECORD.

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

Whereas the President of the United States has issued a directive order wherein he freezes wages at the January 1941 level plus 15 percent thereby strengthening and adding to the formula already adopted by the National War Labor Board; and

Whereas the President in issuing this drastic order is convinced that such a course is necessary to prevent national currency inflation; and

Whereas all labor is now, and has always been unalterably opposed to inflationary methods both in finance and normal living expenses, the present trend of which is continually upwards with the wage levels remaining fixed, thereby causing those engaged both in peace and wartime industries to make more and more sacrifices in order to do their part in financing and carrying forward the war effort; and

Whereas the President with the full knowledge of these conditions, has caused the drastic directive to be issued, thereby placing the welfare of the country first and foremost: Therefore be it

Resolved by Labor Consumers' League, That we commend the President of the United States for his courageous action; and be it further

Resolved, That we petition and urge our Commander in Chief to go further in a similar directive order and freeze all items of ordinary living at the level of January 1941, with such proportionate increases to producers and wholesalers, including all transportation costs of not more than 15 percent by the retailer of all such goods; and be it further

Resolved, That Congress be petitioned to create a special war fund that would provide for the payment of the differential to those wholesalers and retailers who have stocks on hand that they have been forced to acquire at prices in excess of the ceiling to be set, as previously stated in the foregoing resolve.

ADDRESS BY HON. JAMES F. BYRNES, DIRECTOR, OFFICE OF WAR MOBILIZATION.

[Mr. MAYBANK asked and obtained leave to have printed in the RECORD the address delivered by Hon. James F. Byrnes, Director, Office of War Mobilization, at Spartanburg, S. C., on May 31, 1943, which appears in the Appendix.]

IN TIME OF WAR WE MUST PREPARE FOR PEACE—ADDRESS BY SENATOR HILL

[Mr. HILL asked and obtained leave to have printed in the RECORD an address entitled "In Time of War We Must Prepare for Peace," delivered by him at the University of Alabama at the alumni banquet, May 29, 1943, which appears in the Appendix.]

MEMORIAL DAY ADDRESS BY SENATOR DAVIS

[Mr. DAVIS asked and obtained leave to have printed in the RECORD a Memorial Day address delivered by him at Calvary Cemetery, Pittsburgh, Pa., on May 31, 1943, at exercises held under the auspices of Martin-O'Donnell Post No. 274, Veterans of Foreign Wars, which appears in the Appendix.]

ADDRESS BY SENATOR WHEELER BEFORE UNIVERSITY OF MICHIGAN CLUB OF CHICAGO

[Mr. CAPPER asked and obtained leave to have printed in the RECORD an address delivered by Senator WHEELER on the occasion of the annual spring banquet of the University of Michigan Club of Chicago, at Chicago, Ill., on May 28, 1943, which appears in the Appendix.]

WAR MOBILIZATION—ADDRESS BY SENATOR PEPPER

[Mr. MURRAY asked and obtained leave to have printed in the RECORD a radio address on the subject of war mobilization, delivered by Senator Pepper on Friday, May 28, 1943, which appears in the Appendix.]

THE GREEK NAVY—ADDRESS BY SENATOR LUCAS

[Mr. LUCAS asked and obtained leave to have printed in the RECORD a radio address on the subject of the Greek Navy, delivered by him on May 31, 1943, which appears in the Appendix.]

MEMORIAL DAY ADDRESS BY SENATOR WILEY

[Mr. WILEY asked and obtained leave to have printed in the RECORD a Memorial Day address delivered by him at the Battle Ground National Cemetery, Brightwood, District of Columbia, on May 30, 1943, which appears in the Appendix.]

COMMENCEMENT ADDRESS BY HON. SUMNER WELLES AT NORTH CAROLINA COLLEGE FOR NEGROES.

[Mr. HATCH asked and obtained leave to have printed in the RECORD an address delivered by the Honorable Sumner Welles, Under Secretary of State, at the commencement exercises of the North Carolina College for Negroes, at Durham, N. C., on May 31, 1943, which appears in the Appendix.]

ADDRESS BY J. EDWIN MATTOX BEFORE YOUNG DEMOCRATIC CLUBS OF CALIFORNIA

[Mr. DOWNEY asked and obtained leave to have printed in the RECORD an address entitled "Youth of America and Civilian Defense," delivered by J. Edwin Mattox, before the Sectional State Executive Committee, Young Democratic Clubs of California, at San Francisco, Calif., on May 22, 1943, which appears in the Appendix.]

MISSION TO MOSCOW—ARTICLE BY FRANK C. WALDROP

[Mr. REYNOLDS asked and obtained leave to have printed in the RECORD an article entitled "Mission to Moscow," published in the Washington Times-Herald of May 31, 1943, which appears in the Appendix.]

GEORGE WASHINGTON'S VIEWS ON RECIPROCAL TRADE—ARTICLE BY CARL SANDBURG.

[Mr. LUCAS asked and obtained leave to have printed in the RECORD an article entitled "Washington's Words Point a Path Now," written by Carl Sandburg and published in the Washington Post of Sunday, May 30, 1943, which appears in the Appendix.]

EXTENSION OF RECIPROCAL TRADE AGREEMENTS ACT

The Senate resumed the consideration of the joint resolution (H. J. Res. 111) to extend the authority of the President under section 350 of the Tariff Act of 1930, as amended.

The VICE PRESIDENT. The question is on agreeing to the committee amendment, beginning on page 1, line 8, which has heretofore been stated.

The Chair calls attention to the order made on Friday last, which the clerk will read.

The Chief Clerk read as follows:

UNANIMOUS-CONSENT AGREEMENT

Ordered (by unanimous consent), That at not later than 2:30 o'clock p. m. on Tuesday, June 1, 1943, a vote be had without further debate on the committee amendment to the joint resolution (H. J. Res. 111) to extend the authority of the President under section 350 of the Tariff Act of 1930, as amended, the time between 11 o'clock a. m. and 2:30 o'clock p. m. to be divided equally between the proponents and opponents of the amendment, to be controlled, respectively, by the Senator from Connecticut [Mr. DANAHER] and the Senator from Georgia [Mr. GEORGE].

Under the unanimous-consent agreement the 188 minutes now remaining will be divided equally between the Senator from Georgia [Mr. GEORGE] and the Senator from Connecticut [Mr. DANAHER], 94 minutes to be controlled by each Senator.

Mr. DANAHER. Mr. President, did the Chair say 94 minutes?

The VICE PRESIDENT. Ninety-four minutes to be controlled by each Senator. The Senator from Connecticut is recognized and the time under his control is now in effect.

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

Mr. DANAHER. I yield.

Mr. McNARY. Does that take into account the 21 minutes which have expired, which were necessary to be used in order to produce a quorum?

The VICE PRESIDENT. Yes. The remaining time has been divided equally.

Mr. McNARY. Ninety-four minutes for each side?

The VICE PRESIDENT. Yes. That is the amount of time now remaining. The Senator from Connecticut has the floor.

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

Mr. DANAHER. I am glad to yield to the Senator from Ohio.

Mr. CAPPER. Mr. President, will the Senator from Ohio yield to me?

Mr. TAFT. I am sorry, Mr. President, but as the time is limited, I think it is not fair to other Senators who will follow me to yield during my talk on the question before the Senate.

Mr. President, I rise to speak in favor of the committee amendment to the pending measure. I certainly have no desire whatever to interfere with the continued operation of the Trade Agreements Act, and it seems to me the amendment will not do so in any way, but will merely leave us free after the war to determine the policy which should then be adopted.

People do not seem to understand that if we pass the pending measure we not only give power to the President for 2 years to enter into trade agreements but he may then, at the end of 2 years, or just before the end, enter into trade agreements which are binding on the United States for 3 years from that time. The extension of the power during the war does not concern me, for I think tariffs are relatively unimportant during the war; but what does concern me is that if we pass this measure and extend the act for 2 years, then, at the end of, say, 1944, the President may enter into a series of trade agreements fixing the tariff policy of this country for 3 years from that time, or until December 1947. I believe that we are asked, therefore, to tie our hands at a time when it will become peculiarly necessary to readjust our policy to whatever conditions may then prevail, conditions which we are absolutely unable to foresee at the present time.

It is said that we will not be hampered because most of the agreements have already run 3 years and are now terminable on 6 months' notice. Therefore, it is said, any additional treaties which may be made for 3 years are of no importance.

There are two answers to that suggestion. The first is that we may enter into a new treaty with a country with which we have no treaty, providing for a particular reduction in rates covered, perhaps, in some of the existing treaties, and by doing so we extend the reduction for 3 years, during which time we cannot change it in any way as to any country.

For instance, in the case of the agreement binding the duty on crude rubber, that agreement is now contained in the Peruvian Treaty and it is contained in the British Treaty. The British Treaty may now be terminated in 6 months. The Peruvian Treaty may be terminated in about 1 year from this time. But the President may enter into a treaty, we

will say, with the Dutch Government, also binding rubber on the free list. We may enter into that treaty in December 1944 and, regardless of the fact that the British and Peruvian treaties are terminable, we will absolutely bind ourselves to keep rubber on the free list until 3 years from the time the Dutch Treaty is made.

There is another answer to the argument that all important treaties have already been made, and that is, that although they have been made, they may be made over again. In December, 1944, just before a new Congress begins, just before a new President enters upon his office, the Secretary of State may make a whole series of new treaties, revising the British Treaty, the Brazilian Treaty, every other treaty, and he may lay out the whole pattern of what our trade relations are to be during the 3 years following, during the next administration. He may bind rubber on the free list. He may bind chrome on the free list. He may reduce the tariffs on agricultural products, including flax. He may lay out the entire program.

It is said now that he does not intend to do so; but we cannot be sure that he does not intend to take such action. Certainly the State Department up to this time has shown an intention by executive agreement, without consulting Congress, of doing everything it can to write the provisions of the peace as it thinks they should be formulated. That is shown in the lease-lend agreement in which the State Department has, I think, and the Foreign Relations Committee thinks, gone outside its legal authority, and provided that in settling the lend-lease obligations finally we shall enter into an agreement, and that agreement shall include provision for agreed action by the United States of America and the United Kingdom directed to the expansion of production, employment, and so forth, and to the elimination of all forms of discriminatory treatment in international commerce, and "to the reduction of tariffs and other trade barriers."

It says:

> At an early convenient date, conversations shall be begun between the two governments with a view to determining * * * by their own agreed action—

The above stated objectives.

The State Department, in other words, has told us in so many words than it intends to renegotiate with the British and every other nation the terms of the reduction of our tariffs, and that it intends to do that, not at the end of the war, but before the end of the war, whenever the time is convenient.

So it seems to me perfectly clear that what we are doing in passing this measure without amendment is to authorize the State Department to write the trade provisions of the peace treaty, if the war is over by the end of 1944, and to lay down the entire basis of the economic relations between the countries of the world.

After the war we shall find an entirely different condition. The Smoot-Hawley Tariff Act under which we are now acting will be entirely out of date. In some respects we may want a much higher tariff, and in the case of other items we may want a much lower tariff than 50 percent of the Smooth-Hawley rates to carry out the general purposes of the peace treaty. Certainly currencies are going to be very different from what they were at the time the rates of the Smoot-Hawley tariff were made. Exchange rates with some countries are going to be such that the goods which come from some countries must bear a very high tariff rate if we are going to have any continuation of certain industries in the United States at all.

In respect to other countries it may well be that we can afford to lower the rates to much less than 50 percent of the existing tariffs.

But it seems perfectly clear to me that in the period after the war the Congress should retain in its hands the right to make the kind of treaties which should be made and the right to determine what should be done. It is said that if we agree to the amendment we shall discourage all the other nations of the world, and shall make them think there will be no cooperative action after the war, that we are repudiating any friendly approach to the tariff problem. Certainly no such result could follow from the adoption of the amendment which is proposed; and certainly I do not believe in repudiating the present tariff policy, in repudiating the desirability of reasonable rates, or in repudiating cooperation with all other nations.

Mr. President, at this point I want to read what I said in a recent speech which I shall hereafter ask to have printed in the RECORD.

> Of course, there are many conditions which can be established now to make nations less likely to undertake aggression in the future. First, there must be a sound economic basis for peace, one which will assure to every nation a fair distribution of the world's goods and the ability to develop its resources and capacities. In the Versailles Treaty economic conditions where completely disrupted and disregarded in the interest of the self-determination of peoples. States were set up which were wholly unable to support themselves. Europe was broken up into a large number of unstable units. In the post-war settlement we must try to establish customs unions between nations whose economies are complementary so that they can be reasonably self-sufficient. We must assure to each one of these nations and groups of nations the raw materials which they require to feed their people and develop their industrial life. We must assure to each an outlet for sufficient products at least to pay for these raw materials. If we interpret freedom from want to mean only this fair and equitable economic treatment for nations, then I think it is a reasonable goal and one which must underlie any practical plan for peace.

Mr. President, when we come to try to work out a world in which every nation will have a chance, we shall have to revise completely all existing tariffs, we shall have to approach the problem from an entirely new standpoint, we shall have to study the entire question; and we shall have to find that we cannot do it within the limits of the Trade Agreements Act.

Mr. President, I desire to cite a few examples of the difficulties we shall be in if we tie our hands so that after the war, for 3 years, perhaps, we shall not be able to change many of our tariffs.

In the first place, let us consider the question of rubber. We have set up a synthetic rubber industry for which we have appropriated $650,000,000. Even the State Department takes the position that the rubber case should not be prejudged at the present time.

The report of the House Ways and Means Committee, reflecting the views of the State Department, says, regarding rubber:

> In short, the post-war situation cannot and should not be prejudged at this time. * * * The need for assisting the synthetic rubber industry after the war and the nature and extent of such assistance, if any is needed, should be determined only after the close of the war, when the question may possibly become pertinent in the light of the facts at that time.

Yet, Mr. President, if we do not adopt the committee amendment we do prejudge the case. For 3 years after the war we shall prevent the Government from imposing any tariff on crude rubber. During those 3 years we may well destroy the synthetic rubber industry. Not only that, but we would put ourselves in the hands of the Dutch and the British, who practically control the rubber supply of the world. The additions of rubber from Brazil will be very minor. It is perfectly clear that before the war the Dutch and the British held down production. The Senate will remember, from the report of the Truman committee, that even after the war began the rubber cartel, if we may call it that, held down production to 60 percent of capacity. It was only after the most strenuous pressure from Mr. Jones that they gradually increased the capacity to 87 percent, and finally to 100 percent. Throughout the history of the rubber industry our producers have been in the hands of a monopoly of the British and the Dutch, who control the rubber supply; and yet it is proposed that we give authority to the State Department to bind rubber on the free list from now until 1947, and absolutely to tie our hands against the protection of the synthetic rubber industry. I do not know whether the protection will be necessary; I do not know whether it will be advisable; but I certainly say that we should not tie our hands so that we could not protect that industry if we wished to do so.

The second item to which I should like to call attention is that of tin. Tin, like rubber, has been controlled by a cartel of the British and the Dutch, and we have had to pay through the nose in order to get tin. They have so handled tin by building smelters in Malaya and prohibiting the export of tin ore that it never paid anyone to build a tin smelter in the United States. Now, we have built a tin smelter in the United States. In Texas we built a smelter to which Bolivian ore is brought, and we produce our own tin. But if tin is bound on the free list, obviously, the tin from Malaya

will come in very much more cheaply than the tin which can be produced in Bolivia and then smelted in Texas, and, after the war is over, we are going to find our Texas smelter shutdown, without any possibility of continuing, because we shall have tied our hands by a 3-year agreement. I do not think any intelligent administration would wish to have the power to tie up this country for 3 years. I do not understand why there is any opposition to the provision that when trade treaties are made they shall be terminable 6 months after the war.

The third item to which I should like to call attention is that of chrome. Chromite or chrome ore was also bound duty-free in the trade agreement with the United Kingdom. In the book on World Minerals and World Peace, by Leith, Furness, and Lewis, the following observation is made with respect to chromite:

> The United States: Because of wartime reduction in imports, the United States has started a large-scale development of low-grade chromite ores in Montana. Production is expected to be at the rate of over 500,000 tons per year—more chromite than has ever been mined in a year by any country.

Again it should be noted that in the past the world production of chromite has been dominated by a practical monopoly exercised by the Chrome Trust of London. The discovery in recent years of deposits in Asiatic Turkey has tended to break the control of this monopoly, but not completely. The continued development in the United States of chromite production would make the United States independent of this monopoly situation.

Yet, Mr. President, if we pass the joint resolution without the limitation proposed by the amendment we shall give the State Department the power to tie our hands so that the chrome industry will come to an end when the war comes to an end, although we have chrome deposits available.

Take the question of flaxseed—an agricultural product. There are many other agricultural products, but let us take the question of flaxseed. Prior to 1938 from 60 percent to 80 percent of the flaxseed consumed by the United States was imported, principally from Argentina; but as a result of the wartime demand the sown acreage of flaxseed in the United States has increased from 1,000,000 acres in 1938 to more than 6,000,000 acres in 1943. The United States production of flaxseed has increased from 8,000,000 bushels in 1938 to 50,000,000 bushels in 1942. In the Argentine agreement the duty on flaxseed was reduced from 65 cents a bushel to 32½ cents, for the period of the emergency, and to 50 cents thereafter. We are asked to give the State Department authority to reduce the duty on flaxseed to 32½ cents, and to bind it for 3 years, so that we would provide a sufficient time during which the farmers of the United States would have to abandon the production of flaxseed; and it would be almost impossible again to establish a very desirable industry, and one which is giving work to many American farmers.

The wartime development of certain industries in the United States as a means of providing essential and critical materials which have heretofore largely been imported from abroad creates a serious problem in many respects. The problem is summarized as follows by Mr. Alonzo E. Taylor, in an article which appeared in the Harvard Business Review during the past winter:

> On the one side, it is necessary to visualize the position of the United States and of other manufacturing countries. Before the war, total manufacture in the United States was nearly half of total manufacture in the world; is this proportion to be maintained, lowered, or raised? Is technical progress to be reversed? Having proved utility and cheapness of substitute materials, are we to discard patents and processes, demolish plants, and disrupt enterprise in order to return to import of Asiatic fibers, etc., i. e., revert to where we stood before the war? Having learned synthetically to provide replacements for rubber and tin, are these achievements to be submerged in a political policy for the support of Asiatic exports?

I do not purport to give an answer to that question. I only say that we cannot decide it now. We should not give the State Department the power to make treaties during and just before the end of the war, which will bind us for 3 years from that time to a tariff policy and tariff rates, and bindings on the free list which will prevent our taking the steps which may be necessary to continue to build up these industries to the point where they may become completely self-supporting.

One provision of the Danaher amendment is that when we make a treaty, instead of making it for a period which binds us for 3 years, we should make it for a period which would bind us only until 6 months after the war, by which time we must reconsider the entire tariff policy of the United States and our trade relations with all the other nations. It means that we should have a free hand to deal with those trade relations.

The only other thing in the Danaher amendment is that the termination may be by act of Congress. I am inclined to agree that Congress could probably terminate these agreements, anyway, after 3 years, or, thereafter, after 6 months' notice is given. After the expiration of 3 years Congress could raise the tariff rate; if the new rate were made effective after 6 months, so that the State Department might give notice under the treaty. I am inclined to think, therefore, that that feature does no more than to state exactly what the present law is; but since some doubt is raised, I see no reason why we should not call the attention of the other nations to the fact that these treaties may be ended by act of Congress, as clearly they may be.

Mr. President, a comparison is made between this policy and that of flexible tariffs. I am entirely in favor of flexible tariffs. Personally, I am in favor of delegating to a commission the making of tariffs; but if we are to make that delegation it must be made with certain definite standards. The flexible tariffs have been made on the standard of making a tariff rate equal to the difference in cost of production here and abroad so as to enable the American producer to meet the competition of foreign production. However, under this act there is no such standard. That is why I do not believe we can properly delegate the power, whether it is constitutional to do so or not. It seems to me that we should prescribe a standard if we are to delegate that power. We are putting in the hands of the Secretary of State—in some cases, at least—the power absolutely to destroy an American industry. I do not believe that Congress desires to grant such power, and I do not believe it should grant such power. Obviously, there is no review of the action of the Secretary of State, because there is no standard upon which his action may be reviewed.

In the reciprocity treaty with Canada, which I very strongly favored, in the first place, there was no general reduction of rates. The treaty related to Canada only. In the second place, the reciprocity treaty was with a country which has practically the same standard of living as we have, and a country in which the greater problems of tariff do not arise. I would be prepared again to vote for such a treaty. Furthermore, it was submitted to the Senate, and was approved by a two-thirds vote of the Senate.

The authority which we are considering is simply an authority to the Secretary of State to reduce all tariffs 50 percent, and in the course of doing so, to get anything he can from other countries. The rates which he has attacked, which are about 60 percent of all the rates, have been reduced to 57 percent, so he has gone a long way toward the full authority contained in the act.

Of course, if one is for free trade, he is in favor of the Secretary going all the way to the 50 percent. Anyone who believes that every rate on the books is 100 percent too high, naturally would be for this trade-agreement policy, because it would reduce all rates to 50 percent of what they were. However, if one desires a scientific method of deciding what the tariff ought to be, I do not see how he can be for the trade agreements, unless some kind of standard is imposed, which will have to be complied with by those who are administering the treaties, some standard which will actually prevent the destruction of any American industry.

Mr. President, it is not as if this policy had tremendously increased our trade. It has not increased our trade. It may have done so in the case of trade with some countries; but if we look at the figures on international trade, we find that the greatest trade we ever had in the history of the United States was under very high Republican tariffs, in the period from 1925 to 1929. For 5 years our exports averaged $5,000,000,000 a year. For 5 years our imports averaged $4,200,000,000 a year; and yet when we come to the 5 years from 1936 to

1940, after the trade-agreement policy had been well started, anyone would think, from reading the newspapers, that there had been a tremendous increase in trade. As a matter of fact the average exports for those 5 years were only $3,400,000,000; 70 percent of what they were back under the high tariffs of the 1920's. Imports were only $2,600,000,000, or 65 percent of what they were under the high tariffs of the 1920's.

There is no evidence that this policy has increased foreign trade. Taking the total foreign trade as a percentage of total goods produced, and considering first exportable goods, from 1923 to 1927, under high Republican tariffs, the percentage of foreign trade exports was 10 percent of the total goods produced. From 1937 to 1940 it was only 7.7 percent of all the goods produced, or approximately a 25 percent reduction from the figure back in the 1920's.

Again, in percentage of national income, from 1925 to 1929 the percentage of national income represented by exports was about 4 percent. In 1940 it was 3.2 percent. In other words, a much smaller amount of trade has resulted from the trade treaties than existed under the high tariffs of the 1920's.

In spite of this, Mr. President, I should vote for the continuation of the trade agreements, for one reason, because during the war tariffs are not of great importance. I certainly do not wish to disrupt a policy which, in general, has been wisely administered, but it seems impossible to me to vote for an authority to the President under which he may absolutely tie the hands of this country immediately after the war, at a time probably more important to our future economy than any other time in the history of the United States, and at a time when our hands should be free. We should be able to impose lower tariffs than 50 percent, or to impose higher tariffs if we wish to do so to protect new industry, to protect ourselves against depreciated currencies in particular countries, and to meet the conditions which will confront us at the end of this war as they confronted us at the end of the last war.

At the end of the last war it was insisted that we pass an emergency tariff act, and Congress did pass an emergency tariff act, to protect the wool and other industries, in which competition from foreign sources immediately after the war was so severe as to threaten the complete destruction of a number of industries. Mr. President, I should like to vote for these treaties. It seems to me that the amendment for which we are asking is very simple. If that amendment is not adopted, then I see no recourse except to ask that Congress be given the power to pass on the treaties in the beginning, and asked to approve each treaty as it comes, in order that Congress may have some voice on a fundamental issue.

What possible reason can there be for our not insisting that treaties which are made now shall expire 6 months after the war, in order that we may meet the tremendous and difficult problems which this country will face at that time?

Mr. President, as an evidence of my general views on cooperation with foreign nations after the war, I ask unanimous consent to have printed in the RECORD at this point as a part of my remarks the address which I delivered at Grove City, from which I have quoted.

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

Dr. Ketler, young ladies and gentlemen of the graduating class, and your friends, it is a great pleasure for me to come to Grove City at the invitation of my old friend and classmate, Dr. Ketler, and get away for a day from the pressure and confusion of Washington. Ohio, like Pennsylvania, is the home of small colleges, and those colleges determine the character of the people as much as any influence in the State. Ordinarily, you would go out to reform your State. Now you graduate into a world at war, and it is your task to set it right. You have spent many years in preparing yourselves to meet the problems of a world at peace. Now, you must turn aside from every plan that you have made for life, and participate in the greatest war effort which this country has ever made. I sympathize with you because one of my own boys is graduating this year from another college, and going into a service for which he has had little preparation. But there is no alternative. We have no choice except to carry this war through to overwhelming victory over Germany, Italy, and Japen. Otherwise, the world won't be worth living in.

With a victory in Africa, I think we can feel that it is only a question of time—though perhaps a long time—before our armies march to Berlin and to Tokyo. Up to this time we have been exclusively concerned with winning the war, but I believe the time has come when we should sit down and determine just why we are fighting the war and what we are going to do with victory when we obtain it.

My own belief is that the United States went to war in order that his counry and its people might enjoy peace now and in the days to come; in order that they might be left free to work out the destiny of the American Republic. We went to war to make clear that national aggression cannot succeed in this world; to punish the aggression which has occurred and discourage aggression in the future. We went to war to prove that so far as the American Republic is affected, might in this world will not make right.

I do not believe that we went to war to establish the "four freedoms" or any other freedoms throughout the world, and I do not believe we went to war for all the purposes stated in the Atlantic Charter. We did not go to war even to establish liberty throughout the world, except as such a world condition might result from the insurance of our own liberty. Look only at the history of the last 10 years. We did not go to war against Japan when it attacked China. We did not go to war with Germany when it attacked Czechoslovakia or Poland. War occurred only when our people came to believe that aggression was so dangerous and so likely to be successful in the world that our own safety was threatened. That led, first, to aid to Britain, and, finally, it led to war itself. I was opposed to entering the war because I did not believe that aggression in Europe was so dangerous as to threaten our own safety even if it attempted an attack upon us across the oceans. As I analyze the public opinion which led us gradually to war, it was an opinion which disagreed with this view. Perhaps it was correct. Now that war has been undertaken, our people are determined to carry it through to complete victory and a severe punishment of the aggressor, not only for our present safety, but to discourage aggression for all time to come.

I don't believe, therefore, that we are engaged in any crusade of the "four freedoms." The first two, freedom of expression and freedom of religion, have to do with the individual citizens of each country and their relations with their own government. Certainly we are not going to undertake to interefere with the internal government of every country in the world because they may fail to grant freedom of expression or freedom of religion. We would not only have to defeat our enemies and establish governments in the Axis countries with American constitutions, but we would have to interfere with the governments of our allies. This is not a war of democracies against dictatorships. There is no freedom of religion or freedom of speech in Russia. There are benevolent dictators in Brazil, in Cuba, and in China. There was a dictator in Poland. In Greece, which made one of the most magnificent defenses against aggression that has been seen in this war, the people were governed by a dictator, Metaxas, who was so benighted as to prohibit in Greece the reading of the Republic of Plato. Surely we are not going to interfere with the internal governments of Russia and China and other nations in order to insist that all of their citizens enjoy freedom of expression and freedom of religion. If we are, we will have to have a permanent army a good deal larger than 11,000,000 men, and we will have to suspend for a long time any renewal of freedom in the United States.

As a matter of fact, the Atlantic Charter itself contradicts the idea of any crusade for these freedoms. The third paragraph of that document states that the parties "respect the rights of all peoples to choose the form of government under which they will live." That means that the Russians can have a dictatorship of the proletariat if they wish to. It means that China can be run by a generalissimo and avoid elections of every kind. It means that other governments with a democratic form may permit the subjection of the rights of freedom of expression and freedom of religion to the will of the man whom they choose to elect.

The other two freedoms are freedom from fear and freedom from want. It is just as impractical to insure these freedoms as the other two, if they are construed as individual rights of men against their own governments. If they are intended to relate to the country itself rather than its citizens, a victory in the war can certainly be used to advance national freedom from fear and want. Freedom from fear, after all, means no more than the discouragement of aggression by other nations. Freedom from want as applied to nations means that every nation shall be given access to the raw materials which it needs and to the markets required in order that it may have the exchange with which to purchase these raw materials. While I don't believe that we went to war in order to assure these freedoms to every nation in the world, certainly if they can be established as a result of the war, we wish to establish them. We should certainly use the opportunity offered by victory to obtain many important improvements for which we would not have gone to war.

I feel very strongly, however, that no war can be justified as a crusade—even for world freedoms. If we prevail in the war, it is undoubtedly true that the principles for which we stand will be stronger throughout the world. The world will have to be made over in any event, and we can certainly establish a system of which liberty is the cornerstone in every country where we have the power to do so and the people appear to want it.

If we admit that the United States can properly go to war to impose our ideas of

freedom on the rest of the world, then it seems we must admit that the Soviets have a right to crusade to impose communism on the rest of the world because they believe communism to be the final solution of the world's problems. We would even have to admit that Hitler, however deluded he might be, had a right to crusade to impose his ideas of national socialism on the world. A crusade is by its very nature an aggressive and emotional act. Our purpose in this war is to punish and abolish aggression. If war can be justified as a crusade, the world will face perpetual war.

Finally, I believe every American will agree that we did not go to war in order to acquire more territory for the United States, or to rule the world, either by ourselves or in combination with our allies.

If our prime purpose in fighting this war is to insure peace and independence for the American people now and hereafter, what does that mean in terms of present policy and post-war planning? In the first place, it emphasizes again the preponderant importance of winning the war. I am not one of those who feel that the winning of the war is secondary compared to the winning of the peace. The very winning of the war accomplishes half or more than half of our principal purpose. It punishes the aggressor. It crushes him for years to come. It seems almost inconceivable that another madman like Hitler can arise for generations, convinced that he can conquer the world.

So our first job is to win the war. In fact, if we don't win the war, there isn't much use discussing our second job. I am unable to understand the mentality of those who criticize the deal with Darlan, or the arrangements with Spain, or any other step which will save American lives and bring the war to a speedier conclusion. I regret the attitude of those who insist on interfering with the British handling of the situation in India. That handling may be right or it may be wrong, but the British are in control of India, and we cannot interfere with that control without dissension and disunity, which would hamper victory. Furthermore, they have been in control of India for several hundred years, and they probably know a good deal more about the proper way to handle the situation in the present emergency than any American novelist or parlor pink. If our policy discourages a few enthusiasts in Europe and among our Communist fringe, that can certainly be corrected after the war. It is certainly much easier to cure than Mr. Stalin's statement of his intention to take over the Baltic states and eastern Poland.

But, of course, there is another job to be done when the war is won, and a job of almost equal importance to the winning of the war. That is the assurance of future peace and the prevention of future aggression, by the best machinery conceivable. It is not an easy task. For centuries men have yearned for such a result. One council of nations after another has been set up, and after every war the treaty makers have stated their purpose of assuring perpetual peace. No matter what organization of the world we set up in our generation, it is only likely to be successful 30 years from now if the next generation is determined then to make it successful.

In considering the post-war problems, I believe we should distinguish clearly between the transition period after the war and the permanent organization of the world. Many steps may be taken in the transition period which are unthinkable as permanent policy. During the transtition period the world will be dominated by the United Nations. The Axis Nations will be completely disarmed and subjected to every penalty which seems wise and effective. While this temporary power continues it should be possible to solve many problems and establish conditions and relations between nations which will give every nation a fair start in life. Undoubtedly the Axis nations must be policed, and they must be policed either by the national armies or perhaps by a special police force representing all the United Nations. It may be possible to set up economic treaties and relationships which will be fair to every country and give each access to raw materials. It may be possible to establish customs unions, establishing free trade among certain groups of nations. Certainly during the transition period we should be liberal in the provision of relief and other assistance necessary for reconstruction.

During that period also we can take our time in working out the permanent organization of the world to secure peace. The purpose of that organization must be to make as easy as possible the continuance of peace. It seems to me largely a practical question, and I should certainly be glad to support any plan if success is probable. I supported the League of Nations in 1920. I do not think we are yet in a position to determine exactly what our program should be, but certainly there should be a thorough discussion at this time of the different plans proposed. We don't know how the war will end. We don't know what the attitude of England and the British Empire and Russia will then be. Nevertheless there are certain principles which ought to underlie our thinking on the subject and certain principles which ought to be discouraged from the start.

I am going briefly to discuss three or four of these permanent post-war plans which we are asked to approve. The first is to continue more or less indefinitely the post-war control of the world by the United Nations. The philosophy of the plan is expressed in Henry Luce's American Century. We are to dominate the world, as England is said to have dominated it during the nineteenth century, but since the world is much smaller the domination will be much more effective. We are to be the senior partner in the control. Russia and China will be left to their continental interests, while, with the British as our helpers, we will look after the oceans and the rest of the world, insure peace, happiness, and liberty to all peoples.

There are several difficulties with this plan. First of all, it is completely contrary to the ideals of the American people and the theory that we are fighting for liberty as well as for security. It is based on the theory that we know better what is good for the world than the world itself. It assumes that we are always right and anyone who disagrees with us is wrong. It reminds me of the idealism of the bureaucrats in Washington who want to regulate the lives of every American along the lines that the bureaucrats think are best for them. I doubt very much if our control would be successful. Certainly however benevolent we might be, other people simply do not like to be dominated, and we would be in the same position of suppressing rebellions by force in which the British found themselves during the nineteenth century. There isn't the slightest evidence that we would make a success of our American raj. I visited Puerto Rico last winter, where we have been for 45 years without relieving poverty or improving anyone's condition. If we can't make a success of ruling a small island of 2,000,000 people, how are we going to manage several billion people in the rest of the world? The American people love liberty for other people as for themselves, and there would be a constant protest in this country against any act which smacked of imperialism. We would allow domestic politics to dominate our solution of problems our domestic politicians do not understand. We would have none of the ruthless efficiency in our colonial system which the British developed in their dealings with other peoples. In short, this plan, besides violating every principle of the Declaration of Independence and the Constitution, would probably be a failure both for ourselves and the rest of the world.

The second plan, vaguely outlined in some of HENRY WALLACE'S speeches, has some relation to the first. We are still to dominate the world, even to the extent of running the schools and universities of Germany during the transition period. But instead of emphasizing force, our control is to be through the dispensation of money and goods to carry out the ideal of freedom from want. We are to establish more or less free trade throughout the world, and distribute American goods in all directions, largely on credit. Since this school of thought believes that the Government debt should be constantly increased, and that Government deficits create prosperity in this country, we will be killing two birds with one stone by increasing rapidly our own production and giving away the products to other people. In other words, we are to maintain our control through economic generosity.

This plan seems almost too visionary to make any real headway. In the cold, gray dawn of peace, the American people are not likely to continue the lavish give-away policy of lend-lease which is necessary in war. Furthermore, I believe that with the utmost direct generosity we cannot improve materially the conditions of other countries or put them under any real obligation to us. A country, like an individual, can only become prosperous through its own efforts. We can help a people to help itself, and we ought to do so by reasonable trade arrangements and by assisting countries which wish to improve their industry, commerce, and agriculture, but we certainly are not going to do the world any good by setting up an international work projects administration.

The third type of plan which is now being strenuously urged is that of the superstate, proposed by Clarence Streit, author of Union Now. Its present form is described by Governor Stassen in the current Saturday Evening Post. According to this plan, there is to be a world government growing out of the United Nations control. This is to be a complete national government operating directly on every individual throughout the world; as our Federal Government operates on the citizens of our States. The control is to be by a legislative body like the House of Commons, which will select the executive and his cabinet. As the temporary post-war problems are disposed of, a world code of justice will be adopted by legislation, and that code of justice will be enforced by an international police force. The code of justice is to emphasize human rights rather than national rights, but obviously it will have to concern itself also with the question of boundaries. It will contain provisions protecting minorities and prohibiting religious persecution. It will have a department dealing with education and medical care throughout the world. It is not entirely clear whether it is actually to operate schools and hospitals, but certainly it is to make available propaganda in the form of books, radio programs, and movies for educational purposes. It is to administer all seaports and all airports; and while it is said that "the proposal contemplates no sudden attempt to make trade universally free," yet apparently the world state is to have power to prohibit the raising of tariffs, or other trade practices, of which it disapproves. The world state is to have power to raise its own taxes by levying an excise on international trade.

I believe the idea of a superstate with full sovereignty in certain fields is unsound and impractical. Most people think of an international police force or government as being directed at Germany, Italy, and Japan to keep them in order after the war. But remember that this is a permanent arrangement for ourselves as well as for the Axis.

The proposal is to set up a government which can do to the American people everything that it can do to other nations. If it can bomb Tokyo into submission, it can bomb New York into submission. If its police force is to be effective, it must be bigger and more powerful than the American Army, as well as all other armies. This implies an almost complete disarmament. The plan is compared to the uniting of the Thirteen Colonies into one nation in 1788, but the comparison is false. The people who were there combined had substantially the same form of government, and the same standard of living, and the same language and ideals, whereas here we are trying to combine republics and democracies and kingdoms and dictatorships under a federal state. We are trying to combine men who earn $10 a day with men who earn 10 cents a day. We are trying to combine the East and the West, the Brahmin and the Rotarian. Such a state would fall apart in a few years and leave more chaos than if it had never begun.

The attempt to regulate the treatment of minorities, of Jews in central Europe, of Negroes in the United States, and of many other equally difficult minority problems would be far more likely to produce war than to abolish it. The United States is probably the most dangerous Nation, but obviously in any question regarding our standard of wages we would be outvoted 10 to 1 under any conceivable plan of representation. Our tariffs would be reduced, or bound, and our markets raided.

My own opinion is that no such tremendous government could be truly democratic. We have about reached the practical limit of size without totalitarianism in the United States. We are being forced into more and more centralization of government, and once that centralization becomes complete, it will be difficult indeed to maintain anything like a truly democratic government in which the individual has a voice.

Furthermore, I believe the establishment of any such superstate is wholly impractical today. Our people will not agree to disband their Army and Navy or reduce them to impotency. I feel equally confident that England has no such intention and that Stalin has no such intention. In fact, if I read correctly the recent statements of the leaders of those countries, they intend as far as they can see ahead to control the Continent of Europe by a superior military force. That is the meaning of the 20-year Anglo-Soviet treaty. That is the direct statement of English policy which appeared recently in the London Times. That, it seems to me, is the practical implication of Mr. Churchill's council of Europe. If these large nations are going to rebel against international control of their seaports, airports, tariff policy, and minority treatment—and they certainly are—they cannot with good face impose these restrictions permanently on the small nations. I don't believe a superstate is practical even to enforce boundary questions. Certainly as applied to matters of internal control, as suggested in the Stassen article, it will be a nightmare.

In my opinion, international cooperation must be worked out along the same general lines suggested in the League of Nations. Any plan must be based on the retention of sovereignty by every nation, with agreements between those nations worked out as specifically as possible through general covenants and bilateral treaties. The main purpose of such covenants must be to prevent any international aggression likely to lead to a war in which all of us may be again involved. It is said that nations will not keep their promises, and of course without an international police force cannot be made to do so. The answer is that the maintenance of peace, in any event, depends upon the continued cooperation of the great powers. Not even a superstate can find a way to enforce its sovereignty over the unlimited steppes of Russia or the teeming millions of Asia or the seven seas of Britain. We must under any plan rely on the continued desire of these nations to maintain peace by carrying out the covenants into which they have solemnly entered.

Of course, there are many conditions which can be established now to make nations less likely to undertake aggression in the future. First, there must be a sound economic basis for peace, one which will assure to every nation a fair distribution of the world's goods and the ability to develop its resources and capacities. In the Versailles Treaty economic conditions were completely disrupted and disregarded in the interest of the self-determination of peoples. States were set up which were wholly unable to support themselves. Europe was broken up into a large number of unstable units. In the post-war settlement we must try to establish customs unions between nations whose economies are complementary so that they can be reasonably self-sufficient. We must assure to each one of these nations and groups of nations the raw materials which they require to feed their people and develop their industrial life. We must assure to each an outlet for sufficient products at least to pay for these raw materials. If we interpret freedom from want to mean only this fair and equitable economic treatment for nations, then I think it is a reasonable goal and one which must underlie any practical plan for peace. I do not believe that subsequently we can control the tariff policies of individual nations by force or decree, but a continued interest on the part of all in making international trade an aid to peace should be sufficient to prevent any great discrimination developing in any particular country.

Obviously, the territorial settlements must be such that they do not create constant and intolerable friction. On the basis of self-determination and a reasonable tolerance, we should be able to do a better job than was done at Versailles.

The principal question in working out a new League of Nations is to determine how far we will agree to use our armed forces to prevent aggression in other parts of the world. Many will object to any such undertaking, but I believe that within carefully-defined limits we should be willing to take an active part in maintaining peace. Insofar as Europe is concerned, I believe that obligation should be a secondary obligation after the council of Europe has made every possible effort and failed. In America and in the Far East we might assume a much more direct interest, and prompt American action in those areas, when the proposed League of Nations has found some nation to be an aggressor, may well prevent the development of a world war.

I question, however, whether our armed forces should ever be used except to punish or prevent the physical aggression of one nation against another, and to enforce any disarmament agreement which may be entered into. Apart from that, I believe that interference in the internal affairs of other nations, to protect their minorities, to change their system of education, or to reduce their tariffs, would be more likely to foment war than to prevent it Surely it is perfectly possible to work out the problems of air transportation as the problems of sea transportation have been worked out in the past, by international treaty and agreement. We don't need any international officers running our airports and seaports. We want the ability to protect our industries against the competition of starvation wages, and develop here the materials which might be essential to our survival as a nation. Our Negro problem is difficult enough without the issuance of directives from the council of a league. On the other hand, I see no loss of sovereignty in a treaty binding us to send our armed forces abroad on the finding of an international body. Being sovereign, we could refuse to keep our promises. Being Americans, we would not refuse.

The question whether we shall actually enter a league of nations must await the termination of the war. We certainly do not wish to assume any obligations unless the plan is one which gives some reasonable chance of practical success in assuring world peace. We do not wish to assume any obligation unless the territorial settlement and the other terms of the peace treaty are fair to all nations so that we can agree wholeheartedly to stand behind them. The economic arrangement must be such as to assure every country a fair deal and a chance to improve the condition of its people. But if these conditions are complied with, I have no doubt that the American people would approve a treaty obligation binding us to cooperate with other nations to keep the peace of the world.

Mr. LUCAS. Mr. President, the Senator from Ohio, who has just finished making an address in behalf of the Danaher amendment, candidly admits that the trade treaties have been administered in a way which has been a credit to the State Department and he gives every indication that eventually he will probably vote for these trade treaties, regardless of what may happen to the amendment.

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

Mr. LUCAS. I yield.

Mr. TAFT. I did not indicate anything of the sort, unless some amendment were adopted. Furthermore, I said they had in general been well administered. That was the extent of my commendation.

Mr. LUCAS. Others who were listening to the Senator's speech may have obtained a different impression than that which was obtained by the Senator from Illinois. But from the remarks which were made by the Senator from Ohio I was rather persuaded that he did not have any really serious objection to these trade treaties. I may have been mistaken. Be that as it may, Mr. President, I do not rise at this time to discuss at length either the merits or demerits of the trade treaties. I shall discuss the treaties in the light of this cataclysmic storm in which the world is moving.

We are witnessing in the Senate of the United States the same type, kind, and character of debate which we have always witnessed on the subject of trade treaties. There is nothing new in any of the arguments. We seem to forget that America stands at the crossroads in the greatest crisis of her history in 150 years. These debates upon the trade treaties move along just as though we were in the throes of eternal peace. Amendments have been offered—not one but several—as I understand, of the same type which had heretofore been debated and discussed every time the question of trade treaties arose.

Mr. President, my record from the time I have been in the Senate has been one of consistency in supporting trade treaties. Regardless of what position I have taken in the past upon the trade pacts or any amendment concerning them which has been heretofore debated, I say that at this hour of the history of the world I would not hesitate for one moment to change my position in order

that we might present some sort of a solid front in connection with a matter which is international in its character.

We are dealing with the hour and all its implications. Past arguments, old predilections, special interests and blocs are mere bagatelle compared with the great issue before us. Selfish people or groups cannot prevail, if it interferes with the winning of the war and the winning of the peace.

Mr. President, I wish to read some remarks made by General Eisenhower, which deeply impressed me and gave me some thoughts in connection with the subject of trade treaties. On Saturday last, this heroic and gallant general of the American and Allied forces, after the greatest victory of the war, on the north African front, made a speech, and and he is quoted in the New York Herald Tribune as follows:

"This team is bound together by indestructible devotion to a common cause. * * * We have wilted the enemy's morale, for in this theater one of the best and proudest of his armies has been utterly destroyed."

He described this as one of the intangible but "transcendently important" results of the African triumph. The most important intangible, he said, was the high degree of proficiency gained in Allied teamwork.

"This demonstration of unity on the battlefield, of unity in adversity as well as in victory, is sorely puzzling the Axis today," General Eisenhower said. "Our solidarity terrified them because they had complacently counted on divided counsels and interfamily quarrels that have been characteristic of Allied campaigns of former wars."

Mr. President, that is the nub of the situation confronting us today. The real reason for the great victory of the American and Allied forces in Tunisia was our solidarity in presenting a united front in that great battle. It seems to me that if the Senate of the United States could present some kind of a united front in connection with trade treaties involving international relationships with other nations, we would once more give to Herr Goebbels and his group of propagandists something to think about, something which might terrify them.

But apparently, Mr. President, we cannot do that in the United States Senate; we continue to have our family quarrels. Yet I undertake to say that if bombs were falling in Washington every other day, as they have been in England in the past, we would see that much-needed solidarity in the United States Congress upon legislation involving world problems.

The article continues to quote General Eisenhower:

I speak not merely of senior commanders and their readiness to meet each problem on its merits and without division along nationalistic lines but of the rank and file as well. Each man here has come to realize that the greatest patriot, the greatest lover of his country, is the one quickest to promote Allied team play and to demand its perfection. This spirit has inspired also the French troops that fought alongside us during the Tunisian campaign. For them and for their sacrificial devotion to duty, every British and American soldier has only words of praise. They were magnificent.

* * * * *

We are ready to undertake any further task our countries may choose to assign us. We stand as a single body—determined that there will be no cessation of effort until, working in concert with all other forces of the United Nations, we shall have brought the last army of Germany, Italy, and Japan to its inevitable "Tunisia."

Mr. President, there in that last utterance can be found the key to success. Standing as a single body these soldiers move forward to victory. We can lighten their load, remove some of their burdens, if we here in the Senate stand united on these trade pacts. I appeal to Senators to promote team work and team play on the home front. It is the greatest weapon that can be used to bring this cruel war to an early and victorious close.

Mr. President, one large concession has been made with respect to the termination of these trade treaties. Two years from July 1, 1945, the trade treaties will terminate, under the terms of the pending measure. Surely that date is far enough in the future to satisfy many who expect at that time to rewrite the trade treaties and tariff policy of this country, although I confess that I think such is only a bit of wishful thinking. Mr. President, the amendment of the Senator from Connecticut is meaningless and would nullify, in my humble opinion, what the trade-treaty program is attempting to do.

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

Mr. LUCAS. I yield.

Mr. DANAHER. Will the Senator from Illinois please explain how the amendment could be meaningless and at the same time nullify?

Mr. LUCAS. The Senator is correct in that regard; the word "meaningless" was unfortunate and unnecessary. But I submit the amendment itself would lead only to confusion and chaos so far as it concerns those who are in concert with us in connection with these trade treaties. It would nullify a record of 8 years of constructive international good. It would give Mr. Hitler and his gang the opportunity to distort and misrepresent. They would use the radio to tell people who are affiliated with us in these trade treaties that the proposed amendment means the end of kindly and friendly relationships with the countries which have been our good neighbors for a long period of years. They would advise the world that we were leaving all our friends in an economic vacuum 6 months after the shooting stops.

Let me go back to the war of 1917. It is said that trade treaties are futile. Mr. President, trade treaties fit hand in glove with the good-neighbor policy of the countries to the south. It will be recalled that back in 1916 we had troops on the Mexican border, and it will be recalled that the Panamanian Government was unfriendly to us, thereby involving the Panama Canal; indeed, as a result of the dollar exploitation diplomacy which had been carried on by this country for decades there was not a country south of the border that was overly friendly to the United States of America. Today there is not a nation in South America, with the exception, perhaps, of one, that is not our friend as a result of the trade treaties and the good-neighbor policy. Any American soldiers now found in any of these countries are there as friends and allies.

Mr. President, regardless of the merits of the pending joint resolution, in my opinion the Members of the Senate who have boys in the service, those who have brothers or nephews or close friends in the service, will be doing their country a real service if they defeat every amendment that comes to the floor of the Senate, irrespective of its merits. I say that with the utmost kindness toward every Member who will present amendments. In my humble judgment, the United States Senate should have accepted in 30 minutes the joint resolution just as it came over from the House of Representatives, in order that we might present the same solidarity of thought and purpose and action to which General Eisenhower referred in his speech in Africa. That was one thing, as he said, that frightened the Axis Powers.

Mr. President, adopt any amendment at this time, regardless of its merits, and fuel will be furnished to the lying propaganda machine of the German Government. Furthermore, regardless of what may be said, regardless of how individuals in high places of Government may understand the trade treaties, the rank and file of the people of various other countries, in my humble opinion, will misunderstand the action of the Senate should crippling amendments be adopted.

Mr. President, that is about all I care to say upon this important matter. I hope the Senate will reject every amendment which comes to the floor. The trade treaties should continue for another 2 years in the form in which they are now written. There is no reason to cause misapprehension, there is no reason, as I see it, to cause confusion or chaos to exist in other countries which are parties to these trade pacts at the present time. Certainly it seems to me that in all good conscience every individual who is interested in an international program based upon trade so far as the future of America is concerned should support these trade treaties. In my judgment, they are the basis for international peace and good will and amity in the post-war period.

Much has been said about the delegation of power to the President. I have heard it ever since I have been a Member of the Congress of the United States. Every time a delegation of power is made by the legislative to the executive long speeches are delivered upon the floor of the Senate about the destruction of the American way of life. Let me say that such power was delegated back in the War of 1812; its power was delegated in the Civil War; in fact, greater power was delegated to the Executive in the Civil War than has ever been delegated in this war. Power was delegated back in World War No. 1; and, Mr. President, the American people, after each and every war, recaptured that power which, in a crisis, had been delegated to the Executive. They will do it this time. The people are supreme in

this country, and will continue to be supreme when this great emergency shall have passed.

Mr. BROOKS. Mr. President, perhaps never within the lifetime of any living man has representative government been so greatly threatened or faced so gruelling a test for endurance, as today. Representative government has disappeared in many respects throughout great portions of the earth, and it is threatened everywhere. For that reason I wish to speak briefly in favor of the pending amendment proposed to the measure extending the Reciprocal Trade Agreements Act.

Section 8 of article I of the Constitution of the United States provides:

> The Congress shall have the power to regulate commerce with foreign nations and among the several States and with the Indian tribes.

This paragraph gives Congress the power to pass all tariff laws, and clearly indicates that it is the duty of Congress to fix the policy of our Government concerning international trade.

The pending amendment merely reaffirms our determination and devotion to that fundamental principle of our representative, constitutional form of government.

The Reciprocal Trade Agreements Act was first passed by a subservient Congress in 1934, and it gave the executive branch extraordinary, discretionary, legislative authority over tariffs and foreign trade as an emergency measure to aid in bringing about economic recovery by expanding foreign markets for the products of the United States. It is doubtful that it accomplished this result.

In 1937 the act was extended for the express purpose of contributing to world peace, more than because of any economic objective.

In 1940, when it was apparent that it had not resulted in maintaining world peace, it was extended again on the theory that it would contribute as a part of the foundation of any stable and durable peace.

Now, in 1943, the House has voted to extend it for 2 years without amendment. We are told that if we amend it in any particular it is an indication that we are preparing to withdraw from active participation in world affairs. I do not so interpret it, and I deny that my vote for the pending amendment carries with it any such implication. I believe that the future peace of the world depends, as largely as upon any other factor, upon the maintenance and continuance of a truly representative, constitutional form of government in the United States of America.

The pending amendment provides as follows:

> *Provided*, That every foreign-trade agreement concluded in accordance with the provisions of said act, as amended, shall be subject to termination 6 months after the cessation of hostilities in the present war as fixed by proclamation of the President, pursuant to joint resolutions of the Congress or by the President.

This amendment, if it serves notice of any purpose, should serve notice on the countries with whom we deal, and to the executive branch of our own Government, that the Congress intends to retain its constitutional, supervisory control over trade agreements which affect the lives of the free people of America. No fair-minded person could interpret such action by Congress as being unfriendly to the most wholehearted cooperation with other nations now and in the future.

The Congress has voted for the most extraordinary lease-lend program ever enacted by any country in the history of the world. We have appropriated over $13,000,000,000—we have already expended over $11,000,000,000 of America's substance to that end. More nations than are now enjoying reciprocal trade agreements are already the beneficiaries and participants in the lease-lend program. The latest appropriation bill provides for more than $6,000,000,000 additional to be expended for that purpose. This has the overwhelming approval of Congress, notwithstanding the fact that our own Government has not to this day set up a master bookkeeping system whereby the Congress can know in detail every phase of the lease-lend activity, to say nothing about having no definite agreements as to how or when any part of these funds are to be repaid, if ever. Certainly that is no indication of a lack of desire on the part of Congress to cooperate in the future peace of the world.

Neither are we relinquishing our war effort in any other particular, for we are spending more effort and money in the production of the necessary weapons and material of war than ever was expended in the history of man. In addition, we are making every sacrifice, including the raising of an Army, preparing to send more than 4,000,000 men—the flower of our country—to foreign battlefields, to assure the victory of ourselves and our allies.

This amendment under consideration provides only that 6 months after the close of the war, when victory has been won, the Congress may have a voice, representing the people of America who have made these extraordinary sacrifices, in determining the future course of foreign trade as it relates to our people. The fact that the present administration wants the power, without any interference on the part of the Congress, to negotiate these binding, all important trade agreements is reminiscent of the fact that President Wilson failed to take the Congress in as a partner in his determination of the future course of the world at the conclusion of the last World War. Certainly it can be said aptly now that the only lesson we learn from history is that we learn no lesson from history.

Included in our lease-lend expenditures, I am sure you will find that upward of $2,000,000,000 of America's money has been spent in the development, erection, and construction of the greatest communication system ever known in the world. Literally, hundreds of installations have been made of radio towers and equipment and air fields. Transoceanic and transcontinental air routes have established, built, and paid for by America, constituting a web that will undoubtedly be the communication and the air commerce routes of tomorrow. In addition to that, we have built and paid for many other bases and harbors in countless places.

We were a Nation that built practically no ships before the war, but through the sacrifice, the inventive and constructive genius of our American people, with their money, their sweat and their toil, we are building more ships than any country in the history of civilized men.

One of the greatest contributions we are to make in the liberation and the protection of liberty-loving people all over the world, is our construction of airplanes, great cargo ships that will carry material, weapons and men across oceans and over mountains, to aid embattled China and to liberate other freedom loving people. We will produce more planes before this war is over than all the other countries of the world. We are undertaking now to develop an air force that will be equal to one-third of the air power of the entire universe. We will have literally thousands upon thousands of young men, the finest aviators in the world, familiar with these communication systems, airports and transport routes throughout the universe before this war comes to an end. The future commerce of the world will be carried in part by these ships on the sea and in the sky.

What is to become of these ships and the trade that they will carry? Shall the Congress have nothing to say about this when this war is concluded?

The people of America are devoting their lives and their fortunes to the development of substitute strategic materials cut off from us by the treacherous acts of the little yellow fiends of the Pacific. The liberty of the world depends upon our success in this field. Are these heroic efforts and outstanding accomplishments to be scrapped by the arbitrary decision at the conclusion of the war, of one man or a few who feel that they know what is best for 135,000,000 free Americans?

Will the men who sacrificed and served in the foxholes and the hellholes of the battle fronts of the world return to find that we whom they dared to die to defend have foreclosed them from having an immediate voice through their Representatives in Congress concerning the future trade relations with the world?

Shall we further scrap or abandon our constitutional responsibilities here in these halls while the flower of American youth is fighting to defend us on the battlefield of the universe?

In part, that is the question we decide today.

I yield to no man in my desire for peace. And the hundreds of thousands, yes, the millions, of veterans who will return to the shores of America with their battle scars and experience, in my judgment, will be outstanding advocates of peace in the future. My experience has taught me that authentic veterans are exceedingly practical and peaceful men. I predict that they will join in the demand that we become and remain

one of the strongest nations of the entire earth not only for the protection of ourselves but for the guarantee of the peace of the future.

They will not, nor will I, join with those in America who believe that it is wrong to be strong, or a sin to be self-sufficient. I disagree with those who constantly condemn and blame America, saying we lost the last peace, or those who would indicate that we were responsible for this war, or that we will do other than contribute our full share and more to the future peace of the world. We are contributing our full share and more to the war effort in the cause of freedom everywhere today and we will continue to play our full part in the peace to follow.

When I vote for this amendment I wish to place my own interpretation upon my own act. I do it with the one thought in mind that we are serving notice to the world that we intend to be a free people, preserving a strong nation devoted and dedicated to truly representative, constitutional government.

Mr. LODGE. Mr. President, I intend to vote for the reciprocal trade joint resolution because we are at war, because I want to do everything possible to keep the Allies together during the war, and because I want to do everything possible for sound international collaboration after the war. On these great objectives the joint resolution has a limited impact, to be sure, but in small things, as well as large, I shall do what I can for victory in war and sound collaboration in peace.

As this states my entire reason for supporting the joint resolution, it comes as somewhat of a shock to hear it asserted that all those who favor mild safeguarding amendments to the Trade Agreements Act are opposed to international collaboration. This is simply not so, Mr. President.

I have often wondered what it is about this question which makes so many men lose their sense of proportion. Otherwise, how can one explain the fact that so much—too much—is continually being claimed for the program? When I first came to the Senate the claim was constantly made that the trade-agreements program would preserve peace, end unemployment, and that it was the only device which could prevent us from going back to the worst days of congressional tariff making. Actually, of course, it did not preserve peace, it did not end unemployment, and it is not the only device which prevents us from going back to the evils of congressional tariff making.

Just as too much has been said for the joint resolution, so it is that too much has been said against this very modest little amendment. When we boil it all down what does the amendment amount to? It simply means that Congress and the President under its terms can properly revoke an agreement without being charged with any breach of international good faith. The actual power to cancel an agreement or indeed to revoke the entire act resides in the Congress at all times, but if we exercise the right without some language of this kind we might be chargeable with an act of international bad faith, and this is something which we would not and should not do.

Mr. TOBEY. Mr. President——

The PRESIDING OFFICER (Mr. STEWART in the chair). Does the Senator from Massachusetts yield to the Senator from New Hampshire?

Mr. LODGE. I yield.

Mr. TOBEY. In view of the statement just made, is it the Senator's understanding that the Congress, as well as the President, always has the power to repeal an existing trade agreement?

Mr. LODGE. I think that, as a matter of brute power, the Congress probably has that power.

Mr. TOBEY. What would be the modus operandi by which Congress could proceed to repeal an existing trade agreement?

Mr. LODGE. The Congress could repeal——

Mr. TOBEY. The act itself?

Mr. LODGE. Yes; the act itself.

Mr. TOBEY. In the opinion of the Senator from Massachusetts, could the Congress by itself repeal a specific agreement that was made under the act?

Mr. LODGE. I think it could as a matter of theory. I do not know what the practical modus operandi would be.

The amendment simply recognizes the status of the Congress in a frank and honorable way. To refuse to accept such an amendment as this, in my opinion, suggests a rather arbitrary and intolerant viewpoint. Have we not learned from past experience that we cannot always have everything our own way without the dotting of an "i" and the crossing of a "t", and that it is good statesmanship and good democracy to compromise our differences?

The Senator from Georgia [Mr. GEORGE], in his speech, to which I listened with careful attention, as I do to all his speeches, gave as a principal argument against the amendment the fact that it will leave us—

> With our hands completely untied at the time of the greatest chaos perhaps that ever settled upon the world, 6 months after the termination of the war.

Mr. President, I have pondered that statement, and the more I think about it, the more I think that it is actually an argument for the amendment. I believe, as a general proposition, that the United States should be free, and should not have its hands tied in a period of great emergency—in a crisis. I was one of the five or six on this floor, as I recall, to vote against the Neutrality Act in 1937 because I believed that it would tie our hands at a time when we should need full freedom of action. It so happened that events caused Congress to repeal the Neutrality Act for the very simple reason that we did not want our hands tied in the manner prescribed by the act. With the hindsight which we now have, I think we can see that it would have been much better if we had never had the act and therefore never had to repeal the act at all under the circumstances which then existed.

Mr. President, I am in favor of America making promises which she can keep, and which she therefore will keep. I have great hope that by making only such promises as are within the range of our capabilities we can prevent periods of chaos and crisis and emergency from arising. But, Mr. President, when such periods of chaos and crisis and emergency are upon us, I want to see an America which is free to deal with the situation—an America whose word counts heavily because its word is not taken for granted.

For these reasons I shall vote for the committee amendment, as well as for the joint resolution.

Mr. BURTON. Mr. President, in spite of my high regard for the sponsor of the committee amendment and for its advocates, I feel obliged to present four reasons why I believe it is in the best interest of the Nation as a whole that the amendment be defeated.

These reasons are as follows:

First. The adoption of the committee amendment would tend to weaken rather than strengthen the unity of the United Nations at this time when the strengthening of our unity is of critical importance in winning the war. It certainly would not strengthen our unity with our allies thus to emphasize our option to cancel, 6 months after the war, and without the consent of our allies, all of the agreements covering their reciprocal trade relations with us. To justify the adoption of any measure at this time that would in any degree weaken our unity with our allies would call for a showing of far greater benefits to be derived from it than those which can be derived from this amendment.

Second. The adoption of the committee amendment would weaken rather than strengthen the force of our trade agreements as present and future influences against the other participants in those agreements entering into or preparing to enter into any agreements with other nations detrimental to our interests. The committee amendment would amount to a special warning to the world to place little reliance after the war upon the continuance by us of our reciprocal trade obligations. Whether or not we propose actually to terminate our reciprocal trade agreements after the war, the effect of this special emphasis upon our right to terminate them will be to instigate the other parties to them to consider entering into agreements with other nations without regard to us. The committee amendment would encourage our allies, therefore, to look everywhere except to us for post-war economic alliances. This amendment might even instigate other nations to give us notice of their determination to cancel their reciprocal trade agreements with us so as to leave them free to discriminate against us. I believe that the adoption of this amendment would weaken both our wartime and post-war position without a sufficiently offsetting advantage to justify that effect.

Third. The benefits to be gained by the adoption of the committee amendment are of little if any value to our

Nation. Three questions are sufficient to analyze them.

Does the committee amendment add a new right of termination of the trade agreements to those now held by the United States as a party to them? The answer is "No." The right of the United States to terminate these agreements is fixed by the terms of the agreements themselves and naturally cannot in good conscience be altered without the consent of the other contracting party. Furthermore, the United States already has ample right under the terms of these agreements to terminate any or all of them on not more than 6 months' notice after the expiration of the first 3 years. All the agreements now in effect have either passed this 3-year mark or in all probability will have passed that mark long before the end of the war. The committee amendment, accordingly, does not attempt to increase the right of the United States in existing agreements as such. It deals merely with what agency, as between the Congress and the President, shall speak for the United States.

As to the possibility that new reciprocal trade agreements with new lives of 3 years, or new lives based upon the pending amendment, will be made in the midst of the war, I believe it is highly unlikely, either on our part or on the part of other nations, that any such agreements can be secured.

In view of the close relationship that must exist between the administration and Congress with respect to wartime policies, the way to approach any such possibility, I believe, is by direct and frank understanding on that specific point.

The administration and the Congress have a joint constitutional responsibility for our foreign-trade policies, and if there is any doubt about action that is likely to be taken during the war which might substantially change our trade relations and war policies, it should be met by direct action preventing those steps being taken, or being taken without advice by and concurrence of the Congress. The doubt is certainly not resolved by the cumbersome and extremely tardy control presented by the committee amendment. The committee amendment merely provides a way, a means, to cut down agreements at that highly uncertain and remote period when the President shall have proclaimed that hostilities have ceased in the great war which we are fighting all around the world, and which may continue for years to come.

My second question as to the effect of the committee amendment is this: Does the committee amendment add any new power to the President's right to terminate the reciprocal trade agreements on behalf of the United States? The answer is, "No." The President already has the recognized right to terminate the agreements on behalf of the United States on not more than 6 months' notice after the expiration of the first 3 years of the respective agreements. In fact, it has been suggested that the committee amendment, instead of expanding the President's authority, might by implication repeal his general right to terminate the agreements, and might limit that right of termination to the one occasion with which the committee amendment especially deals, namely, that which will arise 6 months after the cessation of hostilities—a period which is decidedly more distant.

My third question as to the effect of the amendment is this: Does the committee amendment add any new power to the Congress, on behalf of the United States, to terminate the reciprocal trade agreements? The answer is that perhaps it does, but probably it does not. In view of the fact that Congress has not heretofore taken any action depriving itself of its right to terminate such agreements by joint resolution, it presumably retains that right. If the Congress can now, by the committee amendment, give itself the right to terminate all reciprocal trade agreements six months after the war, then no doubt Congress could by direct action terminate the same agreements at any time now, on not more than six months' notice, provided only that, in accordance with the terms of the agreements, the first three years of their respective lives should have expired. Here, also, it may be suggested that the adoption of the commitee amendment might by implication limit the right of Congress to terminate trade agreements so that hereafter such right could be exercised only six months after the cessation of hostilities. It may be argued that the specification by Congress of its right so to proceed at that time indicates recognition by Congress that it would not so proceed at any other time; otherwise there would be no reason for Congress to specify the procedure stated in the committee amendment.

In any event, the added right of Congress to terminate trade agreements in the manner specified in the committee amendment is of such extremely limited value that it can hardly justify the sacrifice of any strength of our position in the war to acquire those rights.

Let us further examine the effect of the committee amendment. First of all, if the action is to be taken under the committee amendment by joint resolution, the joint resolution which would result would require the signature of the President to make it effective, or the resolution would require a two-thirds vote of both Houses to override his veto of it. The likelihood of having the Congress vote to override his veto in such a case is sufficiently remote as to indicate small likelihood of action by Congress under such circumstances. Therefore the matter remains largely a subject of Presidential action.

Second, under the committee amendment the right of Congress to terminate reciprocal trade agreements could be exercised only if the President in his discretion had proclaimed the cessation of hostilities in the present war. This leaves the time of action to a substantial degree at the discretion of the President.

Third, the opportunity for Congress to tereminate the reciprocal trade agreements under the committee amendment could occur only after the cessation of hostilities in the present war, as fixed by the proclamation of the President. This presumably means, therefore, the present war with Germany, Italy, Hungary, Bulgaria, Rumania, and Japan. It is hardly likely that the much-hoped-for cessation of hostilities against all those enemies will occur before June 12, 1945. Yet, on June 12, 1945, the right of the President to enter into reciprocal trade agreements under this general law will again expire, as it is now about to expire on June 12, 1943. Accordingly, the committee amendment could better be presented 2 years from now, than now. In so doing, the amendment would avoid the exceptional difficulties which are presented by its consideration at this particular moment, and many things bearing on the need for it may well have been determined before June 12, 1945.

Under these circumstances, the benefits, if any, which would flow from the committee amendment are so slight that they are readily outweighed by the detriment arising from it.

Finally, my fourth reason for opposing the committee amendment is that it offers no constructive alternative for what it would destroy. The amendment unnecessarily expresses a threat of possible and remote action to terminate all reciprocal trade agreement 6 months after the hostilities in the present war have ceased, and to do so by joint action of the Congress, even over Presidential veto. The amendment unnecessarily emphasizes an unlikely and unfortunate possibility of disagreement within our Government. It voices a congressional threat, and accompanies it by no declaration of congressional policy either for or against the principle of economic international collaboration as opposed to economic international warfare. It overemphasizes the possibility of a difference of policy between the Congress and the President. It emphasizes the ultimate responsibility of Congress in case of such a disagreement. If Congress proposes to emphasize and exercise its inherent powers and to act in opposition to the executive branch of the Government, it certainly should do so only under unusual circumstances; and, when doing so, it owes it to the country and to the world to express on its own account that quality of leadership which is essential to the discharge of so great a responsibility. A threat without the accompaniment of a clear, constructive alternative course of action does much harm, and leads nowhere.

I believe that the committee amendment, if accepted, would thus turn out to be an expensive one-way ticket to nowhere, and would fall far short of justifying the price paid for it.

Mr. BUTLER. Mr. President, it is my intention to support the joint resolution as passed by the House, but with the Senate committee amendment definitely providing that any agreements made automatically becomes revocable 6 months after the close of hostilities. This does not mean that a single agreement will be revoked, but it makes it possible to do so if conditions following the war should so require. The governments with whom we contract have the same option, and it may be to their interest to want to

change certain trade provisions. The suggested arrangement is not a one-sided one.

With the adoption of the committee amendment, I think it is unnecessary to decide on the constitutionality of the original act. Nearly everyone is in agreement that the act itself is of little effect during the war, for practically all available shipping is used to move material purchased by Government agencies and therefore the movement of materials is not affected by tariff or other restrictions which affect normal commercial trade. During the war there can be little if any commercial trading. Without the committee amendment attached, I shall vote against the extension of the original act.

Following the war, conditions may make it desirable for either or both contracting governments to want some change. We have certainly been friendly enough in our trade relations with all other nations during the past, and I see no cause for uneasiness on the part of our good neighbors, if the committee amendment becomes a part of the Reciprocal Trade Act. We ask for ourselves no right which does not automatically become their right, and, frankly, it may be our neighbors who will want to renegotiate the trade agreements that are now or may hereafter become operative.

It is easily possible, in fact, almost certain, that a fundamental overhauling of our whole foreign trade policy may be necessary to meet post-war conditions. The war has hastened the development of the small, backward nations, especially those of South America. They may receive a tremendous influx of people from the European war-torn countries—people of talent, skilled in the sciences, leaders in the professions and in business, including international trade. The United States and other nations have developed substitutes for rubber, silk, tin, and many other things, directly affecting the methods and problems of trade between countries. I doubt if we as a Nation will want to scrap our synthetic rubber plants when war ceases. Likewise, I doubt if other nations who have developed synthetic products, essential to their safety, will want to scrap their plants and again depend on natural materials available only by ocean delivery from points thousands of miles distant. The passage of House Joint Resolution No. 111, including the committee amendment, will harm no one, and will give protection to each contracting party alike. Existing agreements may continue for years; and, again, if either party discovers that post-war conditions have changed to the extent that new agreements should be executed, the change becomes possible within a reasonable time, 6 months following the close of hostilities.

Proponents of the joint resolution have stated that "the renewal of the trade agreements program is essential for the maintenance of employment and business activity after the war." To this I cannot agree, for certainly a given amount of energy advantageously employed at home supplying our own needs is just as useful economically as the same amount of energy applied in the making of goods to be shipped abroad, particularly when there is a question as to whether we can receive payment therefor without the extension of credit in the form of direct loans or through some lend-lease gymnastics. There is no use going into detail in proof of this statement. I will, however, quote from a reliable authority.

An examination of the record will show that despite all our attempts to increase imports through the reciprocal trade agreements, yet in the period of 1936–1940 our merchandise imports averaged about 3.5 percent of our national income produced, as compared with about 5.5 percent in earlier years when we were supposed to be laboring under unconscionably high tariffs.

From this it is easily seen that any benefit obtained from the operation of this act has been largely psychological, rather than material.

However, none of us can tell what the future trend may be; hence I wish to protect the interests of the United States, the Constitution of which I have sworn to protect and preserve.

I do not like the trend of affairs during the past 10 years as it affects the economy of our own people, and I hesitate further to place in jeopardy any of the rights and liberties of the people of America.

Mr. President, I ask unanimous consent to have printed in the RECORD at this point as a part of my remarks an editorial appearing a few days ago in a Nebraska newspaper published at Fremont, Nebr. The editorial is entitled "Lord Help Us." While some of the remarks contained therein are not entirely apropos of the subject under discussion, I think many of the thoughts presented are directly applicable.

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

[From the Fremont (Nebr.) Guide and Tribune]

LORD HELP US

This is a bold and broad statement, but a considered one:

Lord help the United States if the New Deal is allowed to remain in power through the election of Franklin D. Roosevelt for a fourth term or the election of one of his ardent followers.

By that statement no criticism is implied of President Roosevelt's conduct of the war on the actual fighting fronts. We are doing splendidly considering the slow start we had.

But his command of the war does not make Roosevelt indispensable. It is highly probable that there are many men in the United States who could have done as well, or better.

We reiterate our original statement: Lord help the United States if the New Deal is allowed to remain in power.

For there is every indication that the New Deal plans to extend itself—even going further with some of its theories than it has at home—all over the world, and at the expense of the people of the United States.

There is every indication that the New Deal is casting Uncle Sam in the role of the great sucker. He's played that role before, but never before on the scale which the New Deal contemplates.

There is every indication that the New Deal is setting up Uncle Sam to feed the world, to clothe the world, to give social security to all the world—and at no cost to the rest of the world, but at the sole expense of the people of the United States.

Temporary relief to starving countries must, of course, be given as rapidly as we free them from the Nazis, but indications say that that isn't all the New Dealers have in mind. They are planning to set up the United States as a permanent relief agency.

Now, all this would be enough if it was only going to cost some of our hard-earned dollars. But it will cost much more. It will cost us much of the good that will be needed at home, much of our industry, much of our agriculture, and much of our natural resources.

The New Deal planners practically admit they have something like this in mind. Paul Appleby, chief of the United States delegation to the "give-it-away" food conference at Hot Springs, says rationing must continue for years after the war ends.

What it all boils down to is this: The New Deal plans to raise the living standard of the rest of the world a few degrees while cutting the standard of the United States at least, and probably more than, half.

Why is the New Deal planning all this? Well, it's possible that our New Deal do-gooders are just so full of the milk of human kindness that they can't help themselves. But it is also possible that they can see Roosevelt not only as President of the United States but as president of the world.

Whatever the reasoning—or lack of it—behind the New Deal's grandiose schemes, the outcome isn't hard to see.

The other countries of the world naturally will accept all that we given them. Why not? It won't cost them anything because we here in the United States will be footing the bills, just as we've been footing the bills for idealistic but foolish experiments ever since 1933.

And when those countries have taken all they want, they'll tell poor old open-handed, but ragged, flat-broke, and flat-bellied Uncle Sam to go fly his kite.

And the better world for which we are allegedly fighting may have become a reality, but our own home will have become a hell-hole.

Mr. BUTLER. Mr. President, in conclusion, based on the latest estimates, the United States has about 6 percent of the world's population and possesses about 30 percent of the world's wealth. Around 1930 we had about 35 percent of the total wealth. We earned about 36 percent of the total income in 1940, against about 42 percent in 1930. It is estimated that Lend-Lease will total about $100,000,000,000 by the time the war ends. That is nearly one-third our total wealth as a nation. I think it is about time carefully to consider legislation in the light of how it may ultimately affect this Nation.

Mr. CLARK of Missouri. Mr. President, this debate on a third extension of the act authorizing reciprocal trade agreements has been remarkable in that it has been a classic illustration of the Shakespearean expression about those who "keep the promise to our ear and break it to our hopes."

This is the fourth time that this proposition has been before the Congress, essentially in identical form.

It is said that on the eve of ordering the memorable and heroic charge by General Pickett's division at the battle of Gettysburg, General Lee said, "We have tried their right; we have tried their left; and now I am going to break their center."

In this case the opponents of the principle of reciprocal trade agreements tried the center in 1934. They tried the right in 1937. They tried the left in

1940; and they are now unwilling to make an outright attack at all. They are trying to win this battle by subterfuge.

As I have listened to the various proposals for crippling and emasculating amendments, by those who profess unwillingness to oppose the principle of the reciprocal trade agreements, I am reminded of nothing so much as the old Biblical story of Joab and Abner, in II Samuel, chapter 3. We all remember the war that existed between the House of David and the House of Saul. Joab was the general of the House of David. Abner was the general of the House of Saul. Abner went down and made peace with King David, but Joab, David's own general, was not satisfied with that peace, and he sent word to Abner that he would like to have him come up to Hebron and have a peaceful meeting with him. When Abner got there Joab told him to step into the gateway for a quiet talk, and when he got in he took him by the coat lapel and said, "How is it with thee, my brother?" And, as the Bible states, he smote him under the fifth rib, laid his innards open, and Abner fell down and died.

So we find the situation today, Mr. President, among those who are absolutely unwilling to make an open attack upon the principle of the reciprocal trade agreements. We find the statement that they are willing to reenact that act with just one little amendment, or another little amendment, or a third little amendment—either the Danaher amendment, the O'Mahoney amendment, or the Maloney amendment. Some have said, "We believe that the act is unconstitutional." The other day my distinguished friend from Michigan [Mr. VANDENBERG] said, "I have grave constitutional doubts." But those doubts could be resolved by "this little inconsequential amendment," or by the other little inconsequential amendment, or some third little inconsequental amendment, any one of which would completely destroy the force and effect of the whole reciprocal trade agreements program.

When I have listened to such arguments, Mr. President, I have been reminded of nothing so much as the very vivid story I heard told on the floor of the Senate the other day by the distinguished Senator from Texas [Mr. CONNALLY]. He said that one of his old constituents went fishing and caught a fine big succulent catfish and was about to prepare the catfish for cooking. A catfish is rather slippery on the under side, and the old man had some trouble getting his knife into the catfish. The catfish was flipping around on this side and flopping around on the other side. The old fellow said, "Mr. Catfish, what is the matter with you. Why don't you lie still? Don't you realize that nothing ain't going to happen to you? Don't you know that you is in the hands of a friend? You are perfectly safe, Mr. Catfish? I ain't gwine to do nothing offensive to you. All I am gwine to do is gut you." [Laughter.] That is the purpose of the amendments which have been offered to the reciprocal trade agreements joint resolution.

Mr. President, it is very seldom indeed that I take the trouble to read or refer to a newspaper editorial on a question under consideration in this body. However, there was an editorial in the Baltimore Sun of Thursday, May 27, which seemed to me to be so succinct, so logical, and so unanswerable that I wish to read it. It contains a discussion of the speech of the distinguished Senator from Michigan [Mr. VANDENBERG] on the day before. I believe that it deserves to be read into the RECORD, and I desire to read it at this time. The editorial is headed "Hiding in the wood pile."

Let me say, Mr. President, that I am certain that I do not need to say to my distinguished friend from Michigan that there is no Member of this body with whom I have ever come in contact for whose talents and character I have a higher admiration than I have for his, and there is no one for whom I have a warmer personal affection and respect.

The editorial reads as follows:

Senator VANDENBERG, who opened the Senate debate for the opposition to the trade-agreements bill, was too clever to attack the bill directly. Again and again he professed his devotion to the principle of reciprocity.

I may say in passing, Mr. President, that some of the most eloquent speeches which have ever been made in this body in favor of executive discretion in the matter of tariff regulation were made by the distinguished Senator from Michigan [Mr. VANDENBERG] when a comparatively new Member of this body in connection with the flexible provisions of the Smoot-Hawley bill and the so-called Collier-Harrison Act, which was designed to restrict and repeal that discretion or to subject it to congressional approval.

I continue to read from the editorial in the Baltimore Sun.

He argued, however, that the agreements already in existence might interfere with our freedom of negotiation at the peace table, and he insisted that to keep our policy flexible we must leave the way open for Congress to reconsider the trade-agreements program when the war ends.

With this in mind, he supported the Danaher amendment, which provides that Congress by joint resolution may denounce all trade agreements within 6 months from the end of the war. By this means, Mr. VANDENBERG contended, we shall avoid sending "our negotiators to the peace table—there to meet free agents of every other power on earth—with their hands tied behind their backs by presently negotiated and permanently frozen trade agreements, no matter how nobly meditated."

This argument is vitiated by two obvious misstatements of fact. It is not true, as Mr. VANDENBERG implies, that a renewal of the Trade Agreements Act will freeze all existing trade agreements. The fact is, and Mr. VANDENBERG ought to know this if he does not, that the renewal of the act is necessary to keep the trade agreements fluid. Many of the agreements have already been amended at least once, and those with Cuba and Canada have been amended several times. While the Trade Agreements Act remains in force such amendments are always possible. In implying that the pacts would be frozen if the act were renewed without the passage of the Danaher amendment, therefore, Mr. VANDENBERG is giving a false impression.

A second misstatement of fact is to be found in Mr. VANDENBERG's charge that our agents at the peace table will have their hands tied while the agents of other powers will be free. The Senator from Michigan must think his hearers are very stupid indeed if he really wants them to believe that we would be bound by the trade agreements while the other signatories would not be. The truth is that to the extent that the trade agreements bind one, they bind all.

The principal sophistry in Mr. VANDENBERG's argument, however, does not appear on the face of his speech. He says the Danaher amendment will free our hands to follow a sound commercial policy at the end of the war. What he fails to say, however, is that if the existing trade agreements are denounced the Hawley-Smoot tariff comes back into full force and effect.

Mr. President, I cannot too strongly emphasize the last statement in the editorial which I have read. I will read the statement again.

He says the Danaher amendment will free our hands to follow a sound commercial policy at the end of the war. What he fails to say, however, is that if the existing trade agreements are denounced the Hawley-Smoot tariff—

Of infamous memory—

comes back into full force and effect.

I continue reading from the editorial:

This is the concealed Abyssinian in the wood pile which the supporters of the Danaher amendment have carefully built up. Should this amendment be passed, and should the trade agreements be denounced under its terms, the Smoot-Hawley tariff, many of the excesses of which have been pared down by the Hull program, would be automatically restored. Worse still, the high tariffs which foreign countries erected in retaliation for our passage of the Smoot-Hawley tariff would be automatically restored at the same time.

I should add to the statement which I have read from the editorial in the Baltimore Sun, Mr. President, that not only would the iniquitous tariffs in foreign countries barring the products of our farmers and factories from the markets of the world be automatically restored, but the infamous and iniquitous system of restrictions and discriminations in matters of exchange, and other commercial restrictions of every sort, largely brought into being by retaliation against our short-sighted and benighted tariff policy, would also be brought automatically back into effect. I conclude reading the editorial in the Baltimore Sun, as follows:

To do that would deal foreign trade a paralyzing blow at the very outset of the post-war period. Such a procedure would not free our hands, as Mr. VANDENBERG naively asks us to believe. On the contrary, it would tie our hands to a far greater degree than now, and it would put international trade the world over into the same strait jacket which caused it to wither away in the early thirties. This would not only tie our hands, but it would tie our trade and invite an economic calamity.

We hope that the Senate will think this issue through and see that a vote for the Danaher amendment is a vote looking to restoration of the Hawley-Smoot tariff. It is not a vote to free our commercial policy but to shackle it.

Mr. President, with all the respect which I have expressed, and now feel for

the distinguished Senator from Michigan, I thought as I listened to his eloquent—and he is always eloquent—remarks the other day, and as I have read them over in the CONGRESSIONAL RECORD, that in his statements of the issues involved in the pending joint resolution, the distinguished Senator has been uncommonly contradictory for him, and unusually careless for a man of his meticulous care in stating issues. In particular has it seemed to me to be true in his championing of the amendment which would permit Congress, by joint resolution, to terminate any or all trade agreements 6 months after the ending of hostilities.

At one place the distinguished Senator from Michigan argued that the Danaher amendment is absolutely inconsequential because it amounts to nothing more than a restatement of the constitutional power of Congress which exists at this time. I think that is true; I think it is unquestionable. But a few minutes later the distinguished Senator from Michigan attributed such tremendous and outstanding importance to the Danaher amendment that he stated that the adoption of the amendment would resolve very serious constitutional doubts which the Senator from Michigan professes to entertain as to the constitutionality of this proposed law.

Mr. President, if there is any doubt as to the constitutionality of the trade agreements act—which I do not believe, and do not think is even debatable—it seems inconceivable to me that such doubt could be resolved by a restatement of existing law which the Senator from Michigan insists the Danaher amendment practically amounts to. So the only conclusion that could be drawn from the argument of the able Senator from Michigan is that either the proposed amendment has some sinister hidden power—which has not yet been openly claimed for it, even by its authors—or that the constitutional objections of which the Senator from Michigan has spoken so appealingly are singularly weak and unconvincing. It matters very little to me upon which horn of this dilemma the distinguished Senator from Michigan and other supporters of the act may choose to hang this strange doctrine, but certainly they cannot have it both ways.

The Senator from Michigan, as well as other supporters of the proposed amendment, cannot eat their cake and keep it too. If the amendment does not mean anything, if it is merely a restatement of existing law, if its only purpose can be offensive to the nations with whom we might like to enter into trade agreements, and create in their minds an impression of our insincerity, then it should not be agreed to.

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

Mr. CLARK of Missouri. I yield very gladly to the Senator from Michigan.

Mr. VANDENBERG. I dislike to interrupt the Senator.

Mr. CLARK of Missouri. I am happy to be interrupted at any time.

Mr. VANDENBERG. I do not think it is fair to interrupt the Senator while he is speaking under limited time. Possibly later in the afternoon I may wish more extensively to comment on the amazing perversion which my able friend is presenting to the Senate. But in this instance I think he should be a little more scrupulous in stating the position I undertook to present regarding the constitutional question.

I am sure I never said that the Danaher amendment would meet my constitutional objection. I think the Senator will find that what I said was that, so far as I was concerned, during the pendency of the war crisis I was willing to suspend all my previously expressed doubts regarding the subject if we could simply be sure that the entire program could optionally pass in review after the termination of the war. Is not that what I said?

Mr. CLARK of Missouri. I shall be glad to read exactly what the Senator said.

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

Mr. CLARK of Missouri. I certainly do not wish to misquote the Senator from Michigan. Without quoting him directly, I was giving the impression his remarks made on me when I heard them, and when I read them again in the RECORD no later than this morning. The Senator from Michigan began his remarks with these words:

> Mr. President, I regret that the measure providing for the extension of the Reciprocal Trade Agreements Act could not have been presented in a form which could have produced substantial agreement at this particular time for the sake of its impact upon the general war situation. Some of us earnestly sought to create this result in spite of our predilections. I think the extension of the act with the one single amendment asserting the constitutional rights of Congress in a modest way, avoiding all reasonable offense, would have achieved this desirable conclusion. I think it should have achieved this conclusion if we could have been dealing with reasonable men. I think it has been a mistake on the part of the present administration to resist this useful and constructive achievement, and I think that when the Senate has approved the pending amendment the Reciprocal Trade Agreements Act will still stand in a position of effective and formidable endorsement.

I shall not undertake to read his whole speech, but the Senator went on to express very grave constitutional doubt about this matter, and stated that, while he had entertained very great constitutional doubts, nevertheless, the adoption of a simple amendment would enable him to vote for the joint resolution. The point I am making, I will say to the Senator from Michigan, is that if the amendment, as was asserted and as has been claimed repeatedly both in the committee and on this floor is nothing on earth except a restatement of existing law—and that has not been seriously questioned, for I take it the Congress does have the right at the present time under this act, by joint resolution, to repeal all the trade agreements law or to abrogate any particular trade agreement, and that under existing law the President has the same power—then I say that if the Danaher amendment means nothing except a brief restatement of existing law, then there is certainly nothing in the amendment to resolve any constitutional doubt as to the constitutionality of the whole act and the whole system.

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

The PRESIDING OFFICER (Mr. TUNNELL in the chair). Does the Senator from Missouri yield further to the Senator from Michigan?

Mr. CLARK of Missouri. I yield to the Senator from Michigan.

Mr. VANDENBERG. I submit that the Senator has read nothing to justify his repetition of the position which he previously erroneously attributed to me. I did not undertake, for a moment, to say that the Danaher amendment was an answer to the fundamental constitutional challenge which many persons, including the Senator from Michigan, feel in respect to this legislation, but what I did say was, and what I now repeat is, that I recognize that we are in a state of war; I recognize that during a state of war we have to deal with public questions often on a different basis than in normal times; and I said, and I repeat, that, so far as I was concerned, if the Danaher amendment, which in my view simply notifies the world that there is an ultimate congressional authority, were adopted, then, as a matter of good faith, I would suspend all other doubts, and I would not myself renew any of my previous constitutional objections, although I added that I certainly would have to vote for any such amendments if they were offered provided the Danaher amendment was not adopted. That is a totally different thing, I submit to the Senator.

Mr. CLARK of Missouri. The Senator can put any construction he pleases on his remarks, and I am entitled to make any comment on his position, and that is what I am doing.

Mr. VANDENBERG. I do not complain of that.

Mr. CLARK of Missouri. I am simply pointing out that if the act is unconstitutional, it ought not to be passed, and if it is not unconstitutional nothing in it whatever would be changed by the adoption of the Danaher amendment except our situation with regard to other countries of the world. In other words, if the only purpose of the Danaher amendment is to put every other nation in the world on notice, possibly unfairly, possibly without justification, that we are not entirely sincere in this matter, that we intend to abrogate these treaties 6 months after the war is over, then they will never then be willing to deal with us on any such basis.

Mr. LUCAS. Mr. President——

Mr. CLARK of Missouri. I yield to the Senator from Illinois.

Mr. VANDENBERG. Mr. President, will not the Senator from Illinois permit me to conclude inasmuch as the Senator from Missouri referred to me?

Mr. LUCAS. Certainly.

Mr. VANDENBERG. I totally disagree with what the Senator has just said regarding the matter of notice we are giving to the world. I do not want to argue

with him unless he is connecting his statement in some way with my position. What he has suggested certainly is diametrically opposite to the purpose I find in the Danaher amendment, and I simply say in one or two sentences to the Senator that I think the notice we would give the world through the Danaher amendment is that there is a constitutional authority already resident in the Congress to revoke trade agreements, but, so far as the text of the existing trade agreements is concerned, the only reference is to notice by the President; and I am saying that if the world thinks the trade agreements made under this act are subject only to revocation upon notice by the President the world is totally mistaken, and I am therefore believing very sincerely that the best possible way to insure post-war good-faith relationships is to anticipate post-war candor now by asserting textually through the Danaher amendment what I believe and what the Senator from Missouri believes to be the proper authority of Congress.

Mr. CLARK of Missouri. Of course, the reason for the provision in existing law is very simple. The power of the Congress of the United States to repeal an act or to modify an act or to change or to abrogate one of these agreements by a joint resolution either signed by the President or by a joint resolution passed by a two-thirds majority of both Houses over the President's veto is inherent, and did not require any statement in a statute passed by Congress. The authority of the President to terminate one of these agreements after 3 years on 6 months' notice or, in fact, to abrogate it at any time, is not inherent in the power of the President himself; it is one of the powers specifically delegated by law, and, therefore, was properly included in the limitation of the law.

Mr. LUCAS. Mr. President——

Mr. CLARK of Missouri. I yield to the Senator from Illinois.

Mr. LUCAS. Does the Senator agree with me that if it were desired to attempt to nullify the Trade Agreement Act as would be done by the Danaher amendment, it would have been much better to offer a straight-out repeal of the act and then the country would know what we are voting on?

Mr. CLARK of Missouri. I think so, and I will say to the Senator from Illinois, as one who has very ardently and very conscientiously supported this act both in its inception in 1934, and its continuation in 1937 and in 1940, that if any such crippling amendment as the Danaher amendment, the O'Mahoney amendment, or the Maloney amendment comes out of the conference report on this matter, assuming it reaches that stage, then I, as a supporter of the principle of reciprocal trade agreements, believe it would be very much better to let the thing die and I intend to vote against any such conference report.

Now, Mr. President, I desire to conclude as briefly as possible. I merely desire to suggest to the Senator from Michigan and those who are supporting the Danaher amendment that, in view of the infinitesimal advantages even planned for the Danaher amendment in the way of a restatement of an undoubted congressional power and privilege, as against the great advantages that inhere in cooperation in international affairs, the Senator from Michigan might very well have pondered the remarks of one of his favorite prophets whom he quoted so eloquently in his speech the other day when he said:

> The imprudence of posing the biggest issues on a test of this small issue is evident.

Mr. President, I merely wish to say in closing that the Reciprocal Trade Act was originally passed as the only possible, practicable means of providing the machinery for the whole world, not only the United States, but for the whole world, to work out of the morass of despair into which we had been plunged largely through our own initiative, in passing the Fordney-McCumber bill and the Smoot-Hawley bill, followed by retaliation on the part of every other nation in the world, not only in tariff rates, not only in prohibitive barriers, but through vicious quota systems, and exchange regulations, which paralyzed the international trade of the world.

Congress could not pass an act to correct that situation. Congress had been largely responsible for creating the condition, and it had passed out of the power of Congress to correct it. Therefore Congress started in on the program of laying down the broad principles upon which its agents should act—and in this case the Executive is nothing but an agent of the Congress—and then permitting the Executive to proceed, within the limits prescribed by law, for certain specified purposes, for benefiting our foreign trade, and making the best trades possible with other countries, not only as to tariff barriers, but economic restrictions of other sorts.

I feel that the results of that policy have not been as immediate and as great as I had hoped. That was possible because the situation was extremely complex, and only 5 short years intervened between the time when Congress acted to set up this authority and the outbreak of the war in Europe, which almost completely hamstrung economic relations over the world. But it is the only effective machinery existing in the world today for economic cooperation rather than economic warfare.

I urge every Senator to consider the alternative to the renewal of this program without crippling amendments. The alternative is to revert immediately to the prohibitive provisions of the Smoot-Hawley Tariff Act, which is so infamous that no Senator will stand on this floor to defend it, and not only to revert to that but to revert to the barriers to American trade which were set up by other nations in retaliation for our short-sighted tariff policy. So I urge, with every fiber of my being, that the Congress pass the pending measure for extension of the Trade Agreements Act without crippling amendments, and so maintain machinery which is the only hope of economic trade relations by cooperation instead of by retaliation and warfare throughout the world.

Mr. CHANDLER. Mr. President, I shall vote for the reciprocal trade program and its continuance for the reasons I shall state. I wish to express my confidence in Secretary Hull, who was responsible for the inauguration of the program, which has been so helpful and so effective on behalf of the people of the United States.

I think it is desirable to continue in existence this sound principle of international cooperation, in the interest of unity in our war effort, and in the interest of a secure peace when the war shall have ended, and continued prosperity to the American people. I think it would be very desirable to have the affirmative vote on the pending measure sufficiently large to indicate to everyone on earth that it was a bipartisan vote; that it was not a matter of politics, because these agreements have had the merit of being workable, and they have been helpful to the people of the United States.

I think it would be a mistake to adopt crippling amendments, and I agree with the Senator from Missouri that Congress has not given up its authority to do away with the trade agreements by congressional resolution. Amendments such as that offered by the Senator from Connecticut in my opinion do not offer anything, and certainly Congress has not given up its authority, except in those instances where it delegates to the President certain power to act as the agent of the Congress.

I intend to support the present program because, as I have said, I am confident that Mr. Hull, our Secretary of State, has done a magnificent piece of work; that his work is entitled to a vote of confidence on the part of the Senate of the United States, and that our approval would give to the American people, and to the people in the countries with whom we deal, a feeling that we mean to follow this course not merely during the war but in the interest of peace and security after the war has ended.

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

Mr. GEORGE. Mr. President, I reserve the right to conclude, of course, and I defer to the Senator from Connecticut [Mr. DANAHER].

Mr. DANAHER. I did not understand the Senator from Georgia; I do not know what he said.

Mr. GEORGE. I said I reserved the right to conclude, briefly, and I defer to the Senator for the present.

Mr. DANAHER. I should like very much to have the Senator from Georgia proceed. It is true that as chairman of the committee he reported the pending amendment on behalf of the committee, pursuant to a vote which the committee itself took directing that he take that step, but the fact remains that the majority of the committee have proposed the committee amendment which comprises the pending question, and certainly under all our normal intercourse and dealings in the handling of matters before the Senate, the proponents of a proposition have been given

the prerogative of closing the debate. I know of no reason why that usual and customary procedure should be dispensed with.

Mr. GEORGE. I am ready to vote, Mr. President. If the Senator does not care to argue the matter, I am perfectly willing to have the vote.

Mr. DANAHER. Let me ask the Senator from Georgia if I am not entirely correct in my understanding that in a situation such as that which now prevails the proponents of an amendment normally would conclude the debate?

Mr. GEORGE. I do not think so. I am certainly not conscious of doing anything unethical. As chairman of the committee I reported the joint resolution. I asked the majority, who voted in the amendment, to report the joint resolution and take the burden, and that they declined to do so, and I think I have a right to conclude the debate. But I am perfectly willing to vote at this time, if the Senator does not desire to speak.

Mr. DANAHER. Let me ask the Senator from Georgia how long he intends to speak, if he does conclude the debate?

Mr. GEORGE. I have but 34 minutes, and I do not think I shall take more than 15 or 20 minutes. I merely wish to state my position very briefly. I shall not delay the vote very much by a speech.

SEVERAL SENATORS. Vote!

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

Mr. DANAHER. Mr. President, I do not see a sufficient number of Senators on the floor at the moment to carry the committee amendment, and I suggest the absence of a quorum.

The PRESIDING OFFICER. The absence of a quorum having been suggested, the clerk will call the roll.

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

Aiken	George	Overton
Andrews	Gerry	Pepper
Austin	Gillette	Radcliffe
Bailey	Green	Reed
Ball	Guffey	Reynolds
Bankhead	Gurney	Russell
Barbour	Hatch	Scrugham
Bilbo	Hawkes	Shipstead
Bone	Hayden	Smith
Brewster	Hill	Stewart
Brooks	Holman	Taft
Buck	Johnson, Colo.	Thomas, Idaho
Burton	La Follette	Thomas, Okla.
Bushfield	Langer	Thomas, Utah
Butler	Lodge	Tobey
Byrd	Lucas	Truman
Capper	McCarran	Tunnell
Caraway	McFarland	Tydings
Chandler	McKellar	Vandenberg
Chavez	McNary	Van Nuys
Clark, Idaho	Maloney	Wagner
Clark, Mo.	Maybank	Wallgren
Connally	Mead	Walsh
Danaher	Millikin	White
Davis	Moore	Wiley
Downey	Murray	Willis
Eastland	Nye	Wilson
Ellender	O'Daniel	
Ferguson	O'Mahoney	

The PRESIDING OFFICER. Eighty-five Senators having answered to their names, a quorum is present.

Mr. DANAHER. Mr. President, a parliamentary inquiry.

The PRESIDING OFFICER. The Senator will state it.

Mr. DANAHER. How much time remains?

The PRESIDING OFFICER. The Senator from Connecticut has 25 minutes remaining.

Mr. DANAHER. I thank the Chair.

The PRESIDING OFFICER. And the Senator from Georgia has 33 minutes.

Mr. DANAHER. Mr. President, there certainly has been much misapprehension as to both the purpose and the intendment of the committee amendment, if one is to place reliance on the sort of utterance which the last few hours have given. We have pending before us a proposal which has already passed the House to extend the act of June 12, 1934, as amended, for an additional 2 years. If we were not to extend the act at all, every trade agreement which today is outstanding would continue in full force and effect. Those which had originally been written for 3 years would continue automatically under the 1934 act, which provides that they shall continue, subject only to 6 months' notice of their discontinuance to be given by either country. Those which have been agreed upon in 1941 or 1942 would continue, not only throughout their specified lives, but thereafter indefinitely, subject to termination upon 6 months' notice. At this point in our thinking, Mr. President, we should look at the original 1934 act to ascertain just exactly what the statute authorized as to the life of a trade agreement and we find in section 2 (b) the following language:

> Every foreign trade agreement concluded pursuant to this act shall be subject to termination, upon due notice to the foreign government concerned, at the end of not more than 3 years from the date on which the agreement comes into force, and, if not then terminated, shall be subject to termination thereafter upon not more than 6 months' notice.

Mr. President, interestingly enough, the act is completely silent as to who is to give the notice of termination in the event that the United States chooses to terminate. So the Committee on Finance, before reporting the joint resolution coming to us from the House, first proposed to amend the pending measure—the proposal could be said to be an amendment to existing law—by providing that the notice of termination is to be given either by the President of the United States acting by himself, whenever he decides to give notice to terminate, or by the President acting pursuant to a joint resolution which the Congress may pass.

In other words, Mr. President, with respect to the pending amendment, in no way whatever would the President's power, if he has any, be interfered with. Quite the contrary, the Committee on Finance in its majority amendment says that whatever the President's power might have been, it would still continue; whatever the President's power in the future may be, we would still accord it to him. But we would also say that at a date not earlier than 6 months following the cessation of hostilities in the present war, the Congress of the United States might pass a joint resolution calling upon the President to terminate an improvident trade agreement.

At that moment, of course, the President of the United States would have the power to veto the joint resolution passed by the Congress, if he disagreed with the action of the Congress. Thereupon, it would become incumbent upon the Congress, if it were to succeed in its endeavor, to override the veto by a two-thirds vote of both Houses. That is the situation which as a matter of law is said by opponents of the committee amendment to spell disaster for the United States. That contention is perfectly absurd, it seems to me.

Mr. President, while the amendment has been referred to as the Danaher amendment, there is no reason in the world why it should be dignified, especially by the allocation of my name to it. Seriously, let it be known that the majority group in the Finance Committee caused draft after draft of the proposed language to be written by various members.

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

Mr. DANAHER. I yield for a question, not for a statement.

Mr. TOBEY. I think the Senator will accept the statement—30 seconds long, only—which I propose to make.

Mr. DANAHER. Very well.

Mr. TOBEY. If what my friend the Senator from Connecticut has said is correct, the allocation of his name to the amendment not only would dignify it, but certainly would vitalize it.

Mr. DANAHER. I appreciate even the 20 seconds to which the Senator limited himself, and I thank him.

Mr. President, the intention of the drafters of the amendment was to make as little change as possible in existing law. Even the very phraseology, the very nouns, the very prepositions and clauses of the proposed committee amendment follow exactly the language of the original act, with a slight interpolation. It should be recalled that since the original act had provided that every foreign trade agreement concluded pursuant to the act shall be subject to termination as therein stated, it follows, as a matter of statutory construction and as a matter of treaty interpretation, Mr. President, that that provision was automatically and necessarily written into every such trade agreement.

Mr. President, the committee amendment would say that every trade agreement concluded hereafter, over the life of the act, as extended, shall automatically include as a statutory clause not only section 2 (b) of the 1934 act, but also the statement of a power in Congress to call for a termination; and with design, Mr. President, we said, "Every foreign trade agreement"—not all foreign trade agreements—"shall be subject to termination."

In other words, "every" is used in the sense of "each"; and it would require 31 separate joint resolutions to terminate the 31 trade agreemens at any future date, were Congress to attempt to exercise the power, so reserved.

Moreover, the language in line 9 designedly says——

Every foreign-trade agreement concluded in accordance with the provisions of said act as amended—

The use of the words "in accordance with" was designed to incorporate by reference all of the existing statute, with its limitations, its authority, its powers, and its rights—whatever the statutory language affords.

So, Mr. President, stripped of all its technicalities, it could have read that—

Every foreign-trade agreement concluded in accordance with the provisions of said act as amended shall, 6 months after the cessation of hostilities in the present war, as fixed by proclamation of the President, be subject to termination pursuant to joint resolution of the Congress or by the President.

We did not adopt that form, simply that the committee language might conform as closely as possible to, and be entirely consonant with, existing law.

Mr. President, if we ask, Why is it of importance or interest that we bring back some possible measure of control to the Congress with reference to these trade agreements, we are faced with this situation: If we should extend the life of the authority over the next 2 years for the President to conclude new agreements, he would, under the original act, be in a position to bind the United States for 3 years. We would stand committed. If the war should end within that 3-year period, even though Congress may technically have the right to repudiate an agreement which we have authorized our President to make, we most assuredly would not wish to stand at the bar of international good morals and leave our country and our President open to condemnation for having repudiated an agreement, even though we should find it to our national interest to do so.

Consequently, Mr. President, if we at this time add to the series of escape clauses provided in the 1934 act which operate for the benefit of the United States, and now give notice to every country which concludes an agreement over the period of the extended life of the act that the President himself may terminate an improvident agreement, or may be called upon by Congress to do so, every nation will be put on notice at the outset. That course would preserve, rather than destroy, the good faith and morals of the position of the United States at the bar of world appraisal.

There are other phases, economic and legal, which justify this step. One of them is to be found in the statement of Mr. Elmer Davis, which was made in Chicago on April 27. I quote from the Associated Press account of the utterance of the head of the Office of War Information.

If it comes to the unconditional surrender of our enemies, there may simply be occupation of the defeated countries. There are a lot of policies which may be worked out in practice instead of conference. Nobody can see what the peace negotiations will be.

He pointed out that the Allies may dispense with a peace parley entirely. That utterance from the head of the Office of War Information is in line with other utterances which have hitherto emanated from the State Department, that the so-called peace negotiations may be deferred for a period of years. Over that entire period the United States would be helpless during the stated life of each agreement in the face of the position which we would otherwise have authorized our President to take if we do not now give to the Congress an opportunity, definitely reserved, to bring back for review and examination whatever trade agreements he might conclude under the act if extended.

It is because of that situation, Mr. President, that the people of the United States are entitled to the reasonable protection which the committee amendment would give.

At Hot Springs at this very moment there is in conference a group which is discussing the world movement of foods in the post-war period. We were told at the very outset that American interests would not be committed, and that the interests of no other nation would be committed at that conference. We were told that it is purely exploratory. If it be so for what reason is it that the delegates are not committing either their nations or our own at the food conference at Hot Springs? Clearly because they cannot possibly foresee what conditions in the future are to be, and they so stated. Why should we pass this joint resolution without amendment, and authorize trade agreements which may bind our Nation over the post-war period?

Mr. President, on or about the 4th of March Mr. Morgenthau, Secretary of the Treasury, proposed to 34 nations a form of international currency stabilization. After that proposal had been considered for about a month by representatives of foreign nations, it was submitted informally to a group of Senators, who were asked to meet with Mr. Morgenthau in conference. It became perfectly apparent, not only from his explanation to us, but from the press releases which were issued by the Treasury with reference to the program, that the post-war financial situation may be one of utter chaos. In that situation, in the absence of an international monetary stabilization program, the reciprocal trade agreements program of the United States could in fact spell disaster for our people. No special argument from the Senator from Connecticut is needed in support of that statement. We need only recount some of the developments over the past several years in our own country, and the definite objectives of those in the executive branch at the present moment.

I hold in my hand a copy of the remarks of the Attorney General delivered on the 25th of April 1942, in Washington. I wish to read what he said to the group to whom he delivered those remarks:

You have complete control over production. Obviously you can't suddenly release that control over production simply because tomorrow morning peace is here. You have complete control over the processes of distribution. That can't be thrown over when peace comes. The gap would be too great. You have the problem of the exchange of raw materials. You have the economic problems of the tendency toward inflation on the one side, coming from the fact that most of the goods that people want in times of peace no longer exist, so that the tremendous desire to make and acquire those goods will tend toward an inflationary direction; and on the other hand you have the seeds of deflation coming from the fact that suddenly you are going to retool your plants and throw men out of employment because they can't be used, for a while at least, in production.

* * * * *

To what extent have we used international corporations? We have used domestic Government corporations tentatively, but still with a great deal of skill, and there is enough already in our experience with such organizations as, let's say, the Reconstruction Finance Corporation and its subsidiaries or the Tennessee Valley Authority, to see to what extent flexible and effective and prompt use can be exercised by the Government, through the corporation, and to what extent some control is needed over them.

In the same way I can think of the possibility of an international corporation, with its stock owned by various nations, having flexible powers, and built on the experience of the war. After all, that is what we are doing today. We are buying and selling and distributing enormously through these Government corporations all over the world. To what extent can we use that kind of technique in the peace?

Mr. President, through the Export-Import Bank the Congress has already created, until January 2, 1947, a lending authority of more than $700,000,000. That fund, or $500,000,000 of it, comprises a revolving fund from which exports from the United States have been financed through the Export-Import Bank.

Moreover, every import for many months has been received under directives through the R. F. C., the B. E. W., the Commodity Credit Corporation, and other governmental agencies, exactly in line with what the Attorney General told the group to which I have referred.

More than 66 percent of all the goods which have been imported are duty-free anyway, such as rubber, tin, and other items not indigenous to our productivity, and yet, Mr. President, it is said that the reciprocal trade-agreements program has stimulated all this trade.

I have here in my hand the figures on the imports of gold into this country during the past 8 years, which time coincides roughly with the period for which the Reciprocal Trade Agreements Act has been on the books. The aggregate runs into billions of dollars of gold every year. In 1940 it was four billion one hundred and fifteen millions of gold. In 1939 it was three billion four hundred and seventy-six millions of gold. In 1938 one billion eight hundred and eighty-six millions of gold was brought into this country, and at $35 an ounce, of course, there were credited balances in favor of countries which took our exports. But it is said that the reciprocal trade-agreements program was producing that situation. Yet other claims have been advanced for the reciprocal trade program.

We have been told in the report which the Senator from Georgia filed in behalf of the committee—and he took the

House committee report and attached it to one of his own—that the reciprocal trade-agreements program increased both our imports and exports in 1938 and 1939 as compared with earlier years. But the fact of the matter is that for the 6 years from 1924 to 1929, inclusive, our exports amounted to $28,975,000,000, while during the 6 years from 1934 to 1939, inclusive, the exports were only $16,241,000,000.

Mr. President, if we were to take the period of 1938 and 1939 and compare it with 1936 and 1937, we would discover that the average rate of increase in exports of the United States was precisely the same before the trade-agreements program became effective as it was afterward. The trade-agreements program did not increase the rate of exports of the United States.

Mr. President, I ask unanimous consent that a table which clearly demonstrates the facts, and which was prepared for me last week by the United States Tariff Commission, may be included in the RECORD at this point as a part of my remarks.

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

Foreign trade of the United States, 1924–39

[In millions of dollars]

Year	Exports						Imports					
	Agricultural	Percent of increase or decrease over previous year	Nonagricultural	Percent of increase or decrease over previous year	Total	Percent of increase or decrease over previous year	Agricultural	Percent of increase or decrease over previous year	Nonagricultural	Percent of increase or decrease over previous year	Total	Percent of increase or decrease over previous year
1924	2,110		2,388		4,498		1,911		1,699		3,610	
1925	2,136		2,683		4,819		2,340		1,887		4,227	
1926	1,817		2,895		4,712		2,416		2,015		4,431	
1927	1,885		2,874		4,759		2,221		1,964		4,185	
1928	1,863		3,167		5,030		2,100		1,991		4,091	
1929	1,693		3,454		5,157		2,218		2,181		4,399	
Total	11,504		17,461		28,975		13,206		11,737		24,943	
1930	1,201		2,580		3,781		1,469		1,592		3,061	
1931	821		1,557		2,378		1,008		1,083		2,091	
1932	662		914		1,576		668		655		1,323	
1933	694	+4.8	953	+4.3	1,647	+4.5	732	+9.6	717	+9.5	1,449	+9.5
Total	3,378		6,004		9,382		3,877		4,047		7,924	
1934	733	+5.6	1,367	+43.4	2,100	+27.5	821	+12.1	815	+13.7	1,636	+12.9
1935	747	+1.9	1,496	+9.4	2,243	+6.8	1,072	+30.6	967	+18.6	2,039	+24.6
1936	709	−5.1	1,710	+14.3	2,419	+7.8	1,242	+15.8	1,182	+22.2	2,424	+18.9
1937	797	+12.4	2,502	+46.3	3,299	+36.4	1,579	+12.7	1,431	+21.1	3,010	+24.2
1938	828	+3.9	2,229	−10.1	3,057	−7.3	956	−39.5	994	−20.5	1,950	−35.2
1939	656	−20.8	2,467	+10.7	3,123	+2.2	1,118	+16.9	1,158	+16.5	2,276	+16.7
Total	4,470		11,771		16,241		6,788		6,547		13,335	
Grand total	19,352		35,236		54,598		23,871		22,331		46,202	
Percent of increase or decrease:												
1934 over 1932		+10.7		+49.6		+33.2		+22.9		+24.4		+23.7
1938 over 1934		+13.0		+63.1		+46.6		+16.4		+22.0		+19.2
1939 over 1934		−10.5		+80.5		+48.7		+36.2		+42.1		+39.1

Source: Compiled from official statistics of Foreign Commerce and Navigation of the United States, and statistics furnished by the U. S. Department of Agriculture.

Mr. DANAHER. Mr. President, in the discussion of the validity of the trade-agreements program, we have completely overlooked the fact that the Reconstruction Finance Corporation, since the war broke out, through October 31, 1942, had financed foreign purchases—all reflected in imports, understand—in the amount of $3,188,591,000. We have no possible comprehension even at this minute of the extent of operations of the Board of Economic Warfare, but I know that during the period from April 13 or 14, 1942, through December 31, 1942, it drew on the R. F. C. for more than a billion dollars. When governmental agencies and operating corporations have handled both the exports and imports of the United States, what sophistry it is to say to us, "Do not protect the people of the United States; do not look forward to a post-war period with its disorganized finances, with international currencies gone awry, with war-torn nations having needs which we cannot possibly predict. You must authorize us in the State Department"—someone back of a desk down there—"to pass upon what our destiny and American rights are to be." Yet, Mr. President, that is what it amounts to.

We have been told, "If you do not give these fellows back of a desk down there complete power, the whole program of collaboration and cooperation of the United States with the entire world is doomed to failure."

I have heard it argued on the floor this morning that if we fail to pass the pending joint resolution without amendment, the Smoot-Hawley tariff will be revived. Mr. President, the Smoot-Hawley tariff is now the law of the United States. It has been the law since 1930. It has not been amended in any particular. No one has even suggested that it be repealed, although this administration has had complete control of the Congress since 1934, and, if you please, during the life of the reciprocal trade agreements program.

Mr. President, there are only 1,180 items affected by the reciprocal trade-agreement program now outstanding. There are thousands not touched at all, and, of course, at this minute they are governed by the Smoot-Hawley tariff.

So, Mr. President, it is like drawing a red herring across the trail to say that the adoption of the committee amendment would mean a return to congressional logrolling and legislative tariff making, and all the other types of utterance with which we have been belabored during the past several days.

The PRESIDING OFFICER. The time of the Senator from Connecticut has expired.

Mr. DANAHER. Did the Chair say my time had "practically" expired?

The PRESIDING OFFICER. It has expired, leaving out the word "practically."

Mr. DANAHER. Mr. President, I wish to thank the Chair for his courtesy in advising me in the premises, and I now yield the floor.

Mr. GEORGE. Mr. President, I do not wish to make an extended argument on this question, but I should like to invite the attention of the Senate to the real situation that exists with regard to the Trade Agreements Act.

The Trade Agreements Act was passed in 1934. Every objection which was then raised is again being raised to the pending renewal measure, and by the same Senators. There is not a thing new in the argument. Not a thing new has transpired in connection with the Trade Agreements Act.

I have not thought it proper, and none of us who are supporting the pending joint resolution have deemed it proper, to submit arguments with reference to the constitutionality of the act, either upon the proposition that a trade agreement is a treaty and must therefore be ratified by a two-thirds vote of the Senate, or upon the ground that the Trade Agreements Act constitutes an unlawful delegation of legislative power. Those points

have been discussed in this body time after time.

There is in the RECORD of March 29, 1940, the brief of the Attorney General, Mr. Jackson, at that time. It is a long and exhaustive brief, carefully prepared and carefully thought out holding the Trade Agreements Act to be constitutional upon all points of the attack, as I now recall.

Arguments may be found in the RECORD which have been repeated on the pending renewal joint resolution, and which will be repeated on the two constitutional questions which have been injected into the discussion.

Mr. President, the amendment which is now before the Senate admits on its face that it is wholly unnecessary. It is referred to as the committee amendment, and it was adopted by a majority of the committee.

Mr. CLARK of Missouri. Mr. President, will the Senator yield?

Mr. GEORGE. I am very glad to yield to the Senator from Missouri.

Mr. CLARK of Missouri. I think, in passing, attention should be called to the fact that while it is referred to as the committee amendment, and while it is technically a committee amendment, it was adopted in the committee by a majority of only one vote.

Mr. GEORGE. That is true, but, on the face of it, Mr. President, the amendment which is now before the Senate admits that the action which the Senate is asked to take is wholly unnecessary. The amendment reads:

Provided, That every foreign-trade agreement concluded in accordance with the provisions of said act, as amended, shall be subject to termination 6 months after the cessation of hostilities in the present war as fixed by proclamation of the President, pursuant to joint resolution of the Congress or by the President.

It will be noted that the amendment proposes to declare all trade agreements terminable and, therefore, they are all terminable, and that is written in the very language of the amendment itself. It is not confined to trade agreements hereafter made; it is as applicable to all trade agreements made in the past as those made in the future. The very amendment itself carries on its face the positive, the straight declaration that it is a wholly unnecessary legislative pronouncement. Every Senator who has spoken on this floor has said that, of course, the Congress had the right to abrogate the Trade Agreements Act if it wished to do so and, by a separate act, to abrogate any specific agreement which is outstanding, if it wished to do so; and it would not have to do more than pass an act which changed the rates of the tariff that covered any particular agreement. But the amendment itself, in its own teeth, says that this action is unnecessary, and, therefore, the question arises why is it pressed with so much vigor?

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

Mr. GEORGE. I have only a few moments, but I will yield to the Senator.

Mr. TAFT. I do not understand the Senator's argument at all. Why is it not necessary, when, if it is not adopted, we authorize a tying up for 3 years?

Mr. GEORGE. I desire to make it plain that the amendment itself says with reference to every single trade agreement heretofore made or hereafter made, whether it has run 6 months or 1 year, that it shall be terminable within 6 months after the termination of hostilities.

Mr. TAFT. Mr. President, if the Senator will yield a moment, it is because there are only five trade treaties which have not run for 3 years and they will all expire, in all probability, before the end of the war.

Mr. GEORGE. Certainly; I know that; but on the very face of the text is the flat declaration that notice is being served that every one of them can be terminated. I ask the reason why? Why is it desired to put that kind of an amendment in the act?

It is true that of the existing treaties all but five of them have already run for 3 years, and they can be terminated by the President himself or by the Congress as matters now stand. The five remaining can be terminated probably within less time than 6 months after the conclusion of the war, even if initially they run the period fixed in the Trade Agreements Act. But, Mr. President, the point I am making is that the very amendment is a flat admission that it is proposed to do an unnecessary thing. What is the reason for proposing to do it?

Mr. President, in the Finance Committee it was vigorously insisted that, although trade agreements were concluded for a fixed period of not exceeding 3 years—some of them had been negotiated for 2 years—nevertheless, the President was the only organ of the Government which could terminate the agreements even after 3 years or could give notice to terminate them. I wish to read a brief excerpt from a comparatively recent Supreme Court decision, reported in Two Hundred and Ninety-seven United States Reports, at page 114, the opinion being rendered by Mr. Justice Hughes:

As to the third point, we think that the question as to the authority of the Executive in the absence of congressional action, or of action by the treaty-making power, to denounce a treaty of the United States is not here involved. In this instance, the Congress requested and directed the President to give notice of the termination of the treaty provisions in conflict with the act. From every point of view, it was incumbent upon the President, charged with the conduct of negotiations with foreign governments and also with the duty to take care that the laws of the United States are faithfully executed, to reach a conclusion as to the inconsistency between the provisions of the treaty and the provisions of the new law. It is not possible to say that his conclusion as to articles 13 and 14 was arbitrary or inadmissible. Having determined that their termination was necessary, the President, through the Secretary of State, took appropriate steps to effect it—

As directed and required by the Congress.

Here we have the Trade Agreements Act which authorizes the executive branch of the Government to make trade agreements with foreign countries respecting trade, respecting impediments to trade, and restrictions on trade. The Congress may abrogate that act whenever it pleases. Congress may by a direct act change every single duty that is fixed in a trade agreement whenever it pleases to do so. I do not assume that Congress would please to do so. Here is the express declaration of our own Supreme Court that when the authority is given to the President to terminate a trade agreement such authority is also the authority of the Congress because the Congress may direct him and require him to give notice of termination, and he is bound to comply with the law of the land. Indeed, the resolution of Congress itself is, to all intents and purposes, a termination of any particular trade agreement.

Mr. President, I should like to ask Senators to consider the provisions which have been incorporated in the later trade agreements and to see if there is any need to have our hands untied in the post-war period. I should like to quote article 11 of the agreement with Mexico which is one of the recent trade agreements.

1. If, as a result of unforeseen developments and of the concession granted on any article enumerated and described in the schedules annexed to this agreement, such article is being imported in such increased quantities and under such conditions as to cause or threaten serious injury to domestic producers of like or similar articles, the Government—

That includes the Congress, Senators—

the Government of either country shall be free to withdraw the concession, in whole or in part, or to modify it to the extent and for such time as may be necessary to prevent such injury.

Note the language:

If, as the result of unforeseen developments and of the concession granted on any article enumerated and described * * *.

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

Mr. GEORGE. I yield.

Mr. TOBEY. Is the flexibility which the Senator enunciates a feature of most of the trade agreements, according to his understanding?

Mr. GEORGE. It is a feature of all the trade agreements. I had not read the entire provision of the Mexican agreement, and I should like to read a little more of it:

Accordingly, if the President of the United States of America finds as a fact that imports of any article enumerated and described in schedule II or schedule III are entering the United States of America under the circumstances specified in the preceding sentence, he shall determine whether the withdrawal, in whole or in part, of the concession with regard to the article, or any modification of the concession, by the imposition of quantitative regulations or otherwise, is necessary to prevent such injury.

And so forth. The second provision in that particular section gives to the opposite government identically the same right and the same power. It is as follows:

Before the government of either country shall withdraw or modify a concession pursuant to the provisions of paragraph 1 of this article, it shall give notice in writing to the government of the other country as far in advance as may be practicable and shall af-

ford such other government an opportunity to consult with it in respect of the proposed action; and if agreement with respect thereto is not reached the Government which proposes to take such action shall, nevertheless, be free to do so and the other Government shall be free within thirty days after such action is taken to terminate this agreement in whole or in part on 30 days' written notice.

The general escape clause is also in each agreement we have made, and in the very latest agreement, that with Iran, which, by the way, deals with only a few enumerated articles, there is substantially the same broad clause corresponding to the clause in the Mexican treaty which I have read. But I should like to read that clause, because it happens to be in the latest agreement:

1. If the government of either country should consider that any circumstance, or any measure adopted by the other Government, even though it does not conflict with the terms of this agreement, has the effect of nullifying or impairing any object of the agreement or of prejudicing an industry or the commerce of that country, such other government shall give sympathetic consideration to such written representations or proposals as may be made with a view to effecting a mutually satisfactory adjustment of the matter. If agreement is not reached with respect to the matter within 30 days after such representations or proposals are received, the government which made them shall be free, within 15 days after the expiration of the aforesaid period of 30 days, to terminate this agreement in whole or in part on 30 days' written notice.

2. The governments of the two countries agree to consult together to the fullest possible extent in regard to all matters affecting the operation of the present agreement.

Could anything be broader than that? "If the Government"—of the United States—"should consider that any circumstance has the effect of prejudicing an industry or the commerce of that country," and if the situation is not cured, we can cancel the agreement on short notice. If what we are talking about is practical protection against unforeseen events, it is already provided as fully as it could be, and it is provided in a form which was agreed to and which works both ways, and which, therefore, neither gives offense nor prevents friendly negotiation to work out particular adjustments without wrecking entire agreements. If what we want is practical protection, we would be wise to take it in that form. The amendment is not practical protection; it is notice to the world that we propose to abandon the whole policy 6 months after the war.

The supporters of the amendment insist that they are talking about something which may happen in the future, but has not happened in the past, and they ask, "How do we know that those who are charged with the administration of the act will put this clause in each and every trade agreement made?"

Mr. President, that attitude is on all fours, it seems to me, with the statements of most of the witnesses who have testified on the Trade Agreements Act from the beginning down to this time, and who always admitted that their interests had been very well safeguarded in the past, but that they were worried about what might happen in the future. After 9 years of experience, it is time for us to realize that this program is carefully conducted. There is adequate protection against contingencies in every one of the agreements now existing. The responsible negotiators know as well as we do that the future is uncertain. They have proved that they know how to write adequate protective clauses, and to get them in agreements. I for one am fully confident that they will not forget their wits tomorrow, or next year, or the year after that. The point is that they can provide protection by negotiation and agreement, in a clause which works both ways, and which, therefore, does not drive away the customers or unnecessarily jeopardize the bulk of the provisions in the agreements about which no one has ever complained, either before or after the agreements have entered into force. This is a commercial program, and we should all remember that every bargain has two sides.

The supporters of the amendment are correct as to one point: The period just after the war ends is certain to be, for everyone engaged in foreign trade, the most confused and difficult time they have ever known. Old trade connections everywhere are broken, old lines cut asunder. It is not possible to fight a total war, on every ocean in the world, and start off the next day with trade as usual.

In such a time as that what does private enterprise require in the way of governmental policy and action? I think that what it chiefly needs is continuity—some reasonable prospect that the policy which Government pursues will not be changed too often or too fast. Private enterprise has shown a hundred times that it can operate under very adverse circumstances if the circumstances are stable enough so that they can be provided for. But it cannot deal with constant changes in the main outline and direction of the laws to which it must conform. If we want private foreign trade to revive after the war, and to be prosperous and grow, we must endeavor, so far as in our power lies, to attain stability in the main outline and direction of the regulations we impose on foreign commerce. We shall need flexibility in detail, to deal with unforseen contingencies, but we must do our best to achieve stability in principle and general direction. Certainly we must not formally announce that we intend or contemplate an abrupt and fundamental change, unless we really mean it.

The continuation of the trade-agreements program, and of the agreements negotiated under it, and confidence that they will in general remain in force according to their terms, will provide the necessary element of continuity, and the continuing power to negotiate new individual agreements, and to change old agreements in detail by renewed negotiation, plus the various escape clauses, plus the ultimate power to terminate any particular agreement entirely pursuant to its terms, if the interests of the United States so require—these elements make the program flexible in detail. On that basis, firmly held to through the years, private enterprise can plan and act, and the thriving commerce which we all desire can be developed. But if we say, as the pending amendment proposes, that we are seriously thinking of scrapping, 6 months after the war, everything that has been done since 1934, how can any trader, any export farmer, any export manufacturer, plan, or act, or know what to expect?

If the Senate wants to scrap the program, and the hope for fruitful private foreign trade after the war, then let it vote for this amendment.

I wish to add one further thought and I am done.

What the United States needs most in its foreign policy in general and its international commercial policy in particular is a consistent appreciation of its own real national interest and the continued will to act upon it. It is time that we forgot the local rivalries and fears and prejudices which forever hamstring us when we attempt to state and follow a single foreign policy. The United States is a great and powerful country, and it has many good and powerful friends throughout the world. If we can demonstrate our resolution to work in real collaboration with those friends, not only today in war, but afterward in peace, in the practical affairs which affect our national security and prosperity and theirs, then there is real ground to hope that we may have a peaceful world when this war is over, and great prosperity at home. But if the Senate says—and it will say it if it adopts the pending amendment—that we are getting ready now to cancel all our trade arrangements with them, and theirs with us, 6 months after the war is over, and are getting ready to retire into our economic shell from that time on, then collaboration is impossible, and we are headed straight for economic confusion and chaos.

Mr. President, what is proposed to be done by the amendment would create a situation much like that faced by a man who rents a house, the lease for which contains a stipulation that it may be terminated or canceled on 30 days' notice. The tenant goes into the house and there on the wall of the house he sees the motto, God Bless Our Home, and right under that motto finds the reminding note of his landlord:

DEAR TENANT: Take notice that I have the right on 30 days' notice to terminate your lease.

Affectionately yours,
YOUR CONSIDERATE LANDLORD.

Mr. President, how long will a tenant remain in a house under such circumstances? How long can he remain in it? If the Senate acts as it is now proposed it shall act, how long will it be before all our trade arrangements with other countries will be broken up and disturbed? How long can we continue to do business on such a basis?

Mr. President, I do not speak as a free trader. I wish to make my position clear. I believe in reasonable protection for

American industry. I do not believe in monopolistic tariffs, and I am willing to say that whatever administration comes or goes I would rather risk turning such matters over to a body which would apply scientific principles in the writing of a tariff than to go through what I went through in 19 long months in 1929 and 1930 when we produced the Smoot-Hawley tariff measure, an act with which no one was satisfied. Some of the leading Republicans and protectionists on the Senate floor actually voted against it. The only hope of the future for those who want reasonable and fair protection for American industry and the American standard of labor, is to commit our country to some scientific means of tariff formulation and not return to the old and evil practices which brought none of us anything but headaches.

Mr. President, I am quite well aware that much of the real opposition to the Trade Agreements Act arose from a fear that the Congress is parting with too much of its power. The Congress does have the power to regulate foreign trade and commerce, but the Congress is powerless to do it unless it can secure the cooperation of the executive arm of the Government. Congress cannot deal with a foreign country. Congress cannot deal with the commerce which leaves our shores and enters the ports of foreign nations. Congress, the legislative body, can deal with it only if the President, who in external affairs is the only spokesman of the Nation, can be induced to cooperate in our joint effort and our joint enterprise to regulate foreign trade and foreign commerce.

I do not want to do anything now which is equivalent to saying that even at this moment our great Nation is not willing to carry on fair trade negotiations in the narrow field of international commerce. I do not want to see our country take such a position, because of its enormous effect upon everything we shall hereafter do. Senators, we should know that while our country does not propose to commit itself to impossible tasks, and does not propose to go beyond the power which it ought rightfully to exert in the postwar period, nevertheless America today carries the hope of the vast majority of the freemen of all this earth. Why disappoint them by writing into this simple law which has been in effect for 9 years, a notification that we reserve the right when the war is over, to terminate and end all that we have done to promote a helpful and beneficial trade and commercial intercourse between our Nation and the other nations of the world?

Mr. TRUMAN. Mr. President, I ask unanimous consent that the clerk may read the preamble and resolutions adopted by the St. Louis Chamber of Commerce, the largest chamber of commerce organization in the State of Missouri.

The PRESIDING OFFICER. Without objection, the clerk will read as requested.

The Chief Clerk read as follows:

At a meeting of the board of directors of the St. Louis Chamber of Commerce, St. Louis, Mo., held may 19, 1943, the following resolutions and report submitted by its foreign trade bureau were adopted:

"To the chamber of commerce:

"The foreign trade bureau offers the following preamble and resolution: Our Reciprocal Trade Agreements Act has been tested in peace and in war. It has survived those tests, supported and enlarged our foreign trade, and helped to foster our good neighbor policy. Therefore, we feel that the wrecking of such a comprehensive program at this time should be opposed.

"The renewal of the act is of paramount importance in prosecuting the war, and would likewise serve notice on the world that the United States has a definite foreign trade policy, and that our Nation will help in the construction of a durable peace.

"As early as 1932, the chamber of commerce voiced its approval of liberal trade and urged favorable congressional action until the first act became law, June 12, 1934. In 1937, and again in 1940, we reaffirmed our previously declared principle.

"The foreign trade bureau therefore recommmends to the board of directors of the St. Louis Chamber of Commerce the adoption of the following resolution:

"Resolved, That the St. Louis Chamber of Commerce again endorses the principle of reciprocal trade agreements and urges the Congress to promptly extend the period for the negotiation and renewal which expires on June 12, 1943; and be it further

"Resolved, That the chamber urges its members who are interested in foreign trade to express their views to their representatives in Washington."

Mr. HAWKES. Mr. President, I wish to make a brief statement in connection with the joint resolution to extend the authority of the President under section 350 of the Tariff Act of 1930, as amended.

The amendment to this act, which is commonly known as the Trade Agreements Act, and which is just completing its ninth year of existence, has been well explained in the Senate, so I shall not go into details regarding it.

I believe in fair, sound trade agreements between all friendly nations interested in world peace.

Such agreements are most important, and should go to the point where they stimulate us to efficiency in the production of things required by our own people and the people of the world, but never should go to the point where they jeopardize the use of plant capacity in our country, and thus, through causes beyond our control, create substantial unemployment among us.

Emotionalism and sentimentalism should not be the basis for trade agreements. Practical results which satisfy wants, create employment, stimulate competition, and lead to improved production at reduced cost will lead to the cultivation of friendly relationship on a basis of fair mutuality. This should be our aim and hope.

I am in favor of the extension of the act as it is before the Senate, and the cultivation of every sound economic relationship with other responsible nations of the world. I am in favor of the committee amendment, which provides that each agreement made under the amended act shall be subject to termination 6 months after the cessation of hostilities in the present war, as fixed by proclamation of the President pursuant to joint resolution of Congress, or by the President.

I am in favor of the amendment because unknown and uncertain factors will exist after the cessation of hostilities, and at this time no man can foresee them with certainty. This amendment gives only the right to terminate, but does not in itself terminate any agreement. When a majority of the Congress and the Chief Executive agree that such termination should be made, or when two-thirds of the people's representatives in Congress agree that termination and review are necessary in the interest of our people, then I feel we should be in a position to take such action without question.

The amendment is nothing more or less than notice to the world that we wish to review and continue our trade relations on a mutually fair basis. It is doing in international trade relations exactly what we often do in domestic trade contracts.

Even in domestic contracts, where we know considerably more about the existing conditions and situation among ourselves, we use protection clauses, termination options, and review clauses. Why should any ally or foreign nation misconstrue our actions in reserving this right, and interpret it as a decision to cease cooperating when the war is ended? Certainly, no serious-minded ally would place such an interpretation upon this amendment, particularly in view of the contribution being made to the free people of the world by this Nation, without any selfish motives or desires.

Our allies and friends should—and, I believe, will—have respect for us when we provide for review in an unknown situation such as that which will face all peoples and nations when this horrible, devastating war shall have ended.

By extending the act, with the amendment providing for review and termination, if deemed necessary, of all agreements made thereunder 6 months after the end of hostilities, we are placing ourselves and those with whom we deal in a position to proceed in the making of new agreements properly balanced in mutual benefits and obligations, without having any charges of bad faith hurled by one at the other. Such action on our part will simply be a notice to the world that ours is a three-branch system of government, and that the Representatives of the people assembled in Congress are responsible to the people for what happens in their international relationships as well as in their domestic affairs.

The passage of the joint resolution as amended by the committee amendment will mean, to me, that we want to do as much business as possible with other nations. We recognize that the only way to do so is by keeping the agreements fair and properly balanced, after recognizing the conditions of production and the living standards existing in each and every country. In going into the unknown we wish to provide opportunity for a fair and intelligent review, if deemed necessary, at a given time. We want to do so without any danger of being misjudged, misunderstood, or being accused of bad faith. Understanding and the keeping of faith are vital and essential to the continuance of trade relations and to peace itself.

As one of the leaders of the world, we owe a great duty to the world, but likewise we owe a duty to our own people. In properly and fairly serving our own people, and in thus maintaining for mankind the beacon of liberty with the accomplishments and principles of a free people, we shall be serving mankind throughout the world. While attempting to create peace abroad, let us avoid doing the things which will create strife, conflict, and devastation at home. While promoting and developing a strong and sound international viewpoint and relationship, let us not lose our perspective and our loyal cooperation in guarding our home affairs and relations. In guarding them, we shall be preserving the greatest accomplishment of mankind since time immemorial.

The PRESIDING OFFICER. The hour of 2:30 o'clock has arrived.

Mr. HILL. I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The Chief Clerk called the roll, and the following Senators answered to their names:

Aiken	Ferguson	O'Daniel
Andrews	George	O'Mahoney
Austin	Gerry	Overton
Bailey	Gillette	Pepper
Ball	Green	Radcliffe
Bankhead	Guffey	Reed
Barbour	Gurney	Reynolds
Bilbo	Hatch	Russell
Bone	Hawkes	Scrugham
Brewster	Hayden	Smith
Brooks	Hill	Stewart
Buck	Holman	Taft
Burton	Johnson, Colo.	Thomas, Idaho
Bushfield	La Follette	Thomas, Okla.
Butler	Langer	Thomas, Utah
Byrd	Lodge	Tobey
Capper	Lucas	Truman
Caraway	McCarran	Tunnell
Chandler	McFarland	Tydings
Chavez	McKellar	Vandenberg
Clark, Idaho	McNary	Van Nuys
Clark, Mo.	Maloney	Wagner
Connally	Maybank	Wallgren
Danaher	Mead	Walsh
Davis	Millikin	White
Downey	Moore	Wiley
Eastland	Murray	Willis
Ellender	Nye	Wilson

The PRESIDING OFFICER (Mr. LUCAS in the chair). Eighty-four Senators having answered to their names, a quorum is present.

The question is on agreeing to the amendment of the committee.

The amendment of the committee is as follows:

On page 1, at the end of line 8, insert the following proviso: *"Provided*, That every foreign-trade agreement concluded in accordance with the provisions of said act, as amended, shall be subject to termination 6 months after the cessation of hostilities in the present war as fixed by proclamation of the President, pursuant to joint resolution of the Congress or by the President."

Mr. GEORGE. I ask for the yeas and nays.

The yeas and nays were ordered, and the legislative clerk proceed to call the roll.

Mr. SHIPSTEAD (when his name was called). On this vote I am paired with the senior Senator from Virginia [Mr. GLASS]. If the Senator from Virginia were present, he would vote "nay." If permitted to vote, I should vote "yea."

Mr. THOMAS of Utah (when his name was called). I have a general pair with the senior Senator from New Hampshire [Mr. BRIDGES]. I am not advised how the Senator from New Hampshire would vote. I transfer my pair to the senior Senator from West Virginia [Mr. KILGORE], who, I am informed, if present, would vote "nay," and will vote. I vote "nay."

The roll call was concluded.

Mr. HILL. I announce that the Senator from Kentucky [Mr. BARKLEY], the Senator from Virginia [Mr. GLASS], and the Senator from West Virginia [Mr. KILGORE] are absent from the Senate because of illness.

The Senator from Arkansas [Mr. MCCLELLAN], the Senator from Utah [Mr. MURDOCK], and the Senator from Montana [Mr. WHEELER] are detained on important public business. I am advised that, if present and voting, the Senator from Utah [Mr. MURDOCK] would vote "nay."

The Senator from Kentucky [Mr. BARKLEY] is paired with the Senator from California [Mr. JOHNSON]; the Senator from Arkansas [Mr. MCCLELLAN] is paired with the Senator from Wyoming [Mr. ROBERTSON]; and the Senator from Montana [Mr. WHEELER] is paired with the Senator from West Virginia [Mr. REVERCOMB]. I am advised that if present and voting the Senator from California, the Senator from Wyoming, and the Senator from Montana would vote "yea," and that the Senator from Kentucky, the Senator from Arkansas, and the Senator from West Virginia would vote "nay."

Mr. MCNARY. The Senator from Wyoming [Mr. ROBERTSON], who would vote "yea" on this question, is paired with the Senator from Arkansas [Mr. MCCLELLAN], who would vote "nay."

The Senator from California [Mr. JOHNSON], who is absent because of illness, is paired with the Senator from Kentucky [Mr. BARKLEY] on this question. If present, the Senator from California would vote "yea", and the Senator from Kentucky would vote "nay."

The Senator from West Virginia [Mr. REVERCOMB], who is necessarily absent, is paired on this question with the Senator from Montana [Mr. WHEELER]. If present, the Senator from West Virginia would vote "nay," and the Senator from Montana would vote "yea."

The Senator from New Hampshire [Mr. BRIDGES] is necessarily absent.

The Senator from Nebraska [Mr. WHERRY] is necessarily absent. If present, he would vote "nay."

The result was announced—yeas 33, nays 51, as follows:

YEAS—33

Aiken	Davis	Moore
Austin	Gerry	Nye
Barbour	Hawkes	O'Daniel
Brewster	Holman	O'Mahoney
Brooks	Johnson, Colo.	Overton
Buck	La Follette	Reed
Bushfield	Langer	Taft
Butler	Lodge	Thomas, Idaho
Capper	McNary	Vandenberg
Clark, Idaho	Maloney	Wiley
Danaher	Millikin	Willis

NAYS—51

Andrews	Ball	Bilbo
Bailey	Bankhead	Bone
Burton	Gurney	Scrugham
Byrd	Hatch	Smith
Caraway	Hayden	Stewart
Chandler	Hill	Thomas, Okla.
Chavez	Lucas	Thomas, Utah
Clark, Mo.	McCarran	Tobey
Connally	McFarland	Truman
Downey	McKellar	Tunnell
Eastland	Maybank	Tydings
Ellender	Mead	Van Nuys
Ferguson	Murray	Wagner
George	Pepper	Wallgren
Gillette	Radcliffe	Walsh
Green	Reynolds	White
Guffey	Russell	Wilson

NOT VOTING—12

Barkley	Kilgore	Robertson
Bridges	McClellan	Shipstead
Glass	Murdock	Wheeler
Johnson, Calif.	Revercomb	Wherry

So the amendment of the committee was rejected.

MESSAGE FROM THE HOUSE

A message from the House of Representatives, by Mr. Megill, one of its clerks, announced that the House had disagreed to the amendments of the Senate to the bill (H. R. 2714) making appropriations to supply urgent deficiencies in certain appropriations for the fiscal year ending June 30, 1943, and for prior fiscal years, and for other purposes; agreed to the conference asked by the Senate on the disagreeing votes of the two Houses thereon, and that Mr. CANNON of Missouri, Mr. WOODRUM of Virginia, Mr. LUDLOW, Mr. SNYDER, Mr. O'NEAL, Mr. RABAUT, Mr. JOHNSON of Oklahoma, Mr. TABER, Mr. WIGGLESWORTH, Mr. LAMBERTSON, and Mr. DITTER were appointed managers on the part of the House.

The message also announced that the House had disagreed to the amendments of the Senate to the bill (H. R. 1563) authorizing the acquisition and conversion or construction of certain auxiliary vessels for the United States Navy, and for other purposes; agreed to the conference asked by the Senate on the disagreeing votes of the two Houses thereon, and that Mr. DREWRY, Mr. MAGNUSON, and Mr. MAAS were appointed managers on the part of the House at the conference.

The message further announced that the House had disagreed to the amendment of the Senate to the bill (H. R. 2584) to abolish certain naval trust funds and deposits thereto and to simplify naval accounting procedure, and for other purposes; asked a conference with the Senate on the disagreeing votes of the two Houses thereon, and that Mr. VINSON of Georgia, Mr. DREWRY, and Mr. MAAS were appointed managers on the part of the House at the conference.

The message also announced that the House had agreed to the report of the committee of conference on the disagreeing votes of the two Houses on the amendment of the Senate to the bill (H. R. 2570) to provide for the current payment of the individual income tax, and for other purposes.

ENROLLED BILL SIGNED

The message further announced that the Speaker had affixed his signature to the enrolled bill (H. R. 2346) making appropriations for the fiscal year ending June 30, 1944, for civil functions administered by the War Department, and for

other purposes, and it was signed by the Vice President.

WOMEN'S ARMY AUXILIARY CORPS

The VICE PRESIDENT laid before the Senate the amendments of the House of Representatives to the bill (S. 495) to establish a Women's Army Auxiliary Corps for service in the Army of the United States.

Mr. REYNOLDS. Mr. President, in reference to Senate bill 495, a bill to establish a Women's Army Auxiliary Corps, which was passed by the Senate on the 7th of February and considered by the House and passed with amendments on May 27, I move that the Senate disagree to the amendments of the House, request a conference with the House on the disagreeing votes of the two Houses thereon, and that the Chair appoint the conferees on the part of the Senate.

The motion was agreed to; and the Vice President appointed Mr. REYNOLDS, Mr. THOMAS of Utah, Mr. JOHNSON of Colorado, Mr. AUSTIN, and Mr. BRIDGES conferees on the part of the Senate.

EXTENSION OF RECIPROCAL TRADE AGREEMENTS ACT

The Senate resumed the consideration of the joint resolution (H. J. Res. 111) to extend the authority of the President under section 350 of the Tariff Act of 1930, as amended.

Mr. O'MAHONEY. Mr. President, I offer the amendment which I send to the desk and ask to have stated.

The VICE PRESIDENT. The amendment offered by the Senator from Wyoming will be stated.

The CHIEF CLERK. At the proper place in the joint resolution, it is proposed to insert the following:

No foreign trade agreement hereafter entered into under the authority delegated to the President by such section 350, as amended, no amendatory or supplementary agreement hereafter entered into under such section, and no duties and other import restrictions specified in a proclamation issued by the President to carry out any such foreign trade agreement or any such amendatory or supplementary agreement, shall take effect until the Congress by law has specifically approved such agreement and the duties and other import restrictions so specified to carry out such agreement.

Mr. O'MAHONEY. Mr. President, only a profound conviction that the Congress of the United States stands today face to face with the greatest crisis since its establishment moves me to take the time of the Senate this afternoon.

Legislative power has been disappearing all over the world; that is to say, the power of the people to govern themselves through their elected representatives has been written off the statute books of nations occupying one-half of the world. Here in the United States, over a period of from 25 to 50 years, we have been observing legislative power become weaker, and now we see it about to vanish. The right of the people, through their elected representatives, to write the laws by which they shall be governed is dissolving before our very eyes, and we seem not to understand what is being done.

Senators who have been in this Chamber today during the debate will recall that on one or two occasions 15 to 20 minutes were required to summon a quorum of the Senate, because the Members of this body were either in their offices telephoning to executive agencies or were walking into the office of executive leaders with their hats in their hands, asking them to exercise the power which the Constitution gave to the Congress of the United States.

I wish to take advantage of the opportunity when at this moment on the Democratic side there is a large representation of members of the party of Jefferson, to say to them that the principle which I am urging upon them today is the historic principle of the Democratic Party, the party which they represent, the party which sent them here to legislate for their constituents. I am taking advantage of their presence to prove to them that what I say is democratic doctrine; and I am asking the Democratic Members of the Senate to stand by the traditional principles of their party.

During the administration of Woodrow Wilson there was enacted a Democratic tariff bill. It carries the name of one of the great leaders of the Democratic Party, whc honored the House of Representatives when he was a Member there, and honored the Senate when he was a Member here. I refer to Oscar W. Underwood, of Alabama. I should like to have the attention of the Senator from Alabama [Mr. HILL] while I read from the Underwood Tariff Act a provision which was written into that law by the distinguished Senator from Alabama who was the predecessor of the very able statesman who now occupies the seat of the majority leader.

The Underwood tariff law contained a provision for reciprocal tariff agreements. Some Democratic Members prefer to forget it now. Let me read the provision. It is subsection (a) of section 4:

That for the purpose of readjusting the present duties on importations into the United States and at the same time to encourage the export trade of this country, the President of the United States is authorized and empowered to negotiate trade agreements with foreign nations wherein mutual concessions are made looking toward freer trade relations and further reciprocal expansion of trade and commerce: *Provided, however,* That said trade agreements before becoming operative shall be submitted to the Congress of the United States for ratification or rejection.

Mr. President, the last time a Democratic Congress wrote a tariff bill, it took the same position as that which I am taking here today, and which I have taken on every occasion when the subject of the Reciprocal Trade Agreements Act was before this body for consideration.

In 1934 I urged that no agreement should become effective until presented to this body. In 1937 I made the same suggestion. In 1940 I offered the same amendment which I am now offering. Again I say to the Senate, do not throw away the right of legislative review, because the surrender of congressional power has gone to such an extent in this great crisis that the Congress may never again be able to recapture it.

Mr. President, the evil of our time is arbitrary central power. We are fighting this war because executive power in other lands has taken away from the legislative representatives of the people the power to pass upon the law, and to say what shall or shall not be the law.

The appalling fact we now face is that this Congress, with an overwhelming majority of Democratic Members, is again being asked to surrender to the Executive the power to perform the responsibility which is ours. We have no means of knowing what exercise will be made of the power which we are asked to give away. We are not permitted to look behind the curtain of Executive power. The work is done in secret, by agents whom we do not know, certainly by agents who were never elected by the people. Is that an exaggerated statement?

Mr. President, I ask Members of the Senate to look at the United States Government Manual, published by the Office of War Information. I ask them to turn to page 158 of that document, and there learn who performs the congressional function with respect to tariff rates, with respect to the regulation of international commerce, and with respect to international agreements. All three of these are parts of the congressional power.

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

Mr. O'MAHONEY. I yield.

Mr. PEPPER. Am I to understand the able Senator to say, or to leave the inference, that these agreements are executed in secret?

Mr. O'MAHONEY. They are certainly negotiated in secret, and executed in secret, because no Member of Congress knows what any single item in a reciprocal trade agreement is until it has been promulgated and has become effective so far as the United States is concerned.

Mr. PEPPER. Will the Senator further yield?

Mr. O'MAHONEY. I yield.

Mr. PEPPER. Am I in error in surmising that hearings are held, and that notice is given that the Government intends to negotiate with respect to a certain country, and with respect to a certain commodity?

Mr. O'MAHONEY. Oh, no.

Mr. PEPPER. And that those interested have an opportunity to express their views on the subject before the agreements are executed?

Mr. O'MAHONEY. The Senator is quite correct; but I say to the Senator that that is merely a form, meaning nothing.

The Committee for Reciprocity Information which receives the evidence to be presented by interested persons does not execute or negotiate the treaties, and there have been numerous instances of the tentative form of the reciprocal trade agreement having already been drafted before the hearings of the Committee for Reciprocity Information had been concluded.

Mr. President, as I have had occasion heretofore to say, I shall never forget the humiliation which I felt when, several years ago, I attended a hearing held by the Committee for Reciprocity Information, and there saw a dozen Senators and Members of the House of Representatives standing before the committee meekly arguing on behalf of the produce or manufactures of their respective States, asking this appointive board of the Executive to exercise a power which those gentlemen had seen the Congress of the United States delegate away.

When the Senator from Florida asked me to yield I was asking Members of the Senate to turn to page 158 of the United States Government Manual. There are two pages describing the Committee for Reciprocity Information. Bearing in mind that the theory of the legislative branch of the Government is that the people elect responsible officials who perform their duty and then report to the electorate on what they have done, how do the members of the Committe for Reciprocity Information make response to the people of Florida, the people of Wyoming, the people of Georgia, or the people of Utah, with respect to what they are doing in secret?

I read from page 158 of the Government Manual:

Committee for Reciprocity Information, Tariff Commission Building, E Street between Seventh and Eighth Streets NW. National 3947.

Members: Chairman: Oscar B. Ryder (Chairman, United States Tariff Commission).

Representatives of:
Department of State.
Department of the Treasury.
Department of Agriculture.
Department of Commerce.
Special assistant and executive secretary, Edward Yardley.

That is all the information we have with respect to the personnel of this body, which, allegedly, gathers information upon which the action of the Executive is based.

When we, the elected Members of the Senate, when the elected Members of the House of Representatives, charged by the Constitution of the United States with the responsibility of doing the things which the Executive is doing, pick up the Manual we are unable to find who exercises the power which we have delegated away.

Then, Mr. President, turn to page 605 of this Manual, where will be found this very interesting notation:

Committee for Reciprocity Information. Transferred by Executive Order 8190 of July 5, 1939, to the Department of State, to be administered under direction of the Secretary of State. Executive committee on commercial policy continues to exercise its function of selecting certain members of Committee for Reciprocity Information, effective July 1, 1939.

So it appears that the executive committee on commercial policy exercises the function of making the appointments to the committee which was intended to carry out the provisions of the Reciprocity Trade Agreements Act as enacted in 1934, which reads as follows:

SEC. 4. Before any foreign trade agreement is concluded with any foreign government or instrumentality thereof under the provisions of this act, reasonable public notice of the intention to negotiate an agreement with such government or instrumentality shall be given in order that any interested person may have an opportunity to present his views to the President, or to such agency as the President may designate, under such rules and regulations as the President may prescribe.

Shakespeare speaks of keeping the "word of promise to our ear" and breaking "it to our hope."

When Congress drew the Reciprocal Trade Agreements Act in the first place it undertook to provide a system by which the persons affected could be heard, but, in practice, that system has been washed out. When Dr. Sayre appeared before the Ways and Means Committee of the House of Representatives at the present session of Congress and testified with respect to the pending extension joint resolution, when he was asked to give the name of the individuals who exercised the power we are about to vote away, his answer to the committee was that nothing would be gained by giving the names.

Ah, Mr. President, I would not be concerned to take the time of the Senate this afternoon if I did not realize what every other Member of the Senate must realize in his daily experience, that the doctrine of the separation of the powers upon which this Government is founded is being wiped away, sometimes, I think, in apparent ignorance of what is being done on the part of those who do it.

It is said if the Congress of the United States reserves to itself the power of legislative review, a power which is reserved by the governments of 22 of the 26 nations with whom we have made reciprocal trade agreements, that, somehow or other the very foundations of international accord will tremble. How can it be said that the foundations of international relations will be shaken if the Congress of the United States reserves the power that the Parliament of Britain has? How can it be said that if the Congress of the United States reserves, as my amendment would reserve, the power to say "yes" or "no" to an agreement after it has been negotiated, as the Government of Canada does, that Canada will take offense?

How can it be said that Mexico will take offense if we in the Congress place the Congress of the United States on the same level with the legislature of Mexico, for the Mexican Congress reserves this power which I ask the Congress of the United States to reserve. It is a false argument, conjured up by the power-hungry bureaus in order to retain the powers we have given them.

It is said that if Congress retains the power to say "yes" or "no," to approve or reject, we shall go back to the old system of logrolling tariffs. How does that follow? This amendment does not provide that the Finance Committee of the Senate and the Ways and Means Committee of the House of Representatives shall write a tariff bill. The amendment offered by the distinguished and able Senator from Connecticut [Mr. MALONEY] does not ask for a resumption of logrolling. Again it is a false argument, intended to cover up the appalling contempt which Congress is building up for itself. I say to the Members of the Senate that, if we do not choose to exercise the power which belongs to us, the time is not far distant when people will say, "Well, stay at home if you are not going to do the work the Constitution says you ought to do." That is the way the legislative power has been frittered away.

Let me say a word to some of my friends from the Southern States. When I stood on this floor during the last session and, though I do not believe in poll taxes, spoke against the attempt to regulate the States by an act of Congress, since the Constitution provides the way it should be done, namely, by amendment, they came to me and expressed gratification for the position I had taken in defense of the right of the States to govern themselves. I say to them now, I am defending a far more sacred right, for I am defending the right of the people of the United States to be represented in Congress by responsible Senators and responsible Members of the House of Representatives, who, if they do wrong, can go home to the electorate and be punished, and who, if they do right, can return to their homes and to their constituents and receive the applause which is their due. But, instead of that, we grant the power away, to have it exercised behind a black curtain, in a manner with which no one is familiar, and then some of us seem to think we are acting in defense of the "four freedoms." How can we defend the "four freedoms," Mr. President, if we destroy the primary freedom of the right of the people to write the laws?

Can it be doubted that the power of Congress is involved here? Reciprocal trade agreements take on certain aspects of international treaties. Even the agreements already made do so. The agreement with Colombia modified a treaty. The agreement with Belgium and Luxemburg modified a treaty. If an Executive agreement is of sufficient dignity to modify a treaty, ratified by two-third of the votes of the Senate, who is there to say it does not take on some aspects of a treaty? Treaties are within the jurisdiction of the United States Senate, but we toss that jurisdiction away. Reciprocal trade agreements involve the levying of tariff duties. The power of taxation is a power which was explicitly granted to the Congress; indeed, it was the traditional point of view of all our people, and of our people's ancestors, that the fundamental safeguard of democracy was the power of the purse.

I remember so well when the distinguished former Senator from Tennessee, the distinguished former Representative from Tennessee, the distinguished former chairman of the Democratic National Committee, the Honorable Cordell Hull,

now the Secretary of State, speaking upon the floor of the Congress referred with pride to the fact that the taxing power had been taken away from the Executive, denouncing the flexible tariff provisions of the Smoot-Hawley law and the Fordney-McCumber law on the ground that they constituted a surrender of the taxing power. He called it a major surrender of the power of the people.

Secretary Hull was right when he made that charge. I am right when I repeat it. We cannot, under any idea of emergency legislation, surrender, as is proposed in the pending measure, a fundamental duty of ours, and defend our action as in any sense a democratic act.

Let me call to the attention of the Senate the point of view, the curiously distorted point of view, under which the State Department is acting. When Dr. Sayre was before the House Ways and Means Committee defending the proposed extension, he was asked in how many countries it was possible to have reciprocal trade agreements go into effect as they go into effect here—by the unsupervised, unregulated, unreviewed discretion of the Executive. He had to say 4, 4 out of all the 26. That, of course, was an unanswerable argument in support of the position I take.

Mr. GEORGE. Mr. President——

The PRESIDING OFFICER (Mr. McFARLAND in the chair). Does the Senator from Wyoming yield to the Senator from Georgia?

Mr. O'MAHONEY. I am glad to yield.

Mr. GEORGE. Can the Senator give us any light as to how many foreign countries with which we have made agreements have reciprocal trade agreement acts such as the one on our statute books?

Mr. O'MAHONEY. No.

Mr. GEORGE. Is the Senator not talking about the other countries simply entering into agreements, having no previous legislative approval thereof, and then taking them back to their parliaments for action?

Mr. O'MAHONEY. I disagree with the Senator. In our case there is not a prior approval, because we do not know what is going to be done.

Mr. GEORGE. Oh, yes, there is. I should not care to argue that with the Senator, but certainly the law is a prior approval.

Mr. O'MAHONEY. It is another blank check. That is all it is.

Mr. GEORGE. Oh, no; the Senator is wrong. But that was not the point I desired to bring to his attention. Does the Senator know how many other countries have similar acts of their legislatures which authorize the negotiation of reciprocal trade agreements? If so, then there may be some comparative worth in the argument the Senator is making, that in a great many instances trade agreements have to go back to the legislative branches of the governments.

Mr. O'MAHONEY. It is my judgment that the Government of the United States is the only one in which the legislative body has made a complete surrender, except in the case of the four Dr. Sayre mentioned.

Mr. GEORGE. I asked the Senator if he was prepared to give us the information. I think it is easily ascertainable. I think he will find that in most instances our Government merely enters into an agreement through the officials of the country who have the authority, without any prior act similar to ours.

Mr. O'MAHONEY. I quite agree with the Senator; in other words, what the Senator is saying is precisely what I am saying, namely, that the countries with which we are making trade agreements have not seen fit to do what the legislative body of the United States has done, that is to say, give away their power, except in four instances.

Mr. GEORGE. They may not have seen fit to do so, but I cannot see any force in the argument that other countries take trade agreements, for instance, back to their parliament, unless other countries have failed and neglected to take any preliminary steps such as we have taken. In that event, there would be force in the argument.

Mr. O'MAHONEY. I confess I do not follow the argument of the Senator from Georgia. He is merely saying that, unless it can be demonstrably proven that other countries have surrendered legislative power to the Executive, then there is no use in bringing up this question. I say that, regardless of what other countries have or have not done, the Congress of the United States should not continue to surrender its power. Already we have given away too much of its power.

Mr. GEORGE. Perhaps I misunderstood the Senator. Is the Senator merely speaking of the question of policy, or is he saying that fundamentally we have no right to put these treaties into effect until they are approved by the Congress? Those are quite different propositions.

Mr. O'MAHONEY. That is a technical difference which I think means nothing. I take the position, though I do not want to be drawn into a constitutional argument——

Mr. GEORGE. I am not trying to get into a constitutional argument.

Mr. O'MAHONEY. I wanted to avoid that.

Mr. GEORGE. If it is a question of policy about which the Senator is talking, I can understand his argument.

Mr. O'MAHONEY. Of course, I am talking about policy as well as about the primary responsibility of the Congress of the United States.

Returning to Dr. Sayre's testimony:

> The agreements not requiring subsequent foreign legislative action are those made with Belgium and Luxemburg—

That is one agreement—

> with Cuba, with Ecuador, and with Peru.
>
> Those agreements put into effect provisionally, subject to eventual foreign legislative action, are Argentina, Canada, Czechoslovakia, France, Netherlands, Switzerland, Turkey, United Kingdom, and Venezuela.
>
> Those agreements which did not become effective until after foreign legislative action are Brazil, Colombia, Costa Rica, Cuba, El Salvador, Finland, Guatemala, Haiti, Honduras, Mexico, Nicaragua, Sweden, and Uruguay.

Mr. Sayre proceeds:

> I would like to add that with respect to many of these, they are agreements with countries under the parliamentary system of government. By that, of course, as you realize—

Here is the teacher talking to the members of the Ways and Means Committee—

> By that, of course, as you realize, the executive is in control of legislative action. So long as the executive, the prime minister, remains in power, he can command the action of the legislature.

Mr. President, it needs only to be read to be revealed as a completely perverted interpretation of the manner in which a parliamentary government acts. The prime minister is at all times under the command of the parliament, and the moment he acts in a manner which is not in agreement with the parliament he loses his political head. He does not command the parliament. So long as he has the confidence of the parliament he may lead the parliament. A parliamentary form of government is a form under which the legislative and the executive proceed together. But, Mr. President, we have seen develop forms of government in which the executive has complete control, in which the executive can in fact command, and when the command is uttered, then the members of the legislature say "ja" because they dare not say "nay," whatever their judgment may be.

Mr. GILLETTE. Mr. President, will the Senator yield to an inquiry as to the effect of his proposal?

Mr. O'MAHONEY. The effect of the proposal?

Mr. GILLETTE. Yes. May I make the specific inquiry as to the method by which it would be implemented? Is it the thought of the Senator that the various agreements or proclamations shall be treated as treaties?

Mr. O'MAHONEY. Oh, no.

Mr. GILLETTE. Or should they be approved by a simple act of the Congress?

Mr. O'MAHONEY. They should be approved by an act passed by the Congress, by a majority vote of both Houses. The Senator from Connecticut [Mr. MALONEY] will, I understand, later on offer an amendment, the effect of which will be to regard these agreements as treaties, and therefore require a ratification by two-thirds of the Senate. I have not offered such an amendment, because I have felt that since reciprocal trade agreements deal with tariff rates, with the taxing power which under the Constitution must originate in the House of Representatives, it was more in accord with the actualities to regard the agreements as in fact regulations of commerce, or tariff bills amending existing tariff laws, and therefore subject to approval by a majority vote of both Houses.

Mr. GILLETTE. Will the Senator yield to a further query?

Mr. O'MAHONEY. Certainly.

Mr. GILLETTE. That being the purpose of the Senator's proposal—and I had reached the conclusion that that

was the purpose—then under his proposal, should it be adopted, as a matter of application, not only would it be necessary to refer a reciprocal trade agreement to the Congress, to be approved by the Congress by the passage of a joint resolution, but every change in proclamation, every suspension of a rate, every change of a rate, every elimination of a rate, temporary or permanent, would not take effect until it had been presented to the Congress in a joint resolution, and the measure passed by the Congress?

Mr. O'MAHONEY. That is correct. The reason is that under the Reciprocal Trade Agreements Act the State Department has undertaken to do precisely that thing. Having made an agreement with Cuba, then, there was a supplemental agreement dealing with only one particular commodity, and so forth. My thought is that a reciprocal trade agreement should be presented to the Senate and the House for approval, in the form of a joint resolution, and I venture to say that there would be no more difficulty in securing approval of proper agreements than there was in securing the approval of the lend-lease law.

Mr. President, the Members of the Senate and of the House are not stupid. They are not cheap politicians, as many commentators would like to make the country believe. I have found many men in the House and in the Senate who are quite as honest, quite as able, quite as well educated, and quite as competent to handle the affairs of the Government as the anonymous clerks who in effect write the trade agreements.

I am looking at the senior Senator from Utah [Mr. THOMAS], and I cannot help but remember that it was he who 4 or 5 years before the outbreak of the war, long before anyone in the executive arm of the Government had the slightest dream of what was coming, introduced in the Senate a bill to provide for the accumulation of strategic minerals and metals. If the policy which was embodied in the bill introduced by the Senator from Utah, and passed by the Congress, had been carried out by the Executive, we would not during the past year and a half have had the troubles with respect to strategic minerals and metals which we encountered, and we would not have them now. I could cite a dozen instances of Members of the Senate and the House having demonstrated their capacity.

What I complain about, Mr. President, is that under a false argument that this sort of government must be carried on by experts in the bureaus we turn our powers over to them, and then fail to supervise the execution of those powers, and by and by we see them absorbed by the Executive.

That was the point which was brought so clearly to my mind when I read the testimony of Dr. Sayre. Following that which I have just read, in which Dr. Sayre was talking about parliamentary government, he further said:

> That is, in those countries one does not have the distinction, the separation, I mean, between legislative and executive functions.

And so saying that the heart of the American system is the separation of the powers, Dr. Sayre asks us to destroy the separation and to clothe the Executive with the legislative power.

It is to that, Mr. President, that I object; and I say to the Members of the Senate there is a definite and clear purpose to by-pass the Congress. I charge that in the executive branch of this Government there are those who deliberately intend to strip the Congress of the power it has, and ought to exercise; and I say to you, Mr. President, that if the Congress does not exercise its power, the time will come when the people will punish the Congress for not exercising it. Do we not recall the returns of the last election, when Members of the House and Members of the Senate on this side of the aisle were defeated because the people felt they had turned their power over to the bureaus, and in resentment of what the bureaus were doing the people retired the Members of Congress who had given away their power?

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

Mr. O'MAHONEY. I yield.

Mr. GERRY. I take it the Senator has in mind that the history of the growth of democratic government is always based on the growth of parliamentary government; it is always backed, is it not, and always grows by the increase of power of the legislative body and of the authority of the legislature over the power of the purse?

Mr. O'MAHONEY. That is exactly the rule.

Mr. GERRY. That is a matter of history; is it not?

Mr. O'MAHONEY. There can be no question about it.

Mr. GERRY. In democratic governments the fight has always been to take power from the executive and add to the legislative power, if democracy is to work effectively.

Mr. O'MAHONEY. Democracy is measured by the degree in which the elected representatives of the people exercise their power. By the degree in which the elected representatives of the people abdicate their power, arbitrary central government grows.

Mr. President, perhaps I should not be taking the time of Senators who are now present if this were the only example of the evil which I am pointing out. The evil is growing also in the field of appropriations, for we pass appropriation bills conveying to the Executive the power to spend billions of dollars in whatever manner the Executive may please, according to his discretion in the exercise of his power. Mr. President, if that were done by the President of the United States himself, that would be one thing; but the powers which we delegate away, although we delegate them in the name of the President, go to subordinates whom nobody knows—nobody, I say, in the sense of the people of the United States, the electorate.

Dr. Alvin Hansen, one of the advisers of the Federal Reserve Board, and an adviser of the National Resources Planning Board, was quoted on June 27, 1942, almost a year ago, in the Chicago Journal of Commerce, as saying:

> Congress will surrender to the administration the power to tax, keeping to itself the right only to establish broad limits within which the administration may move. Congress will appropriate huge sums of money, and surrender its power of directing when and how the money shall be spent. Other extraordinary powers, such as, for instance, to effect wholesale social reforms, will be delegated to the administration, which will retain most, if not all, of the extraordinary wartime powers.

Dr. Hansen was talking about the reorganization which is to follow the war. The point of view expressed by the experts who now man all the bureaus is not a point of view which has ever been passed upon by the people of the States or of the United States, but is a point of view which is built upon the progressive deterioration of the legislative power. We give up a little, and then a little more, and then a little more; and each surrender is used as a precedent for the next surrender we are asked to make.

Take, for example, the story with respect to this very question. It was in 1890 that the McKinley Act was passed. In that act Congress said to the President, "You may, if you find discrimination practiced by certain countries, reduce the tariff on five commodities to this particular level." Congress named the commodities and named the level. That was attacked in the courts; and the famous case of Field versus Clark was argued in the Supreme Court. In that case the Supreme Court said that was not a delegation of legislative power, because no discretion was delegated. It said that the legislative power is the power to exercise discretion. All that the Congress delegated in that law, the Supreme Court held, was the right to the President to find the fact of discrimination; and, upon the finding of the fact of discrimination, certain specific rates went into effect.

Then, in 1897, the Dingley Act was passed. A similar provision with respect to a few commodities was inserted; but the fact that the Congress of 1897 did not believe that the first action was a delegation of legislative power or senatorial power was demonstrated in the very next section of the act, section 4, because there it was provided that the President could make reciprocity treaties with other countries, but then it was also provided that such treaties would have to be ratified by the Senate of the United States. Yet, in the face of that clear declaration of legislative construction, the act of 1890 is now cited as a precedent for this extraordinary grant of power.

The fact that the Democrats in Congress did not believe that it was a precedent for reciprocal trade agreements was demonstrated by the Underwood Act, of which I have spoken, the act of 1916, because there, when giving the power to make reciprocal trade agreements, Congress provided just as I now ask it to provide, that the agreements should be approved by the Congress.

In 1934 we enacted the present reciprocal trade agreements law, on the ground that an emergency existed and that it was necessary to build up our

trade; but it was limited to 3 years, because at that time it was not thought possible to induce Congress to surrender power for more than 3 years. Now it is argued that this is not a delegation, but that it is based upon the precedent of the McKinley Act. However, a reading of the law makes it clear that the present law conveys away the discretion which belongs to Congress. It has been given to the Executive; and we have destroyed, so far as this law is concerned, the separation of executive and legislative powers, upon which our Government was founded.

I say that there is a deliberate, clear intention to bypass the Congress of the United States and the Senate. I now undertake to demonstrate it. I have before me a very able and well-written book entitled "International Executive Agreements," written by Mr. Wallace McClure, of the Department of State, and published by the Columbia University Press in 1941. This book was printed after the Senate, in 1940, had failed by four votes to adopt the Pittman amendment, which the Senator from Connecticut [Mr. MALONEY] will offer to the pending joint resolution, and after the Senate, by 6 votes, had failed to adopt the amendment which I have now again offered.

The date of publication of this book is very significant. I hope that every Member of the Senate who cherishes the belief that the popularly elected Members of this body and the popularly elected Members of the other House will have something to say about the reorganization of the grand, new, free world we are to have after the victory, will read this declaration of policy. Mr. McClure has made it a very simple matter to analyze, because at the end of each part he summarizes his argument.

Let me submit this argument from page 32 of "International Executive Agreements" by Wallace McClure, of the State Department:

The introductory portions of this monograph are believed to show:

(a) That the two-thirds rule governing the Senate's approval of treaties is not only undemocratic but also, because of its capacity to produce stalemate in time of crisis, a peril to the national welfare.

That is the first statement. The purpose of the joint resolution is to show that the constitutional procedure is undemocratic. Instead of changing such procedure in the constitutional manner by a constitutional amendment—and such amendments have been offered—the purpose is to avoid the Constitution by indirection, and to make the Executive agreement take the place of the treaty-making power. If the authors of the Ball-Burton-Hatch-Hill resolution have wondered why their resolution has been so magnificently neglected, they will probably find the answer in Mr. McClure's book.

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

Mr. O'MAHONEY. I yield.

Mr. HATCH. The Senator from New Mexico seems to be the only member of that group present. We will not look for the answer in any book by Mr. McClure. We are perfectly willing to trust the Senate Committtee on Foreign Relations and the Senate of the United States.

Mr. O'MAHONEY. So long as the Congress of the United States continues to grant away its constitutional powers, I am afraid the Senator and his associates will be in danger of looking in vain.

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

Mr. O'MAHONEY. Certainly.

Mr. HATCH. I think I can say for the four of us that we are not willing to grant away the constitutional power of the Senate or of the Congress of the United States.

Mr. O'MAHONEY. Mr. President, I was sure that would be the answer of the Senator from New Mexico.

Mr. HATCH. I still say that I will do as I did in 1934, and again in 1937, and 1940. I will vote against the Senator's amendment.

Mr. O'MAHONEY. Returning to the argument of Mr. McClure, I had read paragraph (a). I now read paragraph (b):

(b) That, in the light of historical cases in which Executive agreements and treaties have been used interchangeably to accomplish seemingly identical purposes and which involve authoritative interpretation of the Constitution by legislative, executive, and judicial officers sworn to uphold it, there would seem to be no more doubt of the constitutional validity of one method than of the other. Accordingly, since no division or limitation of the subject matter of international acts is laid down, there is, prima facie, no reason to deny the existence of constitutional authorization for the use of executive agreements relating to whatever subjects may be dealt with by the treaty-making power.

Part 1 comprises a detailed factual account. Its purpose is to set forth the increasing utilization of the democratic method, traced through early, middle, and recent periods, and to demonstrate the extent of actual use of Executive agreements by causing to pass in review as many of them as possible within necessary limits of time and space. The procession is impressive in both amount and variety and is believed to argue powerfully in favor of constitutional warrant for even more extensive employment of these instruments. The primary purpose of Part 1, however, is neither to affirm nor to deny the constitutional validity of what has taken place, but to set forth facts and to let these facts speak for themselves.

On page 190, after a discussion of the world today, the author of "International Executive Agreements" describes the purpose of Part 2:

Part 2 has the purpose of pointing out that the Constitution, today, quite aside from formal amendments, has grown into a complex of customs, procedure, and fixed ways of accomplishing the requirements of government which must be regarded as superadded to the stated articles of the great charter framed at Philadelphia. The interacting influence of convenience and compulsion have created a habit of international dealing with both legislative and contractual character through means other than treaties in the sense of article II, section 2 of the Constitution. This habit has become so confirmed that, whether or not it was intended or foreseen by the people of the United States or their public servants when the Constitution was adopted, it has become a constitutional usage—one of many such usages—to all intents and purposes part of the Constitution and the constitutional system of the country.

Thus, Mr. President, the author makes it clear that the continued delegation of legislative power creates the basis for the argument that a usage has grown up whereby the separation of powers has been erased and the Executive takes over those responsibilities which were intended to be exercised by the elected representatives of the people.

On page 252, at the conclusion of the chapter on usage and external relations, I find this language:

It is believed that the President has, and was intended to have, under the Constitution, all the powers and the functions of the head of a fully recognized member of the society of nations—

Among the fully recognized members of the society of nations today, Mr. President, are the totalitarian powers, in which executive and legislative powers have been combined.

I continue reading:

That he has, accordingly, the authority to enter into any manner of international act, on any subject, that is entered into by other states of the world; and that, while this power must be exercised without violation of the Constitution and in accommodation with other possibly conflicting powers granted by the Constitution, notably, the powers of the legislature, an Executive agreement not in contravention of the Constitution and not in conflict with any act of Congress (best shown by positive congressional confirmation, either before or after signature) is binding on all the executive and all the law-enforcing agencies of the Government and is the equivalent of law.

The Constitution of the United States says that the Constitution itself and the laws enacted thereunder, as well as treaties made under the authority of the United States, are the supreme law of the land. We are now told that Executive agreements likewise can become the supreme law of the land, though Congress has not participated in writing them.

I shall now read from page 363 of the book entitled "International Executive Agreements," from which I have been reading, a statement which is one of the most revealing of all.

The President can do by Executive agreement anything that he can do by treaty, provided that Congress by law cooperates. And there is a very wide field of action in which the cooperation of Congress is not necessary; indeed, where Congress possesses no constitutional authority to dissent.

These two sentences—

Says Mr. McClure—

offer the nutshell statement of the theme and thesis of this book and what is believed to be the result of a correct presentation of law and fact. It is true that, in strict logic, a case can be made for the President's constitutional authority to enter into and enforce any bona fide international agreement that is not in conflict with the Constitution, regardless of congressional approval or at least if Congress does not by law dissent.

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

Mr. O'MAHONEY. I yield.

Mr. BONE. Is it the view of the able Senator from Wyoming that Congress would lack the power to void one of these agreements if it so desired?

Mr. O'MAHONEY. I say that if the Congress wanted to void a treaty it would have to pass a joint resolution which would then have to receive the approval of the President. If it did not receive such approval it would have to be passed over his veto by a two-thirds vote.

Mr. BONE. That is correct; it takes a two-thirds vote.

Mr. O'MAHONEY. Whereas the subjects with which we are dealing are within the initial jurisdiction of Congress, and if we now say that a reciprocal trade agreement, in order to be effective, must have the approval of the majority of the Congress, then it will not be necessary to pass a joint resolution with respect to this matter over a Presidential veto.

Mr. BONE. The point I seek to make is that the Congress has the power, should enough votes be registered, to void one of these agreements. The exercise of the two-thirds rule would not be unusual. The rule requires a two-thirds vote to ratify treaties.

Mr. O'MAHONEY. No, but what I am attempting to point out is that what the Congress can do now by a majority vote, should the pending joint resolution be passed, it can do only by a two-thirds vote if there should be a veto.

Mr. BONE. Perhaps I misunderstood the Senator's view. It has always been my view that Congress has the power to void this kind of an arrangement, or even a treaty. If we want to place ourselves in the position of violating an agreement we can do so. Congress has the power to abrogate a treaty if it so desires.

Mr. O'MAHONEY. Yes.

Mr. BONE. There is nothing I know of in the way of a law which Congress cannot get rid of, except overriding the Constitution. That can be done only by amendment, which must be ratified by the States. Congress has the power to upset treaties, and trade agreements are certainly no more sacred than are treaties.

Mr. O'MAHONEY. However, as I have pointed out, in the case of the veto Congress can act only by a two-thirds vote.

Mr. President, I shall not prolong the discussion. Allow me to assert now what I said in the beginning, that I have risen only because of a profound conviction that the Congress of the United States cannot, with safety, surrender its legislative power in this great crisis in international affairs. We are living in one of the greatest of all those transformation periods of civilization. No man living knows what will come out of this war. No man living can predict the course the reorganization will follow. But we do know that the regulation of international trade will have a vital effect upon that course. We know that already by the use of the Executive agreements international commerce is being regulated. We know that commitments have been made under the Lease-Lend Act. If we now grant the authority which we are being asked to grant, before the peace has been won, we must know that the legislative power which we have with respect to the regulation of foreign commerce will be exercised by the Executive. That, Mr. President, would be a surrender of the power of the Congress to which I cannot give my adherence.

I still believe in the fundamental philosophy of Jefferson. I still believe in the fundamental philosophy of Lincoln. I believe in what the Democratic Party has stood for throughout its life. I believe that the sacred foundation stone of free government is a free legislative assembly exercising the legislative power. If ever there was a time when that freedom should not be surrendered, Mr. President, this is the time. Let the Congress preserve at least the right to ratify these agreements.

Mr. GEORGE. Mr. President, does the amendment which the Senator has offered begin with the words "No foreign trade agreements heretofore entered into" and end with the words "restrictions so specified to carry out such agreement"?

Mr. O'MAHONEY. Yes. That is the amendment which is printed in my name, and the only amendment printed in my name.

Mr. President, I have said that in presenting this amendment I am acting in accordance with the traditional policy of the Democratic Party. I have quoted from the Underwood Tariff Act to show that it was the Democratic policy in the administration of Woodrow Wilson. I should like also to quote from a speech by the Honorable Cordell Hull, now Secretary of State, delivered in the House of Representatives in 1929, and from a speech made by the late Senator Thomas J. Walsh, of Montana, one of the great progressives of our time, who also expressed the point of view which I have expressed here today. I ask that these quotations may be printed in the RECORD at the conclusion of my remarks.

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

[From the speech of Hon. Cordell Hull, House of Representatives, May 13, 1929 (CONGRESSIONAL RECORD, 71st Cong., 1st sess., vol. 71, pt. 2, p. 1212) commenting on the Hawley-Smoot bill]

The proposed enlargement and broad expansion of the provisions and functions of the flexible tariff clause is astonishing, is undoubtedly unconstitutional, and is violative of the functions of the American Congress. Not since the Commons wrenched from an English King the power and authority to control taxation has there been a transfer of the taxing power back to the head of a government on a basis so broad and unlimited as is proposed in the pending bill. As has been said on a former occasion, "This is too much power for a bad man to have, or for a good man to want." * * * "This proposal embraces another revolutionary policy, which is, to abandon the law and the Republican doctrine to the effect that all tariffs should be measured by the difference between production costs here and abroad, by adding a number of alternative so-called methods to ascertain what is termed conditions of competition between this and other countries. It is proposed thus to give the President and his Tariff Commission, which, by the way, is virtually taken away from Congress, authority to use what in practical effect will be any sort of basis on which to fix tariff rates."

* * * * *

That we are unalterably opposed to section 315 of the Tariff Act, the flexible provision, and demand its speedy repeal. That we strongly condemn the proposed course of the Republican Party which contemplates the enlargement and retention of this provision, with such additional authority to the President as would practically vest in him the supreme taxing power of the Nation, contrary to the plainest and most fundamental provisions of the Constitution—a vast and uncontrolled power, larger than had been surrendered by one great coordinate department of Government to another since the British House of Commons wrenched the taxing power from an autocratic King.

QUOTATION OF SENATOR THOMAS J. WALSH OF MONTANA ON THE FLOOR OF THE SENATE AUGUST 10, 1922

Whatever doubt may be entertained by anyone concerning the constitutionality of the amendments under consideration, no doubts ought to exist in the mind of anyone, in my judgment, as to their unwisdom. Their stoutest defenders will probably disclaim any attachment whatever to the principle they represent as a feature of a permanent tariff policy; indeed, they hasten to convey the assurance that, were it not for the chaotic business conditions which prevail throughout the world and the instability of foreign exchange, they could not be induced to embrace it or even to tolerate it. Some apology, Mr. President, is certainly in order for such an astounding delegation of the functions of Congress to the Executive, vesting him with an authority no constitutional monarch may exercise, in character quite like that for the assumption of which kings have been brought to the block.

No emergency, however grave, can justify the surrender into the hands of the President of the taxing power entrusted by the people to their representatives in Congress, no matter how profound may be his statesmanship or how exalted may be the character of the man who for a brief period may be elevated to that high office. If this encroachment upon the liberties of the people is either sanctioned or condoned there is no man wise enough nor prescient enough to foresee the ultimate consequences.

It is said that an exigency exists demanding this departure from the settled policy of our Government. Our skies are never wholly clear; emergencies continually confront us, and when they are wanting an ambitious President or an indolent or subservient Congress will have no difficulty whatever in conjuring up such.

Mr. WILLIS. Mr. President, I shall take only a brief portion of the Senate's time to discuss the most important phase of the proposal to extend the authority of the Executive to negotiate trade treaties with other nations. We should make it clear—and I think we have made it clear—that whatever action we take on the pending measure in its practical application will not affect the operation of the present treaties nor of those which will be made before the present authority expires, and that will include agreements with almost all the principal nations of the world. They can be honorably terminated under present provisions only by order of the President.

The direct question posed today is not upon the issue of the policy of protection

for American markets versus the free-trade policy, adroitly concealed in the Hull trade treaties. I should welcome the opportunity to try that issue before the bar of public opinion. The doctrine of the protection of markets for the products of American labor and American farmers has been the traditional policy of the Republican Party. In the days of the party's infancy Abraham Lincoln, brushing aside all the mists of theory and the confusion of words, expressed the fundamental principle of protection when he said, in substance, "I do not know a great deal about the tariff, but I do know that when you exchange American dollars for foreign-made goods, we have the goods and the other nation has the dollars, but when we exchange American dollars for American-made goods, we have both the dollars and the goods."

This philosophy was tersely and plainly restated the other day by the junior Senator from South Dakota [Mr. BUSHFIELD] when he said, in substance, "The farmers of my State are not concerned about the fulsome theories of foreign trade, but they do know that when they drive a hundred head of hogs to a market that is glutted by a shipment of hogs from a foreign market they find that the price has been depressed by the surplus of hogs and they feel that they have been sold down the river and no political arguments of theorists or Utopian ideas of idealists are going to alleviate their anger."

During my campaign for the United States Senate I took throughout the State of Indiana exhibits of commodities imported into this country by permission of these trade treaties—commodities which were in direct competition with goods which had been produced in this country.

Into a city where a shoe factory was closed down I took shoes made in Czechoslovakia.

Into a town whose textile mills were closed down I took fabrics made in Japan.

Into cities whose steel hearths were cold I took metal products from Belgium.

In communities whose prosperity depended on the economic level of agriculture I found frying chickens, canned meat, and grain from Argentina, with which country our trade agreements have been most generous, but which has not associated herself in the war effort, nor is she represented in the international food conference now being held at Hot Springs.

In all these communities I found impressive contributions to our huge roll of the unemployed. I found many on W. P. A. who had formerly earned good wages on the farm or in the factories.

I was convinced by the election returns in those communities that the people were opposed to these trade agreements.

Somehow, in every generation we need to re-learn the lesson that the superior standard of living which our American workmen and American farmers enjoy cannot be supported if the essentials of that standard of living have to come in competition with products made by the low-paid labor of other lands. I am sure the American people, from the experience gained in recent years, are eager to pass judgment on that question again.

Neither shall the extent of our willingness to cooperate with other nations in sound post-war collaboration be judged by the question before us. Again I am willing to try that issue before the bar of American public opinion. The American people are sick and tired of the fantastic theories of the New Deal—that we can spend ourselves rich, and that deficit financing is a sure way to universal happiness and prosperity. These policies are advocated because the New Deal never has and does not know how to operate in a period of solvency.

Furthermore, the American people are fed up with the doctrine that we can buy good will by giving away our markets and our resources in the vain hope that we can make everybody happy by sharing everybody's misery.

Of course, every sensible American believes in real reciprocity, and real reciprocity is based upon an understanding that works a profitable advantage to both parties to a transaction. There is no good will gained by surfeiting our markets with importations from other lands of commodities of which we already have a surplus. There is no sound advantage in merely swapping jackknives except, of course, to international bankers who profit in handling the exchange of money and who are the most zealous advocates of these trade agreements.

There is a sound basis for good will between nations in the exchange of the surplus goods we have for surplus goods which other nations have and which we need. There is a sound basis for good will in helping other nations to develop their own resources and to stand upon their own feet. You gain the good will of your distressed fellow man only when you aid him to become self-supporting. You do not gain his good will when you maintain him as an object of patronizing benevolence. World-wide W. P. A. will fail to establish world-wide security, just as our national W. P. A. failed to establish national security, because the process sabotages the ability of the Nation, as it does the ability of the individual, to attain self-sufficiency which is necessary to self pride.

America, of course, will collaborate with other nations in a sound post-war economic pattern. But in order to do that, it is not necessary to accept the present policy of international trade relationships as a sine qua non of world cooperation.

Indeed, no one will now claim in face of the present world upheaval that these trade agreements have prevented war. Nor am I so partisan-minded as to say that they have caused war. At the peace table will be found the keenest minds of the world. Great Britain and Russia, through their leaders, have declared their determination to maintain the interests of their respective nations. We should be equally frank with respect to our own intentions. Our leaders at the peace table must be prepared to meet the skillful and adroit diplomats of other nations. They must be equipped with every reserve force we can give them. How tragic it would be if again at the peace table we should have nothing with which to bargain except a group of glittering ideals because America's rich economic advantages had all been committed through trade agreements, and our representatives found themselves destitute of bargaining power.

But the real issue before the Senate today, and it is a tremendous issue, is whether we shall continue to delegate to the President functions which belong to the Congress. I would be glad also to try this cause before the bar of public opinion. The shrillest note in the rising chorus against the New Deal is that which calls to the Congress to recapture the unnecessary powers granted to the President and to reassume its fundamental responsibility to be the spokesman of the people in establishing the policies which most vitally affect them.

Mr. LUCAS. Mr. President——

The PRESIDING OFFICER (Mr. EASTLAND in the chair). Does the Senator from Indiana yield to the Senator from Illinois?

Mr. WILLIS. I yield.

Mr. LUCAS. The Senator said he would be willing to try the question of reciprocal trade agreements at the bar of public opinion. I understand these agreements were in effect in 1936 and in 1940.

Mr. WILLIS. Yes.

Mr. LUCAS. So far as the Senator's party is concerned, the bar of public opinion is closed on the trade agreements, both as to 1936 and 1940.

Mr. WILLIS. Yes.

Mr. LUCAS. So I think the Senator had a pretty fair trial at the bar of public opinion.

Mr. WILLIS. Yes; I think the increasing membership of Republicans in the Congress is the answer to that thought.

Mr. LUCAS. Will the Senator further yield?

Mr. WILLIS. I yield.

Mr. LUCAS. Reference has been made several times to the bureaus here in Washington being responsible for the defeat of many Democrats in 1942. This may not be worth anything, so far as opinion is concerned, but had the leader of the Senator's party, Mr. Willkie, been elected in 1940—the candidate the Senator supported so nobly—there is no question in my mind that we would have had a World War just the same. Does the Senator agree with me in that?

Mr. WILLIS. I believe Mr. Willkie and Mr. Roosevelt both promised we would be kept out of war, but——

Mr. LUCAS. That is not at all the question I am asking the Senator. If he desires to debate with me the question which he has raised, I am asking whether or not he agrees with me that Japan would have stabbed us in the back some time in 1941 whether Roosevelt had been President or Willkie had been President.

Mr. WILLIS. I agree that is probably true.

Mr. LUCAS. And when Japan stabbed us in the back, that started a world war, and placed the United States in the middle of the conflict. Senators on the other side of the aisle are constantly denouncing the New Deal, they are con-

stantly talking about the bureaucrats in Government. The Senator from North Dakota [Mr. LANGER] in making his trade-agreements speech, mentioned 17 different types of bureaucrats, and the Senator from South Dakota [Mr. BUSHFIELD] also had much to say about so-called, self-styled experts, dreamers, and planners.

I undertake to say you are on the wrong road. The New Deal did not bring your people to power in 1942; the war brought the Republicans to Congress. As a result of the war, there were all these little annoyances, such as rationing of gasoline, fuel oil, sugar, and coffee. A free people were irritated. They were not ready for these necessary acts of partial regimentation. In my opinion, that was what brought the Republicans to Congress, and nothing else, and had Mr. Willkie, the leader of the Senator's party now, although you do not recognize him, been elected President in 1940, the Democrats would have had a landslide in 1942, because war would have occurred just the same. Thank God for the good of the United States and the world Roosevelt was elected. I think the Senator will agree with that, too.

Mr. WILLIS. I cannot agree with the philosophy of the Senator.

Mr. LUCAS. I just asked the Senator whether or not he agreed with me that Roosevelt was the man who should have been elected from the standpoint of the United States and the world, in view of what happened.

Mr. WILLIS. No, I will not agree to that.

Mr. LUCAS. The Senator thinks Willkie should have been elected?

Mr WILLIS. Yes.

Mr. LUCAS. I think Mr. Willkie will be glad to hear that. [Laughter.]

Mr. WILLIS. One of the greatest tragedies that has come to America in my lifetime was when we deserted the principle of two terms only for any President of the United States.

Mr. LUCAS. The people spoke on that in 1940, did they not?

Mr. WILLIS. I believe they did; but they were mistaken.

Mr. LUCAS. The question went before the bar of public opinion, where the Senator is now requesting the American people to decide again with respect to trade agreements. They spoke definitely in 1940, regardless of what the Senator may think.

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

Mr. WILLIS. I yield.

Mr. BREWSTER. I wonder whether the Senator from Illinois believes the people are right only when they decide in his favor. Were they wrong in 1942, when, the Senator said the question was rationing, but everyone else in America knows very well the question was the bureaucrats who were administering the rationing in a way that has never been able to justify itself, not only on this side of the aisle, but on the other side of the aisle, from which we have heard the most vehement criticism.

Mr. LUCAS. That may be correct. It is hardly in point.

Mr. WILLIS. I thank the Senator from Maine. Those were the thoughts which were in my mind.

Mr. LUCAS. Mr. President, the Senator from Maine can take any view he desires to take with respect to what happened in 1942. I have my opinion, and the Senator has his. I merely spoke with respect to what happened in 1940 before the bar of public opinion. The Senator from Indiana said that was the greatest tragedy that happened; but the people spoke. The people spoke in 1942; that is correct; and to whatever the people say the Senator from Illinois is willing to agree, and the Senator will stand in 1944 with what the majority agrees to, as will the Senator from Maine, and the Senator from Indiana. There is no disagreement on that.

I am talking about what has occurred. I am talking about the third term, talking about taking trade treaties before the bar of public opinion. Those things have been before the bar of public opinion, and the American people have answered twice on the trade treaties. The Republican Party had the opportunity to take that question before the people in 1936 and 1940, and it did so, and notwithstanding that fact, Roosevelt carried Illinois in 1936 and 1940. They had an opportunity to take the third term question to the people in 1940, and they did. I traveled over 13 States, I saw Uncle Sam with his thumb down upon every billboard in every county, with the inscription, "No third term." I do not know how much it cost to place that one poster throughout America. It was an effective one, too, and they did not wait until the last week in the campaign to emphasize the third term. There was not a Republican spokesman in America who was not out on the stump discussing the third term. The people spoke, and they said, "We will have Roosevelt again for a third term." That is how they stood.

I thank the Senator for permitting this interruption, I am very happy to know that the Senator has gone back with Mr. Willkie. That is the finest thing that has happened to Mr. Willkie lately, and I know he will want to know about it. I am told that in Indiana he is not in quite so good favor as he was in 1940, and with the Senator supporting him, I know Indiana will go along all right.

Mr. WILLIS. I have no desire to argue with the Senator from Illinois about the merits of Mr. Willkie, or the voice of the people, but I suggest that he call the roll of Representatives and Senators of 1940 and of 1943, and he will see the answer of the American people at the bar of public opinion.

Mr. BREWSTER. Will the Senator yield?

Mr. WILLIS. I yield.

Mr. BREWSTER. Commenting on the position of Mr. Willkie in Indiana, about which I have heard something similar to that the Senator has mentioned, I have also heard reports as to whether the Senator from Illinois commanded the same confidence in Illinois that he did 3 or 4 years ago.

Mr. LUCAS. I have heard that about the Senator from Maine, too, and it was not so good. [Laughter.]

Mr. WILLIS. Mr. President, I should like to proceed with my presentation.

Time and again we hear the charge that Congress has lost face with the people, and why should not that impression be growing in the country if we lend basis to the charge by failure to perform our constitutional duties? Why should not the people look to the Executive to direct all the policies of the country if we fail to do our part? Why should not dictatorial procedures gain favor if Congress supinely abdicates its responsibilities?

I am sure that every Member of the Congress is deeply concerned that such an impression should exist in the country, yet every time an opportunity arises to regain the powers which have been delegated to the Executive, some group will clamor that this is not the time and that the specific issue then being discussed is not the one on which we should begin this reform. We have too long delayed in responding to the demand of a citizenry grown impatient with the failure of Congress to function. If repeatedly we neglect to lay hold on the opportunity to recover our powers, is it not to be expected that there will be an increasing lack of confidence in the Congress? Does not our delay create a threat against the very form of our government?

Mr. President, the people of America today stand in grave danger of losing their constitutionally granted rights that the provisions of no treaty negotiated on their behalf shall be effective until approved by two-thirds of their voting representatives in the United States Senate.

Just as the people were rudely awakened from their naive thought that the congressional prerogative for declaring war would always be a deliberative safeguard rather than a mere post facto formality, so much the people now take care lest the same Executive habit of keeping the conduct of foreign relations exclusively in its own hands leave the people with even less to say about the peace than they had to say about the war.

There exists today two distinct and practical threats to our constitutionally defined procedure for making international commitments.

First. The Congress might, by resolution, enact an expression of sentiment which might be seized upon by the Executive as constituting advance advice and consent to whatever international commitment he might choose to make; or

Second. The Executive, by so-called Executive agreement, might make an international commitment without the consent of the Senate, which, while being in reality a treaty, could be interpreted as being an Executive agreement merely by virtue of the fact that it had not been submitted to the Senate for two-thirds concurrence.

Congress on the one hand, acting by resolution and without participation of the President, annexed Texas in 1845; annexed Hawaii; ended war with the Central Powers on July 2, 1921; and made the United States party to the International Labor Convention on July 19, 1934.

The President, on the other hand, acting by so-called Executive agreement, and without participation of the Congress, concluded a treaty with Great Britain in 1817 limiting naval forces on the Great Lakes, which agreement was not submitted to the Senate until a year later.

Notes on the open door in China were handled exclusively by the Executive, without congressional participation, in 1889 and 1890. The immigration agreement with Japan in 1907; the grant of special Japanese rights in China in 1917; the armistice of November 11, 1918; and in the same category the so-called trade agreements embodying Secretary Hull's philosophy of world trade—all were in fact treaties, but were not submitted to the Senate for its concurrence merely because the Executive, for convenience' sake, chose to call them agreements.

In 1907 President Theodore Roosevelt made an agreement with bankrupt Santo Domingo whereby the United States controlled that country's customhouses to prevent similar action on the part of European creditors.

President Roosevelt wrote in his autobiography:

> I put the agreement into effect and I continued its execution for 2 years before the Senate acted. * * * But it is far preferable that there should be action by Congress—

He added—

> so that we might be proceeding under a treaty which was the law of the land and not merely by a directive of the Chief Executive which would lapse when the particular Executive left office.

Nevertheless, even when the Senate refused to ratify it finally, Roosevelt kept it in effect.

Considering it—

He wrote—

> as a simple (Executive) agreement which would be converted into a treaty whenever the Senate acted.

Parenthetically, I would state that there is not even a legal precedent for Theodore Roosevelt's belief that an Executive agreement loses its effect upon the passing of a specific Chief Executive from the scene.

Executive agreements formerly concerned themselves merely with postal, copyright, and trade-mark conventions, claims, and real reciprocity agreements to implement an established congressional policy. Real reciprocity agreements, of course, were in the same class with trade-marks and copyrights, in that they were only a matter of common sense and convenience. The trade agreements which we are considering today cannot rightfully fall into that class because they are controversial questions of fundamental foreign policy.

This view was upheld in the Supreme Court decision in the case of Field against Clark, which ruled that "Executive agreements" were necessary and proper agreements, but only to carry out the already-expressed will of the Congress.

The decision in the case of Field against Clark would be an excellent precedent for citation by those who, today, wish to preserve the spirit and intent of the Constitution in matters of international commitments, were it not for the more recent decision, during the New Deal administration, wherein the Supreme Court, in the case of United States against Belmont, decided on May 3, 1937, that the President is—in the words of the decision—"the sole organ" of international relations for the United States, and that the "Executive agreement" is just as much "the supreme law of the land" as a treaty is declared to be in article 6, clause 2, of the Constitution.

In fact, the United States against Belmont decision went so far as to reverse a lower court decision which had protected the integrity of a law and policy of one of our 48 States. This decision ruled, in effect, that an "international Executive agreement" made by the President without congressional participation or Senatorial concurrence is the "supreme law of the land" even to the extent of over-ruling any laws or policies of a State if inconsistent with the "Executive agreement."

In the case of the Executive agreement made with Santo Domingo by President Theodore Roosevelt, in which instance he chose to keep it in effect even after the Senate had refused to concur, Edwin S. Corwin, distinguished authority on constitutional law, says:

> The only substantial difference between the President's agreement and the treaty which superseded it is to be found in the mere fact that the latter was ratified by the Senate.

Many legal scholars, of course, are of the opinion that an Executive agreement should be made to become a treaty by concurrence in it by two-thirds of the Senators present, if it is not to have the effect of a domestic law. That is the opinion of thousands of persons jealous of their rights and of their very form of government. It is no doubt the implied will of the Constitution. Certainly it is the spirit of the Constitution.

But, as Corwin points out, it is for the most part "a problem of practical statesmanship rather than of constitutional law."

It is what Woodrow Wilson had in mind when he wrote, in 1908, that—

> If the President have character, modesty, devotion, and insight as well as force, he can bring himself and the Senate into a great and efficient body of common counsel.

On many fronts today there are indications of intent to sidestep the spirit of the Constitution, the express right of the people to choose their own representatives empowered with the duty of passing upon international commitments.

Nowhere is there indication of what Woodrow Wilson spoke of as the "character, modesty, devotion, and insight" of responsible officials intent upon consulting the people and making international commitments afterward, but rather are we disturbed by the growing habit of officials to effect commitments by devious means before informing the people.

We can only work and pray to the end that the Executive not choose to substitute personal agreement with other nations for agreement by treaty, subject to approval by the representative agents of the people.

But where foreign commerce is concerned, the authority and duty of the Congress is made clear and inalienable by article I, section 8, of the Constitution. Surely, where our prerogative is clear, we should not give it up. Surely we must respect our oath to preserve and defend our sacred Constitution. Preserving to ourselves the right to pass upon these treaties of foreign commerce may strengthen us in what I hope will be future determination to insist upon the right to approve or disapprove the Executive's terms of peace.

Mr. President, it is late, of course. But surely it is not too late to do away with blind vanity.

It is vain of any administration to think it can make agreements with all the world without the approval of its own people.

It is still more vain to think that any temporary administration of the Government of this Nation, by agreements either illegitimate or legitimate, can enforce its will not only upon its own people but upon all the peoples of the earth.

Mr. GEORGE obtained the floor.

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

Mr. GEORGE. Mr. President, I had hoped that we might be able to reach a vote this afternoon on the pending amendment. Let me ask whether the Senator from Connecticut wishes to discuss it?

Mr. DANAHER. I wish to proceed for approximately 2 minutes.

Mr. GEORGE. I will yield to the Senator to get a vote; but I wish to discuss the matter for about 5 minutes.

Mr. DANAHER. I wish to discuss the amendment for about 2 minutes, Mr. President.

Mr. GEORGE. Very well; I yield to the Senator from Connecticut.

Mr. DANAHER. Mr. President, interestingly enough, earlier in the afternoon, shortly after the Senator from Georgia took the floor, the Senator from Missouri [Mr. CLARK] addressed the Senate as follows:

> I think, in passing, attention should be called to the fact that while it is referred to as the committee amendment, and while it is technically a committee amendment, it was adopted in the committee by a majority of only one vote.

The Senator from Georgia replied:

> That is true, but, on the face of it—

And then he went on to discuss other phases of the subject, as they addressed themselves to him.

The point I wish to emphasize is that, while the Senator from Missouri apparently would seem to disparage the status of the amendment by describing

it in the language he used, the fact of the matter is that indeed it was a committee amendment. There was nothing "technically," if I may use the word used by the Senator from Missouri, to be ascribed to its status at all. It had the majority vote of the committee itself.

Mr. VANDENBERG. Of the total committee.

Mr. DANAHER. Yes; of the total committee, as the Senator from Michigan reminds me.

Mr. President, furthermore, I was prompted by the remark of the Senator from Missouri to consider the personnel, the 10 committee members, who had constituted the minority when the vote was taken in the Finance Committee. Of course, there was the Senator from Georgia [Mr. GEORGE], who is chairman of the committee; and, in addition, there were the Senator fron Massachusetts [Mr. WALSH], who is chairman of the Committee on Naval Affairs; the Senator from Kentucky [Mr. BARKLEY], who is the majority leader of the Senate; the Senator from Missouri [Mr. CLARK], who is chairman of the Committee on Interoceanic Canals; the Senator from Virginia [Mr. BYRD], who is chairman of the Committee on Rules; the Senator from Illinois [Mr. LUCAS], who is chairman of the Committee to Audit and Control the Contingent Expenses of the Senate; the Senator from Pennsylvania [Mr. GUFFEY], who not only is chairman of the Committee on Mines and Mining, but, I think it might quite pointedly be observed, is chairman of the Democratic Senatorial Campaign Committee; the Senator from Texas [Mr. CONNALLY], who is chairman of the Committee on Foreign Relations; and the Senator from North Carolina [Mr. BAILEY], who is chairman of the Committee on Commerce.

Mr. President, that was the lineup of committee chairmen, the organized—consistently, thoroughly, completely organized—majority membership in that committee, voting as I have indicated. There may or may not be the slightest connection between the fact that the vote in the committee was 11 to 10, and that the vote on the floor was 51 to 33, adverse to the committee amendment, and the fact that the Secretary of Commerce, Mr. Jones, sat right here on the floor of the Senate during the course of the debate this very day, and that he interviewed Senators in the lobby, right behind the rostrum now ococupied by the distinguished Senator from Delaware. There may be no connection whatever between all those events; but I have at hand the results of the findings of Dr. Alvin Hansen, who is economic adviser to the Federal Reserve Board, who points out that in the post-war period, at the very minimum, 15,000,000 persons now employed will be unemployed. He estimates that a figure approximating 18,000,000 might, indeed, be a proper estimate; but, to be conservative, he takes the figure 15,000,000.

Mr. President, when we in this country surround our laboring people with unemployment compensation protections, social security benefits, the benefits of organization under the so-called Wagner Act, and all the other advantages which have come with legislation, and which I most assuredly support, I can say that the post-war world, with millions of persons unemployed, will find our people in competition with the citizens of other countries who have no such protections, countries where exploitation of the laboring man will be enforced, where there will be thrown into competition with the products of our workers the products of foreign countries where the labor costs are one-tenth or one-twelfth of what they are in this country.

Mr. President, as of that date, when I look forward to that period of post-war unemployment, when I realize what it will mean to the economy of the people of the United States, and when I realize the dangers which confront us and the chaos which will ensue, I think perhaps I might like to cast my eye back over the CONGRESSIONAL RECORD for June 1, 1943, and I might conceivably like to see a few of the little items to which I have just adverted, which, were they not now to appear in the cold black-and-white of the CONGRESSIONAL RECORD, might otherwise be lost.

So, Mr. President, perhaps when we total the votes here the score has been made. The consequences lie ahead of us. I can see them, Mr. President; I can realize they are coming. I can assure the Senate that June 1, 1943, will have a relationship, in the events which transpired here today, to the trade-agreements program and the opportunity the Congress might otherwise have had to reappraise the American status in the world economy.

Mr. President, I am glad it was a part of my opportunity here to have supported the committee amendment.

Mr. GEORGE. Mr. President, if it is consistent with the full development of this particular subject, I hope we may obtain a vote on it this evening.

The amendment offered by the Senator from Wyoming reads as follows:

> No foreign trade agreement hereafter entered into under the authority delegated to the President by such section 350, as amended, no amendatory or supplementary agreement hereafter entered into under such section, and no duties and other important restrictions specified in a proclamation issued by the President to carry out any such foreign trade agreement or any such amendatory or supplementary agreement, shall take effect until the Congress by law has specifically approved such agreement and the duties and other import restrictions so specified to carry out such agreement.

Not only are the department and the President to negotiate trade agreements, but the agreements must be enacted as law before they become effective; and with respect to all agreements which are now outstanding, before any modifications or changes can be made in them, or any amendatory or supplementary agreements can be made effective, the question must be submitted to the Congress and the proposed modifications must be ratified by an act of Congress.

To me it is a very strange amendment, and I am quite sure that it would prove to be harmful in the extreme in its administration. Senators who think that we can bring trade agreements to the floor of the Senate or the floor of the House without opening up the whole tariff act to debate are simply mistaken. Anyone who has gone through any of the tariff debates as a participant and has observed how all of us are importuned to take care of special narrow and local interests, as against the national general welfare, can well understand why we do not want to lose all we have gained and return to the old method of trying to negotiate, or at least to debate, tariff agreements on the floor, when they would necessarily be open to all kinds of amendments, and there would be a general tariff in each one of them before we got through with it.

I am as strongly opposed as is the Senator who has offered the amendment, for whom I have very great respect and love, to the improper delegation of legislative power to the Executive; but I believe that we must take a factual view of the question. How could the Congress make freight rates, for example? How could the Congress regulate passenger fares? Undoubtedly the power is in the Congress. It does not reside anywhere else. How could the Congress ever devise freight and passenger tariffs which would be equitable and fair and in the national interest? It would be impossible. Therefore we have the Interstate Commerce Commission.

How could the Congress regulate many of the things which are now submitted to commissions—The Federal Trade Commission, the Securities and Exchange Commission, and the Communications Commission, for example? The Communications Commission regulates transmission by radio of messages in the United States, and outside, to the extent that we have treaties which permit such regulation. Those are all Congressional powers, but they must be exercised through some agency if the job is to be done fairly, equitably, and with any degree of efficiency.

Mr. CLARK of Missouri. Mr. President, will the Senator yield?

Mr. GEORGE. I yield.

Mr. CLARK of Missouri. The Senator has referred to the Interstate Commerce Commission. I am glad he did so, because in one of his speeches before the Finance Committee the Senator from Wyoming [Mr. O'MAHONEY] referred to the delegation of power to the Interstate Commerce Commission as being the taking-off point in the abrogation by Congress of its functions and duties. We all know that during the time of its existence the Interstate Commerce Commission has made several thousand rates and orders. Does the Senator believe that if Congress, functioning as a congressional body, had undertaken to pass on each of the questions which it delegated to the Interstate Commerce Commission for determination and decision, the Congress would have been able to do anything else during that time?

Mr. GEORGE. Certainly not; and it could not have done that job very well, because while it is a matter within the

jurisdiction and power of the Congress, it is simply not a matter which can be done without careful and systematic study.

Mr. CLARK of Missouri. If the pending amendment were adopted, and each trade agreement with a foreign power were to open up the subject of the tariff, as the Senator has so well explained, to the extent of a general tariff revision—which it might well do under our rules—would Congress be able to do anything else whatever, or be able to do a good job of tariff revision?

Mr. GEORGE. Certainly not.

Mr. President, I wish to make one further observation, and then, so far as I am concerned, when the Senator from Florida [Mr. PEPPER] shall have finished, I hope we may have a vote.

When I came to the Congress I had very strong notions that the flexible tariff provision of the act of 1922—the Fordney-McCumber Act—was perhaps an unlawful delegation of legislative powers. I was quite honest in that view. I had the same view as to the provisions in the Smoot-Hawley Act. That is to say, I questioned whether or not there was a proper delegation of power. I concede that Congress may not delegate legislative power. I have never asserted that it could; but Congress can lay down an intelligible principle and delegate the authority to act through the application of that principle to the finding of basic facts.

When I read the cases on this question very carefully, and particularly when I read the opinion of Chief Justice Taft in the celebrated case in which he sustained the validity and constitutionality of the flexible provisions of the tariff act, I was convinced that the delegation of power in both the tariff acts referred to, and again in the trade agreements act, was entirely constitutional and valid.

That is particularly true with respect to the Trade Agreements Act, because while the power to control and regulate interstate and foreign commerce is definitely in the Congress, and is a congressional function, as I stated a while ago in my brief remarks, the Congress cannot exercise the power to regulate foreign commerce without the assistance of the Chief Executive. There must be cooperation and collaboration if there is to be regulation of interstate and foreign commerce. Congress, of course, has the power to do it. Congress may fix tariff rates. Congress may prevent imports from coming in; but if Congress is looking into the larger field with a view of eliminating unnecessary trade restrictions and hindrances, whether in the form of duty or not, if Congress is looking to the broader aspect of the question of regulating interstate and foreign commerce, then Congress must necessarily call upon the President.

The flexible tariff is not a Democratic doctrine. It is a Republican doctrine. Reciprocal trade agreements in their essence are Republican doctrine. The distinguished father of the distinguished Senator from Ohio [Mr. TAFT], when he was President of the United States, was himself an advocate of reciprocity in trade. So was McKinley. So were many leading outstanding Republican leaders of former days. The reciprocal approach to tariff making, if one is to trace its origin and accredit it to either party, is largely the doctrine of our Republican friends. In my judgment the flexible tariff is definitely a Republican doctrine.

There has been a gradual evolution. Of course, the McKinley tariff law was not like the present trade agreements act. The Dingley tariff was different. There has been a gradual evolution.

However, step by step, an effort has been made to find some way of dealing with the complicated and intricate problem of the tariff; and anyone who has lived through it, anyone who went through the experience of framing the Smoot-Hawley Act, must be conscious of the fact that when it is finished it is almost impossible for any man to say that it deserves his support, because it is made up of compromises. It is made up of one compromise after another. I early learned when I entered this body that if I were to get any suitable protection for an industry in my section which I really believed was entitled to some protection, I must go along with someone who wanted protection somewhere else. I early learned that there was not very much to the belief of our farmer friends that they would receive great benefits through the tariff, because by the time they had obtained their duties, through the trades and log-rolling methods to which their representatives had to subject themselves, other industries obtained so much higher duties that all the profits of the farmer were swallowed up, as it were, before he got them.

Irrespective of that and repeating what I said, I think there is a sound basis for protection of American industry and American standards of living, and I am anxious to see that we lose nothing we have gained in our effort to evolve a better method of regulating and fixing our tariffs.

I appreciate that fundamentally the fixing of tariffs comes back to the Congress. I know where the power originates. I know the President has not the power to fix a single tariff rate. He has not the power to fix an embargo. He cannot do it; it is not within his power; but the Congress can delegate to him, as the Chief Executive, the power to negotiate, the power to pare down and to remove unreasonable restrictions if it can be done.

All on earth that is done in the Trade Agreements Act is the acceptance basically of the flexible provisions and principles of both the Fordney-McCumber and the Smoot-Hawley Acts, and saying to the President, "Now, we ask you to negotiate for us, but you must negotiate within the limits of the flexible provisions of those two tariff acts; that is to say, you cannot raise or lower a duty by more than 50 percent. If you can expand our trade and commerce, and relieve it of unnecessary restrictions which hamper and impede commerce, if you can do that, operating up or down within the limits of 50 percent of the basic rates as Congress has fixed those rates, then we empower you to do it."

So, Mr. President, aside from all other considerations, and on the merits, in my opinion, Congress should be willing to continue this power under the Trade Agreements Act for the period of 2 years, the short period to which the House has reduced it. That is aside from the other and more impelling thought at this time, that we certainly ought not to be willing to take any chance on reversing our whole position, thereby disappointing, perhaps even though unjustly, the hopes of so many of the men and women of the world who think we are going at least to undertake to cooperate in the field of commerce and trade, which will be so vital and so necessary for the prosperity of not only our country but of the world after the war ends.

I hope, Mr. President, that we may have a vote.

Mr. PEPPER. Mr. President, I wish to make one or two comments on the pending amendment, because I am one of the Senators—I hope there are more—who have changed their policy on the subject of trade agreements hitherto followed.

The State which I represent happens to be in keen competition with Cuba in the production of fresh vegetables. Those who are engaged in that great agricultural industry in my State have been bitterly opposed to trade agreements in the past, due to their belief that under the trade agreements there were certain arrangements made for the importation of fresh vegetables into this country which mitigated against their best interests.

Both my colleague and I in the past have voted, at their instance, and at the instance of the cattle industry and sugar industry, against these trade agreements acts.

However, Mr. President, those votes were cast in peacetime. This is wartime. I know of no way in which we can refrain from placing trust in our own Government to deal fairly with our own citizens. If I am not willing to trust my Government to deal fairly with the people of my State, then I am not a loyal citizen of my country. I am sure that I express the sentiment of every other Senator when I say that I shall always, in every way by which I can do so, try to influence the agencies of the Government executing agreements under such statutory authority as is proposed so as to prevent any action which would mitigate against the substantial and sound interests of my State.

We cannot go back to the old days of isolation or tariff logrolling, yet the Government must have power to try to save from economic chaos the broken world the war will leave us.

Mr. President, it is a good lesson for us to begin to learn that all of us cannot have everything we want and at the same time have the kind of world all of us wish for more than anything else. Every State and every section and every interest, to a degree, is going to have to make some sacrifice if we all are to have the kind of world in which we may prosper, or perhaps survive.

I have thought, therefore, that it might be appropriate to give this word of explanation, because of the changed attitude on the part of my colleague and myself on this subject.

Mr. TAFT. Mr. President, the Senator from Georgia has based the power for the proposed delegation of authority on the flexible tariff provisions of various tariff laws. I wish to point out that those tariff laws prescribe a very definite standard, the standard being the difference between the costs of production in this country and other countries where similar articles are produced. That is a definite standard, a standard which the Tariff Commission could follow. I would approve such a system today. I think that is the kind of system we ought to have today. I think the Tariff Commission itself ought to have authority to make changes in the tariff, or I would even be willing to give them complete authority to write the tariff, referring to the difficulty of Congress writing a tariff.

However, no standard is fixed in this instance. The decision is absolutely in the discretion of the Secretary of State. By reading section 1 of the act it will be seen that it states a great many purposes to be accomplished, but as for prescribing a standard, there is no standard, and that is the difference between the reciprocal trade agreement and the flexible tariff provisions of past acts. After all, it is a distinction as to all delegation of legislative authority.

Of course, we have to delegate much legislative authority, but we prescribe, and should prescribe, a definite standard when we turn over any such authority to administrative boards, and the act prescribes no such standard. It seems to me the flexible tariffs are no precedent whatever for the passage of this kind of measure.

If we were to write in such a provision as one requiring consideration of the cost of production I would vote for the measure immediately, because it seems to me that is what the American people want. However, far from that, this particularly provides that sections 1336 and 1516 shall not apply to the articles covered.

That means that we are delegating to the President of the United States the authority to reduce a tariff to a point at which the foreign cost of production, plus the tariff, is very much less than the American cost of production. That is what it means, without any question, and without any standard except the President's arbitrary discretion. It means that we are delegating to him the power to destroy an American industry if he thinks the industry should be destroyed in the interest of promoting our exports, perhaps, of other products.

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

Mr. TAFT. I yield.

Mr. O'MAHONEY. Did I correctly understand the Senator to refer to the fact that the Reciprocal Trade Agreements Act contains a repealer of section 516 (b) of the act of 1930?

Mr. TAFT. No, the repealer of section 516, as I understand, practically removes any possibility of court appeal.

Mr. O'MAHONEY. Yes.

Mr. TAFT. I referred to the provision of section 1336 of this title, which is the one prescribing the difference in cost of production, which is repealed. So there is no standard in the act. The flexible tariff provision is no authority for the proposed action. As a matter of fact, I would vote for a flexible tariff provision. I think that is the way in which tariffs should be made. I do not think they should be made by such complete, wide-open delegation of authority to the President. It is said he is limited to 50 percent of the Smoot-Hawley tariff rates, but if a tariff be reduced by 50 percent it may be just as destructive of industry as if the tariff were abolished altogether. What is provided is only a limit. It is no standard by which the President can be guided.

Of course, if we refer back to the reciprocity treaties made during the time of McKinley, or to the Canadian reciprocity treaty, we find that those treaties were submitted to the Senate. In the case of the Canadian reciprocity treaty, it was approved by a two-thirds vote of the United States Senate. Certainly no one should object to reciprocity under such circumstances. Those were direct reciprocity treaties. They were direct deals with another nation by which we reduced certain duties in return for reductions on the part of the other nation. There was no application of the most-favored nation clause, and therefore it did not amount to a general reduction of tariff rates such as is provided for in the Trade Agreements Act.

Mr. President, I, too, disapprove of making tariffs by congressional action. I should like to vote for a method of making tariffs which would not be by congressional action, but I cannot see how I can vote for the pending measure, with its complete delegation of arbitrary authority to the President of the United States. While I would not propose the kind of amendment offered by the Senator from Wyoming, since the leaders in charge of the joint resolution have refused to accept any amendment, have refused to impose any standard, have refused even to impose a limit until 6 months after the war, I have no choice except to vote for the amendment, and against the joint resolution, if the amendment shall not be agreed to. If the amendment shall be agreed to I shall be willing to vote for the joint resolution, although I think it does not provide a scientific method of making tariffs.

Mr. CLARK of Missouri. Mr. President, it seems to me that the Senator from Ohio, in his reference to the remarks of the Senator from Georgia, completely overlooks one fact. In the first place, the Senator from Ohio, in my opinion, is entirely in error as to the question of the delegation of power when he says no standard is set up. Very definite standards are set up in the act. It states the purposes as follows:

> The President, whenever he finds as a fact—

That requires a definite finding of fact—

> that any existing duties or other import restrictions of the United States or any foreign country are unduly burdening and restricting the foreign trade of the United States and that the purpose above declared will be promoted by the means hereinafter specified, is authorized from time to time—

To do the things set out thereafter.

Mr. President, the Senator from Ohio denies the proposition enunciated by the distinguished chairman of the Committee on Finance, the Senator from Georgia [Mr. GEORGE] that the principle of this act is entirely in consonance and in accordance with the principles of the flexible tariff provisions of the various tariff acts we have had. He undertakes to make a distinction because the other acts set up one narrow, definite standard having to do with the cost of production at home and abroad. The Senator from Ohio completely overlooks the fact that any such standard as was set up in the original flexible provisions had already proved itself completely inadequate and inefficient to get out of the tariff situation in which we not only found ourselves, but in which the whole world had been plunged by the prohibitive tariff provisions of the Smoot-Hawley Act, the Fordney-McCumber Act, and other Republican tariff acts.

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

Mr. CLARK of Missouri. I yield.

Mr. TAFT. I wish to ask if the Senator can think of any single reduction of more than 50 percent of the rate specified in the Smoot-Hawley Act, which the President would be forbidden to make under the general provisions of the Reciprocal Trade Agreements Act? In other words, how can there be a standard when there is not a single reduction the President is able to make within the terms of the broad purposes stated in section 1 of the Reciprocal Trade Agreements Act?

Mr. CLARK of Missouri. The act set up the authority of the President to adjust these matters between limits, and the limits are set forth in the act. The limits set up in the so-called flexible tariff provisions of the Smoot-Hawley Act and the Fordney-McCumber Act were not applicable, because, through our stupid, short-sighted course, we had forced the other nations of the world, to use a common expression, not only to "see" us but to "raise" us. They had not only adopted prohibitive tariffs, following our bad example, but they had gone on and set up other devices which could not possibly have been reached by the so-called flexible tariff provisions of the tariff acts. They had gone on, from setting up prohibitive tariffs to making discriminatory quotas, which absolutely shut our products, both of the factory and of the field, out of any markets of the world. They had not only done that, they had made arbitrary arrangements as to rates of exchange, which had exactly the same effect on our entrance into other markets as prohibitory tariff acts, and we could not possibly reach them by such strict limitations, such narrow limitations, as were set up in the flexible tariff provisions. So when the present administration came into power, and it was desired really to undertake to cooperate in commercial matters, in international trade, and to undo the bad effects of these prohibitive tariffs, it was decided that it was necessary to give the President authority not only to deal with tariff rates but to undertake to give him authority to remove these discriminations against American trade in the

shape of exchange discriminations, quota discriminations, and the like.

I desire to add merely one other thought, to emphasize a point which has been touched on by the Senator from Georgia, because it deals with a matter which has run throughout the debate. For the last 9 years we have heard Senators and Representatives refer to the fact that tariff rates are being changed by action of the officials of the State Department, but of course anyone who will read the act must know that no such statement is true to any degree whatever. Reciprocal trade agreements do not change any tariff rates. The only way tariff rates can be changed is by the President's proclamation, pursuant to a reciprocal trade agreement, and when the President issues his proclamation, he issues it, not in his capacity as Executive, but he issues it as an agent of the Congress, under powers defined and given to him by act of Congress; and that is not such a delegation of authority as the Senators have been discussing to any greater degree than the exercise of the power of the Interstate Commerce Commission is a delegation of authority by Congress.

Mr. President, everyone agrees that we should have reciprocity in international trade. The only difference between the kind of reciprocity now sought and the old, bad system of reciprocity in general tariff revision, is that the system under the reciprocal trade agreements contemplates that nations may be able to trade with each other to their mutual advantage, one nation giving up certain things which it can give up without hurting it, in consideration of certain advantages which may help it, and the other countries doing the same thing. That is one kind of reciprocity. The other kind of reciprocity, to which we would return, if the joint resolution were defeated, or crippling amendments to it were adopted, is the old, bad system of reciprocity, "You scratch my back and I'll scratch yours," when one Senator would say to another, "I am interested in a tariff on coal. I will vote for your tariff on oil if you will vote for my tariff on coal."

Another Senator would say, "I am interested in a tariff on steel. You vote for my tariff on steel and I will vote for your tariff on lumber." That is the sort of reciprocity which brought this country into the depression, from which ever since we have been slowly and toilsomely emerging.

Mr. President, in congressional legislation I will set this sort of reciprocity, a reciprocity of mutual advantage between nations, against the bad, nefarious system of reciprocity of "You scratch my back and I will scratch yours."

The VICE PRESIDENT. The question is on agreeing to the amendment offered by the Senator from Wyoming [Mr. O'MAHONEY].

Mr. GEORGE. I ask for the yeas and nays.

The yeas and nays were ordered, and the legislative clerk proceeded to call the roll.

Mr. SHIPSTEAD (when his name was called). On this vote I am paired with the senior Senator from Virginia [Mr. GLASS]. I find I can transfer that pair to the junior Senator from Nebraska [Mr. WHERRY], who, if present, would vote as I intend to vote. I am therefore free to vote, and vote "yea."

Mr. THOMAS of Utah (when his name was called). I have a general pair with the senior Senator from New Hampshire [Mr. BRIDGES]. I am not advised how he would vote if present. I transfer my pair to the senior Senator from West Virginia [Mr. KILGORE] and will vote. I vote "nay."

The roll call was concluded.

Mr. BROOKS. On this vote I have a pair with the senior Senator from Maryland [Mr. TYDINGS]. If present, the Senator from Maryland would vote "nay." If I were at liberty to vote I should vote "yea."

Mr. HILL. I announce that the Senator from Kentucky [Mr. BARKLEY], the Senator from Virginia [Mr. GLASS], and the Senator from West Virginia [Mr. KILGORE] are absent from the Senate because of illness.

The Senator from Arkansas [Mr. MCCLELLAN], the Senator from Utah [Mr. MURDOCK], the Senator from Maryland [Mr. TYDINGS], and the Senator from Montana [Mr. WHEELER] are detained on important public business. I am advised that if present and voting, the Senator from Montana [Mr. WHEELER] would vote "yea."

Mr. MCNARY. The Senator from Wyoming [Mr. ROBERTSON] is paired on this question with the Senator from Arkansas [Mr. MCCLELLAN]. If present the Senator from Wyoming would vote "yea" and the Senator from Arkansas would vote "nay."

The Senator from West Virginia [Mr. REVERCOMB] is paired on this question with the Senator from Kentucky [Mr. BARKLEY]. If present, the Senator from West Virginia would vote "yea" and the Senator from Kentucky would vote "nay."

The Senator from California [Mr. JOHNSON] is absent because of illness.

The Senator from New Hampshire [Mr. BRIDGES] is necessarily absent.

The Senator from Nebraska [Mr. WHERRY] is necessarily absent. If present, he would vote "yea."

The result was announced—yeas 31, nays 50, as follows:

YEAS—31

Aiken	Johnson, Colo.	O'Mahoney
Brewster	La Follette	Overton
Bushfield	Langer	Reed
Butler	McCarran	Scrugham
Capper	McNary	Shipstead
Chavez	Maloney	Taft
Clark, Idaho	Millikin	Thomas, Idaho
Danaher	Moore	Walsh
Davis	Murray	Willis
Gerry	Nye	
Holman	O'Daniel	

NAYS—50

Andrews	Clark, Mo.	Hawkes
Austin	Connally	Hayden
Bailey	Downey	Hill
Ball	Eastland	Lodge
Bankhead	Ellender	Lucas
Barbour	Ferguson	McFarland
Bilbo	George	McKellar
Bone	Gillette	Maybank
Burton	Green	Mead
Byrd	Guffey	Pepper
Caraway	Gurney	Radcliffe
Chandler	Hatch	Russell
Smith	Truman	Wallgren
Stewart	Tunnell	White
Thomas, Okla.	Vandenberg	Wiley
Thomas, Utah	Van Nuys	Wilson
Tobey	Wagner	

NOT VOTING—15

Barkley	Johnson, Calif.	Reynolds
Bridges	Kilgore	Robertson
Brooks	McClellan	Tydings
Buck	Murdock	Wheeler
Glass	Revercomb	Wherry

So Mr. O'MAHONEY's amendment was rejected.

SIMPLIFICATION OF NAVAL ACCOUNTING PROCEDURE

The PRESIDING OFFICER laid before the Senate a message from the House of Representatives announcing its disagreement to the amendment of the Senate to the bill (H. R. 2584) to abolish certain naval trust funds and deposits thereto, and to simplify naval accounting procedure, and for other purposes, and requesting a conference with the Senate on the disagreeing votes of the two Houses thereon.

Mr. WALSH. I move that the Senate insist upon its amendment, agree to the request of the House for a conference, and that the Chair appoint the conferees on the part of the Senate.

The motion was agreed to; and the Vice President appointed Mr. WALSH, Mr. TYDINGS, and Mr. DAVIS conferees on the part of the Senate.

EXTENSION OF RECIPROCAL TRADE AGREEMENTS ACT

The Senate resumed the consideration of the joint resolution (H. J. Res. 111) to extend the authority of the President under section 350 of the Tariff Act of 1930, as amended.

Mr. GEORGE obtained the floor.

Mr. MALONEY. Mr. President——

Mr. GEORGE. Mr. President, does the Senator from Connecticut wish to offer his amendment this afternoon?

Mr. MALONEY. I had intended to ask that it be considered now.

Mr. GEORGE. Mr. President, I had in mind submitting a request for a unanimous-consent agreement. However, I yield to the Senator from Connecticut so that he may have his amendment read.

Mr. MALONEY. Mr. President, through the graciousness of the senior Senator from Georgia, I call up the amendment which lies on the desk and ask that it be read.

The PRESIDING OFFICER (Mr. CHANDLER in the chair). The amendment will be read.

The CHIEF CLERK. At the end of the joint resolution, it is proposed to add the following new section:

SEC. —. Effective on the date of enactment of this act, section 2 of such act of June 12, 1934, is amended by adding at the end thereof the following new subsection:

"(d) No foreign trade agreement hereafter entered into under the first section of this act shall take effect until the Senate of the United States shall have advised and consented to its ratification, two-thirds of the Senators present concurring.

Mr. GEORGE. Mr. President, I should like to submit a unanimous-consent request that all debate on further amendments to the joint resolution be limited, tomorrow, to let us say, 20 minutes on each amendment, and that no

Senator shall speak more than once on any amendment.

Mr. MALONEY. Mr. President, reserving the right to object, and hoping that I shall not have to object, I am wondering whether it will be possible, under the circumstances, that when the Senate convenes tomorrow I shall have the floor, in view of the fact that my amendment is now pending.

Mr. GEORGE. I intended that that be the case. The reason why I yielded to the Senator, so that he might offer his amendment, was in order that he would have the floor when the Senate convenes tomorrow.

Mr. MALONEY. I thought that was the case. Under those circumstances, Mr. President, I shall have no objection to the request.

Mr. McNARY. Mr. President, I think the unanimous-consent request should carry with it a limitation to 15 minutes debate on the joint resolution. The limitation should apply to the joint resolution as well as to the amendments, in order to hasten the conclusion of the debate.

Mr. GEORGE. Yes, Mr. President, I should have said that.

Mr. McNARY. I suggest that amendment.

The PRESIDING OFFICER. Is there objection to the request, as amended?

Mr. McCARRAN. Mr. President, I should like to know what the request is?

Mr. GEORGE. I submitted a unanimous-consent request that when the Senate meets tomorrow, each Senator shall be limited to 20 minutes debate on each amendment and on the joint resolution.

Mr. McCARRAN. I do not care to object, and I do not care to impede the progress of the measure; but I suggest that there be a limit of 30 minutes on debate on the joint resolution and a limit of 15 minutes on debate on each amendment. I hope the Senator will accept my suggestion, because some of us may want to address the Senate briefly on the pending amendment and on one other amendment which I know will be offered.

Mr. GEORGE. I am very glad to modify the request as the Senator from Nevada has requested.

The PRESIDING OFFICER. Is there objection to the request of the Senator from Georgia, as amended?

Mr. McNARY. Mr. President, I assume that the unanimous-consent agreement is that debate shall be limited to 30 minutes on the joint resolution and to 15 minutes on any amendment thereto or motion thereon which may be offered.

The PRESIDING OFFICER. Is there objection to the unanimous-consent request, as amended, submitted by the Senator from Georgia? None is heard, and it is so ordered.

Mr. GEORGE. Mr. President, I should like to give notice also that the conference report on the tax bill, which lies on the desk, will be called up at the earliest possible moment tomorrow, after completion of debate on the pending joint resolution.

Mr. President, I do not think it would require unanimous consent, but I do ask unanimous consent that the Senator from Connecticut [Mr. MALONEY], who has just offered his amendment, be entitled to the floor as soon as the Senate meets tomorrow.

The PRESIDING OFFICER. Is there objection? None is heard; and it is so ordered.

ASSISTANT CLERK, COMMITTEE ON CLAIMS

Mr. LUCAS. Mr. President, from the Committee to Audit and Control the Contingent Expenses of the Senate, I report favorably, without amendment, Senate Resolution 153, and ask unanimous consent for its present consideration.

There being no objection, the resolution (S. Res. 153), submitted by Mr. ELLENDER on May 24, 1943, was considered and agreed to, as follows:

Resolved, That, until otherwise provided, the Committee on Claims is authorized to employ an assistant clerk to be paid from the contingent fund of the Senate at the rate of $3,600 per annum, and Senate Resolution No. 18, agreed to January 23, 1939, is hereby repealed.

INVESTIGATION RELATING TO FOOD PRODUCTION AND CONSUMPTION

Mr. LUCAS. Mr. President, from the Committee to Audit and Control the Contingent Expenses of the Senate, I report favorably, without amendment, Senate Resolution 124, and ask unanimous consent for its present consideration. I will say to the Senate that this is an additional appropriation to the Committee on Agriculture and Forestry to carry on certain phases of the investigation which it has been making for some time.

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

There being no objection, the resolution (S. Res. 124) reported by Mr. SMITH from the Committee on Agriculture and Forestry on April 2, 1943, and, under the rule, referred to the Committee to Audit and Control the Contingent Expenses of the Senate, was considered and agreed to, as follows:

Resolved, That the Committee on Agriculture and Forestry, or any duly authorized subcommittee thereof, is authorized (a) to make a full and complete study and investigation with respect to any matters relating to the production, transportation, distribution, exportation, utilization, and consumption of food and allied products produced within or imported into the United States and its Territories and possessions, and of all products, commodities, and factors involved therein, including farm prices and shortages of farm labor, machinery, fertilizer, and feed or other commodities necessary to crop and livestock production; and (b) to make inquiries into any policies and practices of the Government which appear to imperil the production and distribution of adequate supplies of food for our armed forces, our civilian population, or our allies. The committee or subcommittee shall report to the Senate at the earliest practicable date the result of its investigation, together with its recommendations, if any, for necessary legislation.

For the purposes of this resolution the committee, or any duly authorized subcommittee thereof, is authorized to hold such hearings; to sit and act at such times and places during the sessions, recesses, and adjourned periods of the Senate in the remainder of the Seventy-eighth Congress; to employ such clerical and other assistants; to utilize the services, information, facilities, and personnel of the departments and agencies of the Government; to require by subpena or otherwise the attendance of such witnesses and the production of such books, papers, and documents; to administer such oaths; and to take such testimony as it deems advisable. The cost of stenographic services to report such hearings shall not be in excess of 25 cents per hundred words. The expenses of the committee, which shall not exceed $5,000, shall be paid from the contingent fund of the Senate upon vouchers approved by the chairman of the committee.

INVESTIGATION OF DISTRIBUTION AND UTILIZATION OF MEDICAL PERSONNEL, FACILITIES, AND RELATED HEALTH SERVICES

Mr. LUCAS. Mr. President, from the Committee to Audit and Control the Contingent Expenses of the Senate, I report favorably, with an additional amendment, Senate Resolution 74, and ask unanimous consent for its present consideration.

Mr. McNARY. Mr. President, may we have the resolution read?

The PRESIDING OFFICER. The resolution will be read.

The resolution (S. Res. 74) heretofore reported from the Committee on Education and Labor with amendments, and from the Committee to Audit and Control the Contingent Expenses of the Senate with an additional amendment, as proposed to be amended, was read, as follows:

Whereas the needs of the armed services for medical personnel has brought about acute shortages of doctors, nurses, dentists, and allied personnel in many areas; and

Whereas many centers of war production lack adequate facilities for the maintenance of health; and

Whereas a large number of men have been rejected for military service because of physical or educational deficiencies; and

Whereas the physical and mental fitness of the Nation has a direct bearing upon the efficiency of both the armed forces and civilian efforts in the effective prosecution of the war: Therefore be it

Resolved, That the Committee on Education and Labor or a subcommittee thereof to be appointed by the chairman of the Education and Labor Committee be authorized and directed to make a full and complete study and investigation, in cooperation with such public and private agencies and such persons as it might see fit to consult regarding the distribution and utilization of medical personnel, facilities, and related health services: Be it further

Resolved, That the subcommittee be authorized and directed to study and investigate the deficiencies in health and education among persons otherwise fit for service with the armed forces and persons otherwise fit to be employed to the best advantage in agriculture, industry, and other activities so as consistently with the spirit of our institutions, and the national emergency best to promote the war and victory for our cause. The committee shall report to the Senate, as

soon as practicable, the results of its study and investigation, together with its recommendations.

For the purposes of this resolution, the committee is authorized to hold such hearings, to sit and act at such times and places during the session, recesses, and adjourned periods of the Seventy-eighth Congress, to employ such clerical and other assistance, to require by subpena, or otherwise, the attendance of such witnesses and the production of such correspondence, books, papers, and documents, to make such investigations, to administer such oaths, to take such testimony, and to incur such expenditures as it deems advisable.

That the heads of the executive departments and other executive agencies detail and/or engage personnel temporarily to assist the committee upon the request of the chairman. The committee may utilize such voluntary and uncompensated services as it may deem necessary. The committee may utilize the services of facilities of the various departments and agencies of the Government.

The cost of stenographic services to report such hearings shall not be in excess of 25 cents per hundred words. The expenses of the subcommittee, which shall not exceed $5,000, shall be paid from the contingent funds of the Senate upon vouchers approved by the chairman of the subcommittee.

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

Mr. AUSTIN. Mr. President, reserving the right to object, I thought that this proposal involved the subject of manpower. I ask whether it does or not?

Mr. LUCAS. Mr. President, I yield to the Senator from Florida [Mr. PEPPER], who is the proponent of the resolution.

Mr. PEPPER. Mr. President, I think the caption which attracted the Senator's attention had not been properly amended, as the resolution itself had been amended, so as to be limited, not to the general subject of manpower, but to an investigation which comes peculiarly within the jurisdiction of the Committee on Education and Labor, namely, questions pertaining to education and public health, and the distribution of doctors among the civilian population of the country. The resolution has nothing to do with the general subject of manpower.

Mr. AUSTIN. I accept the statement of the Senator from Florida. Therefore I shall not object. However, I serve notice that I think that jurisdiction of the subject of manpower belongs in the Committee on Military Affairs. The committee is attending to its business in that respect and is holding hearings. It held one today on that subject. The hearings cover the whole field. Not only is it a waste of the energy of committees to refer a similar subject to another committee, but it would not serve the cause of total mobilization.

Mr. LUCAS. Mr. President, I am in hearty agreement with what the Senator from Vermont says so far as the duplication of authority is concerned in connection with these investigations. Heretofore on the floor of the Senate I have made myself rather clear as to how I feel about such procedure. I will say to the Senator from Vermont that if there is any question in his mind I shall be glad to delay consideration of the resolution until tomorrow, so as to give him an opportunity to examine the resolution and confer with the Senator from Florida, to see if he has any objection to it.

Mr. AUSTIN. Mr. President, I accept the statement of the Senator from Florida without qualification.

Mr. LODGE. Mr. President, I should like to ask a few questions about this resolution, which I have heard read hastily once. I am not entirely familiar with its provisions. Has the resolution been reported from the Committee on Education and Labor?

Mr. PEPPER. It has.

Mr. LODGE. As I understand, it relates to the question of manpower, and to the question of the health of inductees under selective service. While I am confident that the purpose of the resolution is a worthy one, I wonder if the Senator would mind having the resolution go over for a day, so as to give us an opportunity to examine it.

Mr. PEPPER. Mr. President, I shall be glad to have the resolution go over. Let me say to the Senator that it does not relate to anyone who is already in the service. What came to the attention of the Committee on Education and Labor was the fact that at Camp Lee, Va., when 600 white boys were inducted into the service, 193 of them were rejected because they were illiterate. In the country as a whole 2,997,000 men between the ages of 18 and 44 were rejected from selective service because they were either physically, mentally, educationally, or morally deficient. The committee had previously dealt with the subject of the distribution of doctors among the civilian population of the country, and we had rather extended hearings on that subject. It was desired to continue that subject for consideration; but in no sense of the word was there intended to be any encroachment whatever on the military jurisdiction. It was not intended to deal generally with the subject of manpower, but to deal only with questions peculiarly within the jurisdiction of the Senate Committee on Education and Labor, including matters of education and public health affecting only the civilian population.

Mr. LODGE. Those are very worthy aims, but I should like to have a day to examine the resolution. I am sure that I approve the aims of the Senator from Florida, but I should like to have a day to examine the resolution. I ask that it go over.

Mr. PEPPER. I shall be glad to have it go over.

The PRESIDING OFFICER. The resolution will be placed on the calendar.

DEPENDENTS OF FRANK EDWARD DACE

Mr. DOWNEY. Mr. President, I ask unanimous consent that the Senate proceed to the consideration of Calendar No. 159, Senate bill 367.

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

The LEGISLATIVE CLERK. A bill (S. 367) for the relief of dependents of Frank Edward Dace.

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

Mr. McNARY. Mr. President, on the last call of the calendar the bill was objected to by the Senator from Connecticut [Mr. DANAHER]. I am advised that he has withdrawn his objection. I have no objection.

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

There being no objection, the bill (S. 367) for the relief of dependents of Frank Edward Dace was considered, ordered to be engrossed for a third reading, read the third time, and passed, as follows:

Be it enacted etc., That the Secretary of the Treasury is authorized and directed to pay, out of any money in the Treasury not otherwise appropriated, to Lynn Jeanett Dace, the sum of $11,800, in full satisfaction of her claim against the United States for compensation for the death of her husband, Frank Edward Dace, who died as a result of an accident which occurred on February 20, 1942, while he was voluntarily and gratuitously making acceptance flights for the United States Army Air Corps: *Provided*, That no part of the amount appropriated in this act in excess of 10 percent thereof shall be paid or delivered to or received by any agent or attorney on account of services rendered in connection with this claim, and the same shall be unlawful, any contract to the contrary notwithstanding. Any person violating the provisions of this act shall be deemed guilty of a misdemeanor and upon conviction thereof shall be fined in any sum not exceeding $1,000.

FOOD PRODUCTION AND FOOD PRICES

Mr. CAPPER. Mr. President, I ask unanimous consent to have printed at this point in the RECORD, a letter addressed by me to Hon. Prentiss M. Brown, Administrator of the Office of Price Administration; three telegrams received by me protesting against the combination "roll-back and subsidy" program to lower food prices, also a radio talk delivered by myself on May 16, 1943, over Broadcasting Station WIBW, dealing with the subject of food production and food prices.

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

JUNE 1, 1943.

Hon. PRENTISS M. BROWN,
Administrator, Office of Price Administration, Washington, D. C.

DEAR SENATOR: I enclose you a telegram I have just received from George W. Catts, executive manager, Chamber of Commerce of Kansas City, Mo., and a telegram from Harlen McLeod, of Gilcrest, Colo., protesting against the proposed roll-back and subsidy for meat effective June 1.

These are typical of numerous similar complaints I have received from others. I am sure there will be a flood of objections from producers, processors, and others interested in the livestock industry in Kansas and other Middle West States.

I also enclose a telegram from the Washington County Cooperative Creamery Co. of Linn, Kans., urging the rescinding of the 10-percent roll-back on butter. I am in hearty sympathy with the appeal made by the butter producers.

I hope you can postpone action on the program mentioned in these telegrams until you have had time to look into the whole matter carefully and thoroughly. I believe

thorough study of the situation will convince you the program ought to be abandoned. It will not work. I will appreciate your early consideration of this very important matter.

Sincerely yours,

ARTHUR CAPPER.

KANSAS CITY, MO., *May 31, 1943.*

Senator ARTHUR CAPPER:

Proposed plan of the Office of Price Administration roll-back and subsidy for meat effective June 1 will probably lower livestock prices and curtail production. Loss on meat inventories slaughtered prior to June 1 will be reflected in lower prices paid by packers after June 1. Production cannot be maintained in face of questionable feed supply and price uncertainties. Please urge postponement of effective date until all interested groups can be heard and a more equitable and practicable plan developed.

GEORGE W. CATTS,
Executive Manager, Chamber of Commerce.

GILCREST, COLO., *May 31, 1943.*

Hon. Senator ARTHUR CAPPER,
Washington, D. C.:

You are asking the feeder to produce more pounds of meat. Do you think it is fair to us to put the price back so that we will lose money, or shall we leave our feed lots empty? All feeders are trying to help win this war, but we cannot stand this price fluctuation. I feed 200 head of cattle and 1,600 sheep; also run 650 cattle on range. Quit meddling with prices and we will produce our share.

HARLEN MCLEOD.

LINN, KANS., *May 31, 1943.*

Senator ARTHUR CAPPER:

We urge that you put all your influence and power in the rescinding of the 10 percent roll-back on butter.

WASHINGTON COUNTY CO-OP CREAMERY CO.

MORE FOOD OR SHORTER RATIONS

Months ago I called attention to what I felt sure was the fact—that the farm problem had become a food problem.

There are indications that Washington at last has come to realize this fact.

I understand plans are under way to shift the emphasis from prices to production in the field of food.

It is high time that shift was made.

If it becomes necessary to discard the Office of Price Administration, or to change its name and its objectives, the quicker the change is made the better.

The Office of Price Administration program, so far as the public is concerned, has been to tell the consumers they are entitled to cheap foods. The Office of Price Administration's purpose is to get lower food prices.

FOOD PRODUCTION IS MOST VITAL

What the Government should be explaining to the consumers today is that unless food production in the United States this year is greater than now appears probable, the people of the United States are going to go on short rations before the end of this year; certainly in 1944. And I really mean short rations.

In the Department of Agriculture this fact has been known for months. But the Department apparently has been unable to convince the other agencies that getting food is more important than fixing prices on food—prices based on much lower costs of production than prevail today; prices based on food surpluses instead of food scarcity.

But the Administration has insisted upon following a Pollyanna policy in regard to food production and farm help, farm machinery, farm prices. Consumers have been given to understand the problem of food was virtually only a matter of prices. The main idea was to keep the so-called "greedy farmers" from getting too much for what they produced.

LAST 3 YEARS ABOVE NORMAL

Those acquainted with the situation have been aware all the time that the last 3 years have been unusual years, years of abundant production. The weather was right all the way through, taking the country as a whole. Yields were bountiful. Feed grains and forage were produced in abundance for feeding dairy cattle, beef cattle, hogs, sheep, chickens. There were marked shortages of protein feeds for chickens and livestock. But the average consumer did not associate that with the food he took from the grocery.

We are told—and took pride in the fact we were able to do that much for our Allies—that this year one-fourth of the beef produced would go abroad. But it was rather slurred over that mathematically this meant only three-fourths the beef would be available in the United States.

We were told that one-third of the eggs laid would be needed abroad. But as consumers few persons tumbled to the fact that meant only two-thirds of the eggs would be available for home consumption. And so on down the line—one-half the cheese and one-half the evaporated milk; more than one-third the dried fruits; one-fourth of edible fats and oils, one-third of the lard; and so on.

But amounts to be shipped abroad did not, and do not now, tell the whole story. The Government is trying to lay up reserve stocks of food to feed reconquered lands in north Africa and later in Europe. These plans made during the fall and winter were based upon the supposition that 1943 farm production would exceed, or at least be as large as that of 1942.

ADVERSE CONDITIONS THIS SPRING

That part of picture already has changed, and changed for the worse.

In the Northwest and Midwest, late spring has delayed plantings dangerously, especially considering shortages of manpower and machinery.

In Florida and Georgia frosts this spring have delayed and seriously damaged the potato crop and many vegetables. Fruit crops over much of the South will be below normal, in some places much below normal.

The pig crop in the Corn Belt, through a combination of protein feed shortages, late winter, and inexperienced and inadequate help, has taken severe losses.

It is a little early to say for sure about wheat, but all reports I get indicate the probability that it will not be a bumper crop; that it may even be a short crop.

SURPLUS WHEAT IS VANISHING

From the fact that the Department of Agriculture is advising against the policy of feeding wheat to animals, except where storage space is inadequate, I take it the experts can see that 2-year supply of surplus wheat vanishing weekly. I think it was last fall when I told you the way things were going then, wheat and more wheat would be needed by 1944.

I do not like to keep crying "wolf," but as I see the picture the time has come—actually the best time has passed—for the administration to revise sharply and almost completely its food, price, and farm policies.

I say we are going to need every ounce of food that can be produced and made available for consumption.

It is all right, and very proper, for speakers to go on the air and call for more food production. That is an essential part of the program of education. But food is not produced, any more than wars are finally won, by radio broadcasts.

EXCESS PRODUCTION MORE EXPENSIVE

It takes men, and machinery, and fertilizer, and prices to cover production costs, to produce food. To produce food in excess of ordinary production, it takes more of all these; the administration should remember that excess production generally is higher cost production.

Now all the factors are not on the down side in this food situation.

The manpower situation is somewhat improved over what it was last fall, and considerably improved over what was then indicated.

The farm machinery situation remains bad, but the War Production Board is indicating more allowance will be made for farm machinery production for 1944. Last summer the allocations were for only 23 percent of 1940 production to be made in 1943. That has been raised to 40 percent; may be 80 percent for 1944. It ought to be 100 percent.

It has been my opinion for some time that the farm price policies attempted to be effectuated by the Office of Price Administration, and by the Office of Economic Stabilization, have been decidedly inflationary instead of what they were intended to be—anti-inflationary.

Any policy or program that discourages and decreases production, that complicates and breaks down the machinery of distribution, is inflationary in character, and in an emergency like this, also very dangerous.

CHESTER DAVIS IS SAWING WOOD

I think there is going to be a decided change in the manner of handling food production and control within a comparatively short time.

Chester Davis, the new food administrator, has noticeably not been on the air; he has not been doing much talking. My information from the Department of Agriculture is that he has been—to use an old phrase—just sawing wood.

Members of Congress from the farm States at present are watching this situation closely. We are interested in winning the war. We know that maximum food production is necessary to win the war. The troubles we have been having off and on for months past here in Washington have been largely efforts to get the administration to see the real need is maximum production.

It would be too bad, just when our military forces are going so good, to have the war machinery at home slowed down by monkey wrenches thrown into it by the mistaken farm, food, and price policies.

FOOD AS NECESSARY AS ARMS

I hope Chester Davis succeeds in getting the food-production program straightened out. But along with that someone is going to have to make it plain to consumers that food production is just as much a war necessity as arms production—and now that the arms-production program is working at top speed, it is more than ever necessary that food production be stepped up, not allowed to lag when the need for food is so great.

To farmers, I urge that you plant and harvest and produce every ounce of food you possibly can, including meat and dairy products. Your country needs it.

To consumers, conserve every ounce of food. Don't waste it. And do everything you can to make it possible for farmers to produce more.

To producers and consumers alike—if there is a way for you to produce some of your own food in a Victory garden—or any kind of a garden—do just that thing.

Your country needs food—and so do you.

Mr. CAPPER. In my letter to Administrator Brown, Mr. President, I have suggested that he abandon the program of using subsidies to hold down food prices. The plan, I am certain, will not work, and I have so told Mr. Brown.

For the purpose of encouraging the production of certain risk crops in unusual quantities, there may be some justification for making so-called incentive payments or bonuses. This would be for the purpose of securing needed increased production.

However, to borrow billions of dollars to subsidize food prices so that consumers, with more spending power than ever before, may get their food at less than cost would simply add fuel to the inflation conflagration well under way. I am convinced that this subsidy and rollback program will not work; it is merely adding to the confusion and discouraging production.

NOMINATION OF GUY DOANE McKINNEY

Mr. BONE. Mr. President, I should like to have the attention of the acting majority leader. I notice under the heading of "War Manpower Commission" on the Executive Calendar the nomination of Guy Doane McKinney from the District of Columbia, to be principal information specialist, at $5,600 per annum, in the Washington regional office. May I inquire if that is the State of Washington?

Mr. HILL. Mr. President, I should say it is in the District of Columbia.

Mr. BONE. I should like to have the nomination passed over until I can ascertain whether it is for the city of Washington, D. C., or the State of Washington.

Mr. HILL. Mr. President, if the Senator will yield, I will move an executive session, and will then ask that that nomination be passed over until we can check it.

Mr. BONE. I want the nomination to go over until I can ascertain who is being appointed in my State.

Mr. HILL. On the face of it, I think this appointment is in the District of Columbia. I will say to the Senator that we will agree that the nomination may go over until the Senator has had an opportunity to investigate it.

Mr. BONE. I should like to have the RECORD show that I want the nomination go over in the event it comes up again when I am not present.

Mr. HILL. If the Senator will yield, I will move that the Senate go into executive session at once.

Mr. BONE. Very well.

EXECUTIVE SESSION

Mr. HILL. I move that the Senate proceed to the consideration of executive business.

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

EXECUTIVE MESSAGE REFERRED

The PRESIDING OFFICER (Mr. CHANDLER in the chair) laid before the Senate a message from the President of the United States submitting a nomination in the Coast Guard, which was referred to the Committee on Commerce.

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

EXECUTIVE REPORTS OF COMMITTEES

The following favorable reports of nominations were submitted:

By Mr. GEORGE, from the Committee on Finance:

Abe D. Waldauer, of Memphis, Tenn., to be collector of customs for customs collection district No. 43, with headquarters at Memphis, Tenn. (reappointment).

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

Sundry officers of the Naval Reserve for appointment and/or promotion, and sundry officers for promotion in the Navy.

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

Sundry postmasters.

The PRESIDING OFFICER. If there be no further reports of committees, the clerk will proceed to state the nominations on the Executive Calendar.

WAR MANPOWER COMMISSION

The legislative clerk proceeded to read sundry nominations in the War Manpower Commission.

Mr. HILL. Mr. President, I ask that all nominations in the War Manpower Commission be confirmed en bloc with the exception of the nomination of Guy Doane McKinney. As to that nomination I request that it go over at the suggestion and request of the senior Senator from Washington [Mr. BONE].

Mr. BONE. Mr. President, for the purpose of the RECORD let me say that I will rise on this floor and object to every appointment in my State unless the bureaus at least do me the honor of calling me up and asking me if I know the nominees. I hope I shall have some help from my brethren, who certainly should be fed up with this kind of business at this time.

Mr. HILL. Mr. President, I am quite sure, from an examination of the calendar, that this appointment in the Washington regional office is in the city of Washington, in the District of Columbia. If the Senator will examine the calendar, he will note that in the column in which the name "Washington" appears all the names there are names of cities, including Atlanta, Canton, Lincoln, Kansas City, Boston, and so on down the list. They are all names of cities, so I am confident that the appointment referred to by the Senator from Washington is not in the State of Washington, but in the city of Washington, in the District of Columbia.

However, I am willing that the nomination of Guy Doane McKinney be passed over temporarily.

Mr. BONE. If it be true that his appointment applies to the city of Washington, I would have no objection.

Mr. HILL. I am confident that that is the case. The calendar strongly indicates it.

Mr. BONE. I am serving notice now, however, that I will not agree to the confirmation of the nomination of any person appointed in my State until the departments let me know in advance who the person is. I want that statement to appear in the RECORD.

Mr. HILL. I will say to the Senator from Washington that the calendar not only strongly indicates, but practically shows, that this man is an appointee in the city of Washington, and not in the State of Washington.

These nominations come under the jurisdiction of the Senate Committee on Military Affairs. They were reported by that committee. That committee has a rule—and I think that rule is strictly adhered to—that it will not report any nomination in any State without first consulting the Senator or Senators from that State and obtaining their approval of the nomination.

Mr. BONE. The language used in the calendar is "Washington regional office." I have no means of knowing whether that refers to the State of Washington, or the city of Washington in the District of Columbia.

Mr. HILL. I invite the attention of the Senator to the language in the nomination above that of Mr. McKinney—"in the Kansas City regional office." I am sure that his nomination is in the District of Columbia, and not the State of Washington.

The Senator from Kentucky [Mr. CHANDLER] is chairman of the subcommittee of the Committee on Military Affairs which handles these nominations. I yield to him.

Mr. CHANDLER. Mr. President, I am positive that the name referred to would not be on the calendar if the person came from the State of Washington, unless the Senator from Washington had first approved the nomination. We have an understanding that no appointment will come from that committee to the Senate for confirmation unless the appointment has been approved by the Senator in whose State the appointment is to be made. Some Senators have declined to show any interest in such nominations if they have no voice in the appointments. We have an understanding in the committee that no nomination will be reported to the Senate unless the Senator in whose State the appointment is to be made approves the nomination. I will not guarantee it, but I am reasonably certain that if the name had been from the State of the Senator from Washington it would not be on the calendar without his approval.

Mr. BONE. Mr. President, let me say to my good friend from Kentucky that appointment after appointment has been made of men in my State to positions calling upon the appointees to lay down rules of human conduct and establish policies. I have never before heard of some of these men. So far as it lies in my power I will not stand for this practice any longer. I think it is time for Senators who are interested—and most of them are—to put an end to this kind of business. I am tired of being blamed for the acts of men over whose conduct I have no control. If I am to accept any fragment of responsibility for their existence in those jobs, I want to know who they are before they are appointed. I think it is time for Senators to determine in their own minds to follow that course.

Mr. HILL. Mr. President, I ask unanimous consent that the nominations in the War Manpower Commission be confirmed en bloc, with the exception of the nomination of Guy Doane McKinney to

be principal information specialist in the Washington regional office.

The PRESIDING OFFICER (Mr. LUCAS in the chair). Is there objection? The Chair hears none, and the nominations are confirmed with the exception stated.

UNITED STATES PUBLIC HEALTH SERVICE

The legislative clerk proceeded to read sundry nominations in the United States Public Health Service.

Mr. HILL. I ask unanimous consent that the Public Health Service nominations be confirmed en bloc.

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

POSTMASTERS

The legislative clerk proceeded to read sundry nominations of postmasters.

Mr. McKELLAR. I ask that the postmaster nominations be confirmed en bloc.

The PRESIDING OFFICER. Without objection, the postmaster nominations are confirmed en bloc. That completes the Executive Calendar.

Mr. HILL. I ask unanimous consent that the President be immediately notified of all confirmations of today.

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

RECESS

Mr. HILL. As in legislative session, I move that the Senate take a recess until tomorrow at 11 o'clock a. m.

The motion was agreed to; and (at 5 o'clock and 50 minutes p. m.) the Senate took a recess until tomorrow, Wednesday, June 2, 1943, at 11 o'clock a. m.

NOMINATION

Executive nomination received by the Senate June 1 (legislative day of May 24), 1943:

THE COAST GUARD

Capt. Charles A. Park to be a rear admiral, for temporary service, in the Coast Guard, to rank from the 1st day of May 1943.

CONFIRMATIONS

Executive nominations confirmed by the Senate June 1 (legislative day of May 24), 1943:

UNITED STATES PUBLIC HEALTH SERVICE

TO BE TEMPORARY SENIOR SURGEON IN THE REGULAR CORPS, EFFECTIVE FROM JUNE 1, 1943

William E. Graham

TO BE TEMPORARY SURGEON IN THE REGULAR CORPS EFFECTIVE FROM JUNE 1, 1943

Daniel J. Daley
Eugene W. Green
Jack L. James
Edgar B. Johnwick
Leo D. O'Kane

TO BE TEMPORARY SANITARY ENGINEER IN THE REGULAR CORPS, EFFECTIVE FROM JUNE 1, 1943

Walter N. Dashiell

TO BE TEMPORARY SENIOR SURGEON IN THE REGULAR CORPS, EFFECTIVE FROM JUNE 1, 1943

Oswald F. Hedley
Thomas H. Tomlinson, Jr.

WAR MANPOWER COMMISSION

APPOINTMENTS

William F. Gow, of Alabama, to be field supervisor, at $5,600 per annum, in the Atlanta regional office.

James W. Reinhardt, of Ohio, to be area director, at $4,600 per annum, in the Canton area office.

John M. Baker, of Ohio, to be area director, at $4,600 per annum, in the Cincinnati area office.

Clinton A. Johnson, of Nebraska, to be area director, at $5,600 per annum in the Lincoln area office.

Will S. Denham, of Missouri, to be area director, at $5,600 per annum, in the Kansas City area office.

Alfred Mack, of Massachusetts, to be senior manpower utilization consultant, at $4,600 per annum, in the Boston regional office.

Francis Xavier Powers, of Massachusetts, to be area director, at $4,600 per annum, in the Worcester area office.

Harold Field Kellogg, of Massachusetts, to be housing and transportation specialist, at $4,600 per annum, in the Boston regional office.

Arthur M. Cochran, of Massachusetts, to be senior training supervisor, at $4,600 per annum, in the Boston area office.

George Melvin Dunlap, Jr., of Kansas, to be assistant regional chief of labor utilization, at $4,600 per annum, in the Kansas City regional office.

Gerald L. Arnett, of Illinois, to be area director, at $4,600 per annum, in the Moline area office.

George D. Haskell, of Iowa, to be area director, at $5,600 per annum, in the Des Moines area office.

Harold Ladd Pierce, of California, to be senior manpower utilization consultant, at $4,600 per annum, in the Los Angeles area office.

POSTMASTERS

GEORGIA

German L. Warren, Waycross.

PENNSYLVANIA

LeRoy A. Starr, Adamsdale.
Claude H. Strickland, Hop Bottom.
Alfred R. Warner, Waynesboro.

HOUSE OF REPRESENTATIVES

TUESDAY, JUNE 1, 1943

The House met at 12 o'clock noon, and was called to order by the Speaker.

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

Almighty God, we rejoice that divine love which blooms fadelessly in Gethsemane, shines in the crown of thorns. In the presence of Calvary, we pray that selfishness and strife may die and that we shall neither guess nor fear, nor be found unworthy to stand and serve our country. Storms bursting on the battle lines, whatever they may engulf, they cannot swallow the might of the human spirit—praises be unto Thy holy name.

Blessed Lord and Master, Thou hast vehemently affirmed the glory of self-sacrifice and rebuked selfishness, teaching us hopefully to identify ourselves with a sinning, suffering world; no heart is pure that is not passionate and no virtue is safe in indifference. In the name of Him by whose stripes we are healed, we beseech Thee that this indulgent generation may know of the grace of our Lord, who, though He was rich for our sakes He became poor and gave us the sublime manifestation of humble service. As a great Nation, we have not been made for the ends of wealth, luxury, and pleasure, but to help Lazarus at the gates of all peoples. O summon us to trial and endurance for the sake of those who are in the mad delirium of famine, persecution, inquisition, murder, and death. Lord God of hosts, lead us on in the power of magnitude, energy, and in the splendour of a mighty Union, and thus we shall fulfill our high destiny. In the name of our Saviour. Amen.

The Journal of the proceedings of Friday, May 28, 1943, was read and approved.

MESSAGE FROM THE SENATE

A message from the Senate, by Mr. Frazier, its legislative clerk, announced that the Senate had passed without amendment a concurrent resolution of the House of the following title:

H. Con. Res. 21. Concurrent resolution authorizing that the address delivered before the joint meeting of the Members of the two Houses of Congress by the Prime Minister of Great Britain, the Right Honorable Winston Churchill, be printed as a House document.

The message also announced that the Senate had passed, with an amendment in which the concurrence of the House is requested, a bill of the House of the following title:

H. R. 1670. An act to amend section 2 of the Civilian Pilot Training Act of 1939, as amended.

The message also announced that the Senate had passed, with amendments in which the concurrence of the House is requested, a bill of the House of the following title:

H. R. 2714. An act making appropriations to supply urgent deficiencies in certain appropriations for the fiscal year ending June 30, 1943, and for prior fiscal years, and for other purposes.

The message also announced that the Senate insists upon its amendments to the foregoing bill, requests a conference with the House on the disagreeing votes of the two Houses thereon, and appoints Mr. McKELLAR, Mr. GLASS, Mr. HAYDEN, Mr. TYDINGS, Mr. RUSSELL, Mr. NYE, and Mr. LODGE to be the conferees on the part of the Senate.

The message also announced that the Senate insists upon its amendment to the bill (H. R. 1784) entitled "An act for the relief of the legal guardian of Leonard L. Gay"; disagreed to by the House; agrees to the conference asked by the House on the disagreeing votes of the two Houses thereon, and appoints Mr. ELLENDER, Mr. TUNNELL, and Mr. CAPPER to be the conferees on the part of the Senate.

The message also announced that the Senate insists upon its amendment to the bill (H. R. 1463) entitled "An act for the relief of Florence B. Hutchinson"; disagreed to by the House; agrees to the conference asked by the House on the disagreeing votes of the two Houses thereon, and appoints Mr. ELLENDER, Mr. TUNNELL, and Mr. CAPPER to be the conferees on the part of the Senate.

The message also announced that the Senate insists upon its amendment to the bill (H. R. 235) entitled "An act for the relief of Forrest W. Dickey"; disagreed to by the House; agrees to the conference

asked by the House on the disagreeing votes of the two Houses thereon, and appoints Mr. ELLENDER, Mr. TUNNELL, and Mr. CAPPER to be the conferees on the part of the Senate.

CALL OF BILLS ON PRIVATE CALENDAR DISPENSED WITH

Mr. McCORMACK. Mr. Speaker, I ask unanimous consent that the call of the Private Calendar for today be dispensed with.

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

There was no objection.

CALENDAR WEDNESDAY BUSINESS DISPENSED WITH

Mr. McCORMACK. Mr. Speaker, I ask unanimous consent that Calendar Wednesday business of this week be dispensed with.

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

There was no objection.

URGENT DEFICIENCY BILL

Mr. CANNON of Missouri. Mr. Speaker, I ask unanimous consent to take from the Speaker's table the bill (H. R. 2714) making appropriations to supply urgent deficiencies in certain appropriations for the fiscal year ending June 30, 1943, and for prior fiscal years, and for other purposes, with Senate amendments thereto, disagree to the Senate amendments, and agree to the conference requested by the Senate.

The Clerk read the title of the bill.

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

There was no objection.

The Speaker appointed the following conferees on the part of the House: Messrs. CANNON of Missouri, WOODRUM of Virginia, LUDLOW, SNYDER, O'NEAL, RABAUT, JOHNSON of Oklahoma, TABER, WIGGLESWORTH, LAMBERTSON, and DITTER.

CURRENT TAX PAYMENT ACT OF 1943

Mr. DOUGHTON. Mr. Speaker, I call up the conference report on the bill (H. R. 2570) to provide for the current payment of the individual income tax, and for other purposes, and I ask unanimous consent that the statement of the managers on the part of the House may be read in lieu of the full report.

The Clerk read the title of the bill.

The SPEAKER. Is there objection to the request of the gentleman from North Carolina [Mr. DOUGHTON]?

There was no objection.

The Clerk read the statement of the managers on the part of the House.

The conference report and statement are as follows:

CONFERENCE REPORT

The committee of conference on the disagreeing votes of the two Houses on the amendment of the Senate to the bill (H. R. 2570) to provide for the current payment of the individual income tax, and for other purposes, having met, after full and free conference, have agreed to recommend and do recommend to their respective Houses as follows:

That the House recede from its disagreement to the amendment of the Senate and agree to the same with an amendment as follows:

In lieu of the matter proposed to be inserted by the Senate amendment insert the following:

"That (a) this Act may be cited as the 'Current Tax Payment Act of 1943.'

"(b) Meaning of terms used: Except as otherwise expressly provided, terms used in this Act shall have the same meaning as when used in the Internal Revenue Code.

"SEC. 2. Collection of tax at source on wages.

"(a) In general: Chapter 9 of the Internal Revenue Code (relating to employment taxes) is amended by inserting at the end thereof the following new subchapters:

"'SUBCHAPTER D—COLLECTION OF INCOME TAX AT SOURCE ON WAGES

"'SEC. 1621. Definitions.

"'As used in this subchapter—

"'(a) Wages: The term "wages" means all remuneration (other than fees paid to a public official) for services performed by an employee for his employer, including the cash value of all remuneration paid in any medium other than cash; except that such term shall not include remuneration paid—

"'(1) for services performed as a member of the military or naval forces of the United States, other than pensions and retired pay includible in gross income under chapter 1, or

"'(2) for agricultural labor (as defined in section 1426 (h)), or

"'(3) for domestic service in a private home, local college club, or local chapter of a college fraternity or sorority, or

"'(4) for casual labor not in the course of the employer's trade or business, or

"'(5) for services by a citizen or resident of the United States for a foreign government or for the government of the Commonwealth of the Philippines, or

"'(6) for services performed by a nonresident alien individual, other than a resident of a contiguous country who enters and leaves the United States at frequent intervals, or

"'(7) for such services, performed by a nonresident alien individual who is a resident of a contiguous country and who enters and leaves the United States at frequent intervals, as may be designated by regulations prescribed by the Commissioner with the approval of the Secretary, or

"'(8) for services for an employer performed by a citizen or resident of the United States while outside the United States (as defined in section 3797 (a) (9)) if the major part of the services for such employer during the calendar year is to be performed outside the United States, or

"'(9) for services performed as a minister of the gospel.

For the purpose of paragraph (8) services performed on or in connection with an American vessel (as defined in section 1426 (g)) under a contract of service which is entered into within the United States or during the performance of which the vessel touches at a port in the United States, or on or in connection with any vessel as an employee of the United States employed through the War Shipping Administration, shall not constitute services performed outside the United States.

"'(b) Payroll period: The term "payroll period" means a period for which a payment of wages is ordinarily made to the employee by his employer, and the term "miscellaneous payroll period" means a payroll period other than a daily, weekly, biweekly, semimonthly, monthly, quarterly, semiannual, or annual payroll period.

"'(c) Employee: The term "employee" includes an officer, employee, or elected official of the United States, a State, Territory, or any political subdivision thereof, or the District of Columbia, or any agency or instrumentality of any one or more of the foregoing. The term "employee" also includes an officer of a corporation.

"'(d) Employer: The term "employer" means the person for whom an individual performs or performed any service, of whatever nature, as the employee of such person, except that—

"'(1) if the person for whom the individual performs or performed the services does not have control of the payment of the wages for such services, the term "employer" (except for the purposes of subsection (a)) means the person having control of the payment of such wages; and

"'(2) in the case of a person paying wages on behalf of a nonresident alien individual, foreign partnership, or foreign corporation, not engaged in trade or business within the United States, the term "employer" (except for the purposes of subsection (a)) means such person.

"'(e) Single person: The term "single person" means a person with respect to whom a withholding exemption certificate is in effect under section 1622 (h) stating that such person is single, or is married and not living with husband or wife, and is not the head of a family.

"'(f) Married person: The term "married person" means a person with respect to whom a withholding exemption certificate is in effect under section 1622 (h) stating that he is married and living with husband or wife.

"'(g) Married person claiming all of personal exemption for withholding: The term "married person claiming all of personal exemption for withholding" means a married person with respect to whom a withholding exemption certificate is in effect under section 1622 (h) stating that for the purposes of this subchapter such person claims all of the personal exemption and that for the purposes of this subchapter his spouse is claiming none of the personal exemption.

"'(h) Married person claiming half of personal exemption for withholding: The term "married person claiming half of the personal exemption for withholding" means a married person with respect to whom a withholding exemption certificate is in effect under section 1622 (h) stating that for the purposes of this subchapter such person claims half of the personal exemption and that for the purposes of this subchapter his spouse is claiming not more than half of such exemption.

"'(i) Married person claiming none of personal exemption for withholding: The term "married person claiming none of the personal exemption for withholding" means a married person with respect to whom a withholding exemption certificate is in effect under section 1622 (h) making no claim with respect to the personal exemption for the purposes of this subchapter.

"'(j) Head of family: The term "head of a family" means a person with respect to whom a withholding exemption certificate is in effect under section 1622 (h) stating that he is the head of a family.

"'(k) Dependent: The term "dependent" means a person included in a withholding exemption certificate in effect under section 1622 (h) as a person dependent upon and receiving his chief support from the employee and either under eighteen years of age or incapable of self-support because mentally or physically defective.

"'SEC. 1622. Income Tax Collected at Source.

"'(a) Requirement of withholding. Every employer making payment of wages shall deduct and withhold upon such wages a tax equal to the greater of the following:

"'(1) 20 per centum of the excess of each payment of such wages over the family status withholding exemption allowable under subsection (b) (1) (A), or

"'(2) 3 per centum of the excess of each payment of such wages over the Victory tax withholding exemption allowable under subsection (b) (1) (B).

"'(b) Withholding exemption.

"'(1) In computing the tax required to be deducted and withheld under subsection (a), there shall be allowed as a withholding exemp-

tion with respect to the wages paid for each payroll period—

"'(A) in computing the tax required to be deducted and withheld under subsection (a) (1), a family status withholding exemption determined in accordance with the following schedule:

"Family status withholding exemption

"Payroll period	Single person	Married person claiming whole of personal exemption for withholding or head of family	Married person claiming half of personal exemption for withholding	Married person claiming none of personal exemption for withholding	Each dependent, other than the first dependent in the case of the head of a family
Weekly	$12	$24	$12	0	$6
Biweekly	24	48	24	0	12
Semimonthly	26	52	26	0	13
Monthly	52	104	52	0	26
Quarterly	156	312	156	0	78
Semiannual	312	624	312	0	156
Annual	624	1,248	624	0	312
Daily or miscellaneous (per day of such period)	1.70	3.40	1.70	0	.85

"'(B) in computing the tax required to be deducted and withheld under subsection (a) (2), a Victory tax withholding exemption determined in accordance with the following schedule:

"'Payroll period	*Victory tax withholding exemption*
Weekly	$12.00
Biweekly	24.00
Semimonthly	26.00
Monthly	52.00
Quarterly	156.00
Semiannual	312.00
Annual	624.00
Daily or Miscellaneous (per day of such period)	1.70

"'(2) If wages are paid with respect to a period which is not a payroll period, the withholding exemption allowable with respect to each payment of such wages shall be the exemption allowed for a miscellaneous payroll period containing a number of days (including Sundays and holidays) equal to the number of days in the period with respect to which such wages are paid.

"'(3) In any case in which wages are paid by an employer without regard to any payroll period or other period, the withholding exemption allowable with respect to each payment of such wages shall be the exemption allowed for a miscellaneous payroll period containing a number of days equal to the number of days (including Sundays and holidays) which have elapsed since the date of the last payment of such wages by such employer during the calendar year, or the date of commencement of employment with such employer during such year, or January 1 of such year, whichever is the later.

"'(4) In any case in which the period, or the time described in paragraph (3), in respect of any wages is less than one week, the Commissioner, under regulations prescribed by him with the approval of the Secretary, may authorize an employer, in computing the tax required to be deducted and withheld, to use the excess of the aggregate of the wages paid to the employee during the calendar week over the withholding exemption allowed by this subsection for a weekly payroll period.

"'(5) In determining the amount to be deducted and withheld under this subsection, the wages may, at the election of the employer, be computed to the nearest dollar.

"'(c) Wage Bracket Withholding:

"'(1) At the election of the employer with respect to any employee, the employer shall deduct and withhold upon the wages paid to such employee a tax determined in accordance with the following tables, which shall be in lieu of the tax required to be deducted and withheld under subsection (a).

If the payroll period with respect to an employee is weekly

And the wages are		And, (1) such person is a married person claiming none of personal exemption for withholding and has—									
		No dependents	One dependent	Two dependents	Three dependents	Four dependents	Five dependents	Six dependents	Seven dependents	Eight dependents	Nine dependents
				Or, (2) such person is a married person claiming half of personal exemption for withholding and has—							
				No dependents	One dependent	Two dependents	Three dependents	Four dependents	Five dependents	Six dependents	Seven dependents
						Or, (3) such person is a single person and has—					
						No dependents	One dependent	Two dependents	Three dependents	Four dependents	Five dependents	Six dependents	Seven dependents
At least	But less than					Or, (4) such person is a married person claiming all of personal exemption for withholding and has—					
						No dependents	One dependent	Two dependents	Three dependents	Four dependents	Five dependents
						Or, (5) such person is head of a family and has—					
						No dependents or one dependent	Two dependents	Three dependents	Four dependents	Five dependents	Six dependents
		The amount of tax to be withheld shall be—									
$0	$10	$1.00	----------	----------	----------	----------	----------	----------	----------	----------	----------
10	15	2.50	$1.30	$0.10	----------	----------	----------	----------	----------	----------	----------
15	20	3.50	2.30	1.10	$0.20	$0.20	$0.20	$0.20	$0.20	$0.20	$0.20
20	25	4.50	3.30	2.10	.90	.30	.30	.30	.30	.30	.30
25	30	5.50	4.30	3.10	1.90	.70	.50	.50	.50	.50	.50
30	40	7.00	5.80	4.60	3.40	2.20	1.00	.70	.70	.70	.70
40	50	9.00	7.80	6.60	5.40	4.20	3.00	1.80	1.00	1.00	1.00
50	60	11.00	9.80	8.60	7.40	6.20	5.00	3.80	2.60	1.40	1.30
60	70	13.00	11.80	10.60	9.40	8.20	7.00	5.80	4.60	3.40	2.20
70	80	15.00	13.80	12.60	11.40	10.20	9.00	7.80	6.60	5.40	4.20
80	90	17.00	15.80	14.60	13.40	12.20	11.00	9.80	8.60	7.40	6.20
90	100	19.00	17.80	16.60	15.40	14.20	13.00	11.80	10.60	9.40	8.20
100	110	21.00	19.80	18.60	17.40	16.20	15.00	13.80	12.60	11.40	10.20
110	120	23.00	21.80	20.60	19.40	18.20	17.00	15.80	14.60	13.40	12.20
120	130	25.00	23.80	22.60	21.40	20.20	19.00	17.80	16.60	15.40	14.20
130	140	27.00	25.80	24.60	23.40	22.20	21.00	19.80	18.60	17.40	16.20
140	150	29.00	27.80	26.60	25.40	24.20	23.00	21.80	20.60	19.40	18.20
150	160	31.00	29.80	28.60	27.40	26.20	25.00	23.80	22.60	21.40	20.20
160	170	33.00	31.80	30.60	29.40	28.20	27.00	25.80	24.60	23.40	22.20
170	180	35.00	33.80	32.60	31.40	30.20	29.00	27.80	26.60	25.40	24.20
180	190	37.00	35.80	34.60	33.40	32.20	31.00	29.80	28.60	27.40	26.20
190	200	39.00	37.80	36.60	35.40	34.20	33.00	31.80	30.60	29.40	28.20
$200 or over		20% of the excess over $200 plus									
		$40.00	$38.80	$37.60	$36.40	$35.20	$34.00	$32.80	$31.60	$30.40	$29.20

If the number of dependents is in excess of the largest number of dependents shown, the amount of tax to be withheld shall be that applicable in the case of the largest number of dependents shown reduced by $1.20 for each dependent over the largest number shown, except that in no event shall the amount to be withheld be less than 3 per centum of the excess of the median wage in the bracket in which the wages fall (or if the wages paid are $200 or over, of the excess of the wages) over $12, computed, in case such amount is not a multiple of $0.10, to the nearest multiple of $0.10.

If the payroll period with respect to an employee is biweekly

And the wages are		And, (1) such person is a married person claiming none of personal exemption for withholding and has—									
		No dependents	One dependent	Two dependents	Three dependents	Four dependents	Five dependents	Six dependents	Seven dependents	Eight dependents	Nine dependents
				Or, (2) such person is a married person claiming half of personal exemption for withholding and has—							
				No dependents	One dependent	Two dependents	Three dependents	Four dependents	Five dependents	Six dependents	Seven dependents
				Or, (3) such person is a single person and has—							
				No dependents	One dependent	Two dependents	Three dependents	Four dependents	Five dependents	Six dependents	Seven dependents
At least	But less than					Or, (4) such person is a married person claiming all of personal exemption for withholding and has—					
						No dependents	One dependent	Two dependents	Three dependents	Four dependents	Five dependents
						Or, (5) such person is head of a family and has—					
						No dependents or one dependent	Two dependents	Three dependents	Four dependents	Five dependents	Six dependents
		The amount of tax to be withheld shall be—									
$0	$20	$2.00	----------	----------	----------	----------	----------	----------	----------	----------	----------
20	30	5.00	$2.60	$0.20	----------	----------	----------	----------	----------	----------	----------
30	40	7.00	4.60	2.20	$0.30	$0.30	$0.30	$0.30	$0.30	$0.30	$0.30
40	50	9.00	6.60	4.20	1.80	.60	.60	.60	.60	.60	.60
50	60	11.00	8.60	6.20	3.80	1.40	.90	.90	.90	.90	.90
60	80	14.00	11.60	9.20	6.80	4.40	2.00	1.40	1.40	1.40	1.40
80	100	18.00	15.60	13.20	10.80	8.40	6.00	3.60	2.00	2.00	2.00
100	120	22.00	19.60	17.20	14.80	12.40	10.00	7.60	5.20	2.80	2.60
120	140	26.00	23.60	21.20	18.80	16.40	14.00	11.60	9.20	6.80	4.40
140	160	30.00	27.60	25.20	22.80	20.40	18.00	15.60	13.20	10.80	8.40
160	180	34.00	31.60	29.20	26.80	24.40	22.00	19.60	17.20	14.80	12.40
180	200	38.00	35.60	33.20	30.80	28.40	26.00	23.60	21.20	18.80	16.40
200	220	42.00	39.60	37.20	34.80	32.40	30.00	27.60	25.20	22.80	20.40
220	240	46.00	43.60	41.20	38.80	36.40	34.00	31.60	29.20	26.80	24.40
240	260	50.00	47.60	45.20	42.80	40.40	38.00	35.60	33.20	30.80	28.40
260	280	54.00	51.60	49.20	46.80	44.40	42.00	39.60	37.20	34.80	32.40
280	300	58.00	55.60	53.20	50.80	48.40	46.00	43.60	41.20	38.80	36.40
300	320	62.00	59.60	57.20	54.80	52.40	50.00	47.60	45.20	42.80	40.40
320	340	66.00	63.60	61.20	58.80	56.40	54.00	51.60	49.20	46.80	44.40
340	360	70.00	67.60	65.20	62.80	60.40	58.00	55.60	53.20	50.80	48.40
360	380	74.00	71.60	69.20	66.80	64.40	62.00	59.60	57.20	54.80	52.40
380	400	78.00	75.60	73.20	70.80	68.40	66.00	63.60	61.20	58.80	56.40
$400 or over		20% of the excess over $400 plus									
		$80.00	$77.60	$75.20	$72.80	$70.40	$68.00	$65.60	$63.20	$60.80	$58.40

If the number of dependents is in excess of the largest number of dependents shown, the amount of tax to be withheld shall be that applicable in the case of the largest number of dependents shown reduced by $2.40 for each dependent over the largest number shown, except that in no event shall the amount to be withheld be less than 3 per centum of the excess of the median wage in the bracket in which the wages fall (or if the wages paid are $400 or over, of the excess of the wages) over $24, computed, in case such amount is not a multiple of $0.10, to the nearest multiple of $0.10.

If the payroll period with respect to an employee is semimonthly

And the wages are		And, (1) such person is a married person claiming none of personal exemption for withholding and has—									
		No dependents	One dependent	Two dependents	Three dependents	Four dependents	Five dependents	Six dependents	Seven dependents	Eight dependents	Nine dependents
				Or, (2) such person is a married person claiming half of personal exemption for withholding and has—							
				No dependents	One dependent	Two dependents	Three dependents	Four dependents	Five dependents	Six dependents	Seven dependents
				Or, (3) such person is a single person and has—							
				No dependents	One dependent	Two dependents	Three dependents	Four dependents	Five dependents	Six dependents	Seven dependents
At least	But less than					Or, (4) such person is a married person claiming all of persona exemption for withholding and has—					
						No dependents	One dependent	Two dependents	Three dependents	Four dependents	Five dependents
						Or, (5) such person is head of a family and has—					
						No dependents or one dependent	Two dependents	Three dependents	Four dependents	Five dependents	Six dependents
		The amount of tax to be withheld shall be—									
$0	$20	$2.60	----------	----------	----------	----------	----------	----------	----------	----------	----------
20	30	5.00	$2.40	----------	----------	----------	----------	----------	----------	----------	----------
30	40	7.00	4.40	$1.80	$0.30	$0.30	$0.30	$0.30	$0.30	$0.30	$0.30
40	50	9.00	6.40	3.80	1.20	.60	.60	.60	.60	.60	.60
50	60	11.00	8.40	5.80	3.20	.90	.90	.90	.90	.90	.90
60	80	14.00	11.40	8.80	6.20	3.60	1.30	1.30	1.30	1.30	1.30
80	100	18.00	15.40	12.80	10.20	7.60	5.00	2.40	1.90	1.90	1.90
100	120	22.00	19.40	16.80	14.20	11.60	9.00	6.40	3.80	2.50	2.50
120	140	26.00	23.40	20.80	18.20	15.60	13.00	10.40	7.80	5.20	3.10
140	160	30.00	27.40	24.80	22.20	19.60	17.00	14.40	11.80	9.20	6.60
160	180	34.00	31.40	28.80	26.20	23.60	21.00	18.40	15.80	13.20	10.60
180	200	38.00	35.40	32.80	30.20	27.60	25.00	22.40	19.80	17.20	14.60
200	220	42.00	39.40	36.80	34.20	31.60	29.00	26.40	23.80	21.20	18.60
220	240	46.00	43.40	40.80	38.20	35.60	33.00	30.40	27.80	25.20	22.60
240	260	50.00	47.40	44.80	42.20	39.60	37.00	34.40	31.80	29.20	26.60
260	280	54.00	51.40	48.80	46.20	43.60	41.00	38.40	35.80	33.20	30.60
280	300	58.00	55.40	52.80	50.20	47.60	45.00	42.40	39.80	37.20	34.60
300	320	62.00	59.40	56.80	54.20	51.60	49.00	46.40	43.80	41.20	38.60
320	340	66.00	63.40	60.80	58.20	55.60	53.00	50.40	47.80	45.20	42.60
340	360	70.00	67.40	64.80	62.20	59.60	57.00	54.40	51.80	49.20	46.60
360	380	74.00	71.40	68.80	66.20	63.60	61.00	58.40	55.80	53.20	50.60
380	400	78.00	75.40	72.80	70.20	67.60	65.00	62.40	59.80	57.20	54.60
$400 or over		20% of the excess over $400 plus									
		$80.00	$77.40	$74.80	$72.20	$69.60	$67.00	$64.40	$61.80	$59.20	$56.60

If the number of dependents is in excess of the largest number of dependents shown, the amount of tax to be withheld shall be that applicable in the case of the largest number of dependents shown reduced by $2.60 for each dependent over the largest number shown, except that in no event shall the amount to be withheld be less than 3 per centum of the excess of the median wage in the bracket in which the wages fall (or if the wages paid are $400 or over, of the excess of the wages) over $26, computed, in case such amount is not a multiple of $0.10, to the nearest multiple of $0.10.

If the payroll period with respect to an employee is monthly

And the wages are		And, (1) such person is a married person claiming none of personal exemption for withholding and has—									
		No dependents	One dependent	Two dependents	Three dependents	Four dependents	Five dependents	Six dependents	Seven dependents	Eight dependents	Nine dependents
				Or, (2) such person is a married person claiming half of personal exemption for withholding and has—							
				No dependents	One dependent	Two dependents	Three dependents	Four dependents	Five dependents	Six dependents	Seven dependents
				Or, (3) such person is a single person and has—							
				No dependents	One dependent	Two dependents	Three dependents	Four dependents	Five dependents	Six dependents	Seven dependents
At least	But less than					Or, (4) such person is a married person claiming all of personal exemption for withholding and has—					
						No dependents	One dependent	Two dependents	Three dependents	Four dependents	Five dependents
						Or, (5) such person is head of a family and has—					
						No dependents or one dependent	Two dependents	Three dependents	Four dependents	Five dependents	Six dependents
		The amount of tax to be withheld shall be—									
$0	$40	$4.00	----------	----------	----------	----------	----------	----------	----------	----------	----------
40	50	9.00	$3.80	----------	----------	----------	----------	----------	----------	----------	----------
50	60	11.00	5.80	$0.60	$0.10	$0.10	$0.10	$0.10	$0.10	$0.10	$0.10
60	70	13.00	7.80	2.60	.40	.40	.40	.40	.40	.40	.40
70	80	15.00	9.80	4.60	.70	.70	.70	.70	.70	.70	.70
80	100	18.00	12.80	7.60	2.40	1.10	1.10	1.10	1.10	1.10	1.10
100	120	22.00	16.80	11.60	6.40	1.70	1.70	1.70	1.70	1.70	1.70
120	140	26.00	20.80	15.60	10.40	5.20	2.30	2.30	2.30	2.30	2.30
140	160	30.00	24.80	19.60	14.40	9.20	4.00	2.90	2.90	2.90	2.90
160	200	36.00	30.80	25.60	20.40	15.20	10.00	4.80	3.80	3.80	3.80
200	240	44.00	38.80	33.60	28.40	23.20	18.00	12.80	7.60	5.00	5.00
240	280	52.00	46.80	41.60	36.40	31.20	26.00	20.80	15.60	10.40	6.20
280	320	60.00	54.80	49.60	44.40	39.20	34.00	28.80	23.60	18.40	13.20
320	360	68.00	62.80	57.60	52.40	47.20	42.00	36.80	31.60	26.40	21.20
360	400	76.00	70.80	65.60	60.40	55.20	50.00	44.80	39.60	34.40	29.20
400	440	84.00	78.80	73.60	68.40	63.20	58.00	52.80	47.60	42.40	37.20
440	480	92.00	86.80	81.60	76.40	71.20	66.00	60.80	55.60	50.40	45.20
480	520	100.00	94.80	89.60	84.40	79.20	74.00	68.80	63.60	58.40	53.20
520	560	108.00	102.80	97.60	92.40	87.20	82.00	76.80	71.60	66.40	61.20
560	600	116.00	110.80	105.60	100.40	95.20	90.00	84.80	79.60	74.40	69.20
600	640	124.00	118.80	113.60	108.40	103.20	98.00	92.80	87.60	82.40	77.20
640	680	132.00	126.80	121.60	116.40	111.20	106.00	100.80	95.60	90.40	85.20
680	720	140.00	134.80	129.60	124.40	119.20	114.00	108.80	103.60	98.40	93.20
720	760	148.00	142.80	137.60	132.40	127.20	122.00	116.80	111.60	106.40	101.20
760	800	156.00	150.80	145.60	140.40	135.20	130.00	124.80	119.60	114.40	109.20
$800 or over		20% of the excess over $800 plus									
		$160.00	$154.80	$149.60	$144.40	$139.20	$134.00	$128.80	$123.60	$118.40	$113.20

If the number of dependents is in excess of the largest number of dependents shown, the amount of tax to be withheld shall be that applicable in the case of the largest number of dependents shown reduced by $5.20 for each dependent over the largest number shown, except that in no event shall the amount to be withheld be less than 3 per centum of the excess of the median wage in the bracket in which the wages paid fall (or if the wages paid are $800 or over, of the excess of the wages) over $52, computed, in case such amount is not a multiple of $0.10, to the nearest multiple of $0.10.

If the payroll period with respect to an employee is a daily payroll period or a miscellaneous payroll period

And the wages divided by the number of days in such period are—		And, (1) such person is a married person claiming none of personal exemption for withholding and has—									
		No dependents	One dependent	Two dependents	Three dependents	Four dependents	Five dependents	Six dependents	Seven dependents	Eight dependents	Nine dependents
				Or, (2) such person is a married person claiming half of personal exemption for withholding and has—							
				No dependents	One dependent	Two dependents	Three dependents	Four dependents	Five dependents	Six dependents	Seven dependents
				Or, (3) such person is a single person and has—							
				No dependents	One dependent	Two dependents	Three dependents	Four dependents	Five dependents	Six dependents	Seven dependents
At least	But less than					Or, (4) such person is a married person claiming all of personal exemption for withholding and has—					
						No dependents	One dependent	Two dependents	Three dependents	Four dependents	Five dependents
						Or, (5) such person is head of a family and has—					
						No dependents or one dependent	Two dependents	Three dependents	Four dependents	Five dependents	Six dependents
		The amount of tax to be withheld shall be the following amount multiplied by the number of days in such period									
$0	$1	$0.10	----------	----------	----------	----------	----------	----------	----------	----------	----------
1	2	.30	$0.15	----------	----------	----------	----------	----------	----------	----------	----------
2	3	.50	.35	$0.15	----------	----------	----------	----------	----------	----------	----------
3	4	.70	.55	.35	$0.20	$0.05	$0.05	$0.05	$0.05	$0.05	$0.05
4	5	.90	.75	.55	.40	.20	.10	.10	.10	.10	.10
5	6	1.10	.95	.75	.60	.40	.25	.10	.10	.10	.10
6	7	1.30	1.15	.95	.80	.60	.45	.30	.15	.15	.15
7	8	1.50	1.35	1.15	1.00	.80	.65	.50	.30	.15	.15
8	9	1.70	1.55	1.35	1.20	1.00	.85	.70	.50	.35	.20
9	10	1.90	1.75	1.55	1.40	1.20	1.05	.90	.70	.55	.35
10	12	2.20	2.05	1.85	1.70	1.50	1.35	1.20	1.00	.85	.65
12	14	2.60	2.45	2.25	2.10	1.90	1.75	1.60	1.40	1.25	1.05
14	16	3.00	2.85	2.65	2.50	2.30	2.15	2.00	1.80	1.65	1.45
16	18	3.40	3.25	3.05	2.90	2.70	2.55	2.40	2.20	2.05	1.85
18	20	3.80	3.65	3.45	3.30	3.10	2.95	2.80	2.60	2.45	2.25
20	22	4.20	4.05	3.85	3.70	3.50	3.35	3.20	3.00	2.85	2.65
22	24	4.60	4.45	4.25	4.10	3.90	3.75	3.60	3.40	3.25	3.05
24	26	5.00	4.85	4.65	4.50	4.30	4.15	4.00	3.80	3.65	3.45
26	28	5.40	5.25	5.05	4.90	4.70	4.55	4.40	4.20	4.05	3.85
28	30	5.80	5.65	5.45	5.30	5.10	4.95	4.80	4.60	4.45	4.25
$30 or over		20% of the excess over $30 plus									
		$6.00	$5.85	$5.65	$5.50	$5.30	$5.15	$5.00	$4.80	$4.65	$4.45

If the number of dependents is in excess of the largest number of dependents shown, the amount of tax to be withheld shall be that applicable in the case of the largest number of dependents shown reduced by $0.15 for each dependent over the largest number shown, except that in no event shall the amount to be withheld be less than 3 per centum of the excess of the product of the median wage in the bracket in which the wages fall and the number of days in the period (or if the wages paid are $30 or over, of the excess of the wages) over the product of $1.70 and the number of days in the period, computed, in case such amount is not a multiple of $0.05, to the nearest multiple of $0.05.

"'(2) If wages are paid with respect to a period which is not a payroll period, the amount to be deducted and withheld shall be that applicable in the case of a miscellaneous payroll period containing a number of days (including Sundays and holidays) equal to the number of days in the period with respect to which such wages are paid.

"'(3) In any case in which wages are paid by an employer without regard to any payroll period or other period, the amount to be deducted and withheld shall be that applicable in the case of a miscellaneous payroll period containing a number of days equal to the number of days (including Sundays and holidays) which have elapsed since the date of the last payment of such wages by such employer during the calendar year, or the date of commencement of employment with such employer during such year, or January 1 of such year, whichever is the later.

"'(4) In any case in which the period, or the time described in paragraph (3), in respect of any wages is less than one week, the Commissioner, under regulations prescribed by him with the approval of the Secretary, may authorize an employer to determine the amount to be deducted and withheld under the tables applicable in the case of a weekly payroll period, in which case the aggregate of the wages paid to the employee during the calendar week shall be considered the weekly wages.

"'(5) If the wages exceed the highest wage bracket, in determining the amount to be deducted and withheld under this subsection, the wages may, at the election of the employer, be computed to the nearest dollar.

"'(d) Tax paid by recipient: If the employer, in violation of the provisions of this subchapter, fails to deduct and withhold the tax under this subchapter, and thereafter the tax against which such tax may be credited is paid, the tax so required to be deducted and withheld shall not be collected from the employer; but this subsection shall in no case relieve the employer from liability for any penalties or additions to the tax otherwise applicable in respect of such failure to deduct and withhold.

"'(e) Nondeductibility of tax in computing net income: The tax deducted and withheld under this subchapter shall not be allowed as a deduction either to the employer or to the recipient of the income in computing net income for the purpose of any tax on income imposed by Act of Congress.

"'(f) Refunds or credits:

"'(1) Employers. Where there has been an overpayment of tax under this subchapter, refund or credit shall be made to the employer only to the extent that the amount of such overpayment was not deducted and withheld under this subchapter by the employer.

"'(2) Employees. For refund or credit in cases of excessive withholding, see section 322 (a).

"'(g) Included and excluded wages: If the remuneration paid by an employer to an employee for services performed during one-half or more of any payroll period of not more than thirty-one consecutive days constitutes wages, all the remuneration paid by such employer to such employee for such period shall be deemed to be wages; but if the remuneration paid by an employer to an employee for services performed during more than one-half of any such payroll period does not constitute wages, then none of the remuneration paid by such employer to such employee for such period shall be deemed to be wages.

"'(h) Withholding Exemption Certificates. Every employee receiving wages shall furnish his employer a signed withholding exemption certificate relating to his status for the purpose of computing the withholding exemption, or if the employer exercises his election under section 1622 (c) (relating to wage bracket withholding), for the purpose of computing the amount to be deducted and withheld under such subsection. In case of a change of status, a new certificate shall be furnished not later than 10 days after such change occurs. The certificate shall be in such form and contain such information as the Commissioner may, with the approval of the Secretary, by regulations prescribe. Such certificate—

"'(1) If furnished after the date of commencement of employment with the employer by reason of a change of status, shall take effect with respect to the first payment of wages made on or after the first status determination date which occurs at least thirty days from the date on which such certificate is furnished to the employer, except that at the election of the employer such certificate may be made effective with respect to any previous payment of wages made on or after the date of the furnishing of such certificate. For the purposes of this paragraph the term "status determination date" means January 1 and July 1 of each year.

"'(2) If furnished otherwise than by reason of a change of status, shall take effect as of the beginning of the first payroll period ending, or the first payment of wages made without regard to a payroll period, on or after the date on which such certificate is furnished to the employer.

"A certificate which takes effect under this subsection shall continue in effect with respect to the employer until another such certificate furnished by the employee takes effect under this subsection. If no certificate is in effect under this subsection with respect to an employee, such employee shall be treated, for the purposes of the withholding exemption, or in case the employer exercises his election under section 1622 (c) (relating to wage bracket withholding), for the purpose of computing the amount to be deducted and withheld under such subsection, as a married person claiming none of the personal exemption for withholding and having no dependents.

"'(i) Overlapping pay periods, and so forth: If a payment of wages is made to an employee by an employer—

"'(1) with respect to a payroll period or other period, any part of which is included in a payroll period or other period with respect to which wages are also paid to such employee by such employer, or

"'(2) without regard to any payroll period or other period, but on or prior to the expiration of a payroll period or other period with respect to which wages are also paid to such employee by such employer, or

"'(3) with respect to a period beginning in one and ending in another calendar year, or

"'(4) through an agent, fiduciary, or other person who also has the control, receipt, custody, or disposal of, or pays, the wages payable by another employer to such employee,

the manner of withholding and the amount to be deducted and withheld under this subchapter shall be determined in accordance with regulation prescribed by the Commissioner with the approval of the Secretary under which the withholding exemption allowed to the employee in any calendar year shall approximate the withholding exemption allowable with respect to an annual pay-roll period.

"'(j) Withholding on basis of average wages: The Commissioner may, under regulations prescribed by him with the approval of the Secretary, authorize employers (1) to estimate the wages which will be paid to any employee in any quarter of the calendar year, (2) to determine the amount to be deducted and withheld upon each payment of wages to such employee during such quarter as if the appropriate average of the wages so estimated constituted the actual wages paid, and (3) to deduct and withhold upon any payment of wages to such employee during such quarter such amount as may be necessary to adjust the amount actually deducted and withheld upon the wages of such employee during such quarter to the amount required to be deducted and withheld during such quarter without regard to this subsection.

"'SEC. 1623. Liability for tax.

"'The employer shall be liable for the payment of the tax required to be deducted and withheld under this subchapter, and shall not be liable to any person for the amount of any such payment.

"'SEC. 1624. Return and payment by governmental employer.

"'If the employer is the United States, or a State, Territory, or political subdivision thereof, or the District of Columbia, or any agency or instrumentality of any one or more of the foregoing, the return of the amount deducted and withheld upon any wages may be made by any officer or employee of the United States, or of such State, Territory, or political subdivision, or of the District of Columbia, or of such agency or instrumentality, as the case may be, having control of the payment of such wages, or appropriately designated for that purpose.

"'SEC. 1625. Receipts.

"'(a) Requirement: Every employer required to deduct and withhold a tax in respect of the wages of an employee shall furnish to each such employee in respect of his employment during the calendar year, on or before January 31 of the succeeding year, or, if his employment is terminated before the close of such calendar year, on the day on which the last payment of wages is made, a written statement showing the wages paid by the employer to such employee during such calendar year, and the amount of the tax deducted and withheld under this subchapter in respect of such wages.

"'(b) Statements to constitute information returns: The statements required to be furnished by this section in respect of any wages shall be furnished at such other times, shall contain such other information, and shall be in such form as the Commissioner, with the approval of the Secretary, may by regulations prescribe. A duplicate of such statement if made and filed in accordance with regulations prescribed by the Commissioner with the approval of the Secretary shall constitute the return required to be made in respect of such wages under section 147.

"'(c) Extension of time: The Commissioner, under such regulations as he may prescribe with the approval of the Secretary, may grant to any employer a reasonable extension of time (not in excess of 30 days) with respect to the statements required to be furnished under this section.

"'SEC. 1626. Penalties.

"'(a) Penalties for fraudulent receipt or failure to furnish receipt: In lieu of any other penalty provided by law (except the penalty provided by subsection (b) of this section), any person required under the provisions of section 1625 to furnish a receipt in respect of tax withheld pursuant to this subchapter who willfully furnishes a false or fraudulent receipt, or who willfully fails to furnish a receipt in the manner, at the time, and showing the information required under section 1625, or regulations prescribed thereunder, shall for each such failure, upon conviction thereof be fined not more than $1,000, or imprisoned for not more than one year, or both.

"'(b) Additional penalty: In addition to the penalty provided by subsection (a) of this section, any person required under the provisions of section 1625 to furnish a receipt in respect of tax withheld pursuant to this subchapter who willfully furnishes a false or fraudulent receipt, or who willfully fails to

furnish a receipt in the manner, at the time, and showing the information required under section 1625, or regulations prescribed thereunder, shall for each such failure be subject to a civil penalty of not more than $50.

"'(c) Failure of employer to file return or pay tax: In case of any failure to make and file return or pay the tax required by this subchapter, within the time prescribed by law or prescribed by the Commissioner in pursuance of law, unless it is shown that such failure is due to reasonable cause and not due to willful neglect, the addition to the tax shall not be less than $10.

"'(d) Penalties in respect of withholding exemption certificates: Any individual required to supply information to his employer under section 1622 (h) who willfully supplies false or fraudulent information, or who willfully fails to supply information thereunder which would require an increase in the tax to be withheld under section 1622, shall, in lieu of any penalty otherwise provided, upon conviction thereof, be fined not more than $500, or imprisoned for not more than one year, or both.

"'SEC. 1627. Other laws applicable.

"'All provisions of law, including penalties, applicable with respect to the tax imposed by section 1400 shall, insofar as applicable and not inconsistent with the provisions of this subchapter, be applicable with respect to the tax under this subchapter.

"'SUBCHAPTER E—GENERAL PROVISIONS

"'SEC. 1630. Verification of returns, etc.

"'(a) Power of Commissioner to require: The Commissioner, under regulations prescribed by him with the approval of the Secretary, may require that any return, statement, or other document required to be filed under this chapter shall contain or be verified by a written declaration that it is made under the penalties of perjury, and such declaration shall be in lieu of any oath otherwise required.

"'(b) Penalties: Every person who willfully makes and subscribes any return, statement, or other document, which contains or is verified by a written declaration that it is made under the penalties of perjury, and which he does not believe to be true and correct as to every material matter, shall be guilty of a felony, and, upon conviction thereof, shall be subject to the penalties prescribed for perjury in section 125 of the Criminal Code.

"'SEC. 1631. Use of Government depositaries in connection with payment of Taxes.

"'The Secretary may authorize incorporated banks or trust companies which are depositaries or financial agents of the United States to receive any taxes under this chapter in such manner, at such times, and under such conditions as he may prescribe; and he shall prescribe the manner, times, and conditions under which the receipt of such taxes by such depositaries and financial agents is to be treated as payment of such taxes to the collectors.

"'SEC. 1632. Acts to be performed by agents.

"'In case a fiduciary, agent or other person has the control, receipt, custody, or disposal of, or pays the wages of an employee or group of employees, employed by one or more employers, the Commissioner, under regulations prescribed by him with the approval of the Secretary, is authorized to designate such fiduciary, agent or other person to perform such acts as are required of employers under this chapter and as the Commissioner may specify. Except as may be otherwise prescribed by the Commissioner with the approval of the Secretary, all provisions of law (including penalties) applicable in respect of any employer shall be applicable to a fiduciary, agent or other person so designated but, except as so provided, the employer for whom such fiduciary, agent or other person acts shall remain subject to the provisions of law (including penalties) applicable in respect of employers.'

"(b) Technical Amendments.—

"(1) Amendment to Section 34.—Section 34 of the Internal Revenue Code (cross reference) is amended by striking out '453, 454, and 466 (e)' and inserting in lieu thereof '453 and 454'.

"(2) Amendment to Section 322: Section 322 (f) of the Internal Revenue Code (cross reference) is amended to read as follows:

"'(f) Tax Withheld at Source: For refund or credit in case of withholding agent, see section 143 (f). For refund or credit in case of employer required to deduct and withhold tax on wages, see section 1622 (f).'

"(c) Expiration Date for Withholding at Source on Wages Under Subchapter D of Chapter 1: Section 476 of the Internal Revenue Code (prescribing the expiration date for the taxes imposed by subchapter D) is amended to read as follows:

"'SEC. 476. Expiration date.

"'The tax imposed by Part I of this subchapter shall not apply with respect to any taxable year commencing after the date of cessation of hostilities in the present war. The tax imposed by Part II of such subchapter shall not apply with respect to any wages paid after June 30, 1943, unless paid during the calendar year 1943 with respect to a payroll period beginning on or before such date.'

"(d) Effective Date: The amendments made by subsections (a) and (b) shall take effect July 1, 1943, and shall be applicable to all wages paid on or after such date, except that such amendments shall not be applicable to wages paid during the calendar year 1943 with respect to a payroll period beginning before such date.

"SEC. 3. Credit for tax withheld at source.

"Section 35 of the Internal Revenue Code (relating to the credit for tax withheld on wages) is amended to read as follows:

"'SEC. 35. Credit for tax withheld on wages.

"'The amount deducted and withheld as tax under Subchapter D of Chapter 9 during any calendar year upon the wages of any individual shall be allowed as a credit to the recipient of the income against the tax imposed by this chapter for the taxable year beginning in such calendar year. If more than one taxable year begins in any such calendar year such amount shall be allowed as a credit against the tax for the last taxable year so beginning.'

"SEC. 4. Refunds.

"(a) Excessive withholding, etc.: Section 322 (a) (2) of the Internal Revenue Code (relating to excessive withholding) is amended to read as follows:

"'(2) Excessive withholding: Where the amount of the tax withheld at the source under Part II of Subchapter D or Subchapter D of Chapter 9 exceeds the taxes imposed by this chapter against which the tax so withheld may be credited under section 35 or 466 (e), the amount of such excess shall be considered an overpayment.

"'(3) Credits against estimated tax: The Commissioner is authorized to prescribe, with the approval of the Secretary, regulations providing for the crediting against the estimated tax for any taxable year of the amount determined by the taxpayer or the Commissioner to be an overpayment of the tax for a preceding taxable year.'

"(b) Presumptions as to date of payment: Section 322 (e) of the Internal Revenue Code (relating to presumption as to date of payment) is amended to read as follows:

"'(e) Presumption as to date of payment: For the purposes of this section, any tax actually deducted and withheld at the source during any calendar year under Part II of Subchapter D or under Subchapter D of Chapter 9 shall, in respect of the recipient of the income, be deemed to have been paid by him not earlier than the fifteenth day of the third month following the close of his taxable year with respect to which such tax is allowable as a credit under section 35 or section 466 (e). For the purposes of this section, any amount paid as estimated tax for any taxable year shall be deemed to have been paid not earlier than the fifteenth day of the third month following the close of such taxable year.'

"(c) Delegation of authority to collectors to make refunds: Section 3770 (a) of the Internal Revenue Code (relating to authority to make refunds) is amended (1) by striking out '(4)' at the beginning of paragraph (4) and inserting in lieu thereof '(5)'; and (2) by inserting after paragraph (3) the following:

"'(4) Delegation of authority to collectors to make refunds: The Commissioner is authorized to delegate, with the approval of the Secretary, to collectors any authority, duty, or function which the Commissioner is authorized or required to exercise or perform under paragraph (1), (2), or (3) of this subsection, or under section 322 or 1027, where the amount involved (exclusive of interest, penalties, additions to the tax, and additional amounts) does not exceed $1,000.'

"(d) Overpayments: Section 3770 of the Internal Revenue Code (relating to authority to make credits and refunds) is amended by inserting at the end thereof the following:

"'(c) Rule where no tax liability: An amount paid as tax shall not be considered not to constitute an overpayment solely by reason of the fact that there was no tax liability in respect of which such amount was paid.'

"(e) Cross-reference: The last subsection of section 3771 of the Internal Revenue Code (relating to interest on overpayments) is amended to read as follows:

"'(f) Estimated tax and tax withheld at source: For date of payment in respect of estimated tax and of tax withheld at source on wages, see section 322 (e).'

"(f) Review of allowance of interest: Section 3790 of the Internal Revenue Code (prohibiting administrative review of Commissioner's decisions) is amended by inserting at the end thereof the following: 'In the absence of fraud or mistake in mathematical calculation, the allowance or nonallowance by the Commissioner, of interest on any credit or refund under the internal revenue laws shall not, except as provided in Chapter 5, be subject to review by any other administrative or accounting officer, employee, or agent of the United States.'

"SEC. 5. Current payment of tax not withheld at source.

"(a) In general: The Internal Revenue Code is amended by striking out sections 58, 59, and 60 and inserting in lieu thereof the following:

"'SEC. 58. Declaration of estimated tax by individuals.

"'(a) Requirement of declaration: Every individual (other than an estate or trust and other than a nonresident alien with respect to whose wages, as defined in section 1621 (a), withholding under subchapter D of chapter 9, is not made applicable) shall, at the time during the taxable year prescribed in subsection (d), make a declaration of his estimated tax for the taxable year if—

"'(1) his gross income from wages (as defined in section 1621)

"'(A) in case such individual is single or married but not living with husband or wife: can reasonably be expected to exceed $2,700 for the taxable year; or did exceed $2,700 for the preceding taxable year; or

"'(B) in case such individual is married and living with husband or wife: can, when added to the gross income which can reasonably be expected to be received by such husband or wife from wages (as so defined),

reasonably be expected to exceed $3,500 for the taxable year; or did when added to the gross income of such husband or wife from wages (as so defined) for the preceding taxable year, exceed $3,500 for such preceding taxable year; or

"'(2) his gross income from sources other than wages (as defined in section 1621)

"'(A) in case such individual is single or married but not living with husband or wife: can reasonably be expected to exceed $100 for the taxable year and his gross income to be such as will require the making of a return for the taxable year under section 51; or did exceed $100 for the preceding taxable year and such individual either was required to make a return under section 51 or 455 for such preceding taxable year or would have been so required if he had been single during the whole of such preceding taxable year; or

"'(B) in case such individual is married and living with husband or wife: can, when added to the gross income which can reasonably be expected to be received by husband or wife from such sources, reasonably be expected to exceed $100 for the taxable year and the aggregate gross income of such husband and wife can reasonably be expected to be such as will require the making of a return under section 51 or 455; or did, when added to the gross income of such husband or wife from such sources for the preceding taxable year, exceed $100 for such preceding taxable year and such individual would have been required to make a return under section 51 or 455 for such preceding taxable year if he had been married and living with husband or wife during the whole of such preceding taxable year; or

"'(3) in case such taxable year is the taxable year beginning in 1943, such individual was required to make a return under section 51 for the taxable year beginning in 1942, and his gross income from wages (as defined in section 1621) for such taxable year is greater than the gross income which can reasonably be expected to be received from wages for the taxable year beginning in 1943.

"'(b) Contents of declaration: In the declaration required under subsection (a) the individual shall state—

"'(1) the amount which he estimates as the amount of tax under this chapter for the taxable year, without regard to any credits under sections 32, 35, and 466 (e);

"'(2) the amount which he estimates as the credits for the taxable year under sections 32, 35, and 466 (e); and

"'(3) the excess of the amount estimated under paragraph (1) over the amount estimated under paragraph (2), which excess for the purposes of this chapter shall be held and considered the estimated tax for the taxable year.

"The declaration shall also contain such other information for the purposes of carrying out the provisions of this chapter as the Commissioner, with the approval of the Secretary, may by regulations prescribe, and shall contain or be verified by a written statement that it is made under the penalties of perjury.

"'(c) Joint declaration by husband and wife: In the case of a husband and wife living together, a single declaration under this section may be made by them jointly, in which case the liability with respect to the estimated tax shall be joint and several. No joint declaration may be made if either the husband or wife is a nonresident alien. If a joint declaration is made but a joint return is not made for the taxable year, the estimated tax for such year may be treated as the estimated tax of either the husband or the wife, or may be divided between them.

"'(d) Time and place for filing: The declaration required under subsection (a) shall be filed on or before the fifteenth day of the third month of the taxable year, except that if the requirements of subsection (a) are first met after such date, the declaration shall be filed on or before the fifteenth day of the last month of the quarter of the taxable year in which such requirements are first met. An individual may make amendments or revisions of a declaration filed under this subsection, under regulations prescribed by the Commissioner with the approval of the Secretary. If so made, such amendments or revisions shall be filed on or before the fifteenth day of the last month of any quarter of the taxable year subsequent to that in which the declaration was filed and in which no previous amendments or revisions have been made or filed. Declarations and amendments and revisions thereof shall be filed with the Collector specified in section 53 (b) (1).

"'(e) Extension of time: The Commissioner may grant a reasonable extension of time for filing declarations and paying the estimated tax, under such rules and regulations as he shall prescribe with the approval of the Secretary. Except in the case of taxpayers who are abroad, no such extension shall be for more than six months.

"'(f) Persons under disability: If the taxpayer is unable to make his own declaration, the declaration shall be made by a duly authorized agent or by the guardian or other person charged with the care of the person or property of such a taxpayer.

"'(g) Signature presumed correct: The fact that an individual's name is signed to a filed declaration shall be prima facie evidence for all purposes that the declaration was actually signed by him.

"'(h) Publicity of declaration: For the purposes of section 55 (relating to publicity of returns), a declaration of estimated tax shall be held and considered a return under this chapter.

"'SEC. 59. Payment of estimated tax.

"'(a) In general: The estimated tax shall be paid in four equal installments except that—

"'(1) if the declaration is filed (otherwise than pursuant to an extension of time) after the fifteenth day of the third month of the taxable year, the estimated tax shall be paid in equal installments the number of which is equal to the number of quarters remaining in the taxable year (including the quarter in which the declaration is filed); and

"'(2) if any amendment or revision of a declaration is filed, the remaining installments shall be ratably increased or decreased, as the case may be, to reflect the increase or decrease, as the case may be, in the estimated tax by reason of such amendment or revision; and

"'(3) at the election of the individual, any installment of the estimated tax may be paid prior to the date prescribed for its payment. One installment of the estimated tax shall be paid at the time of making the declaration, and an installment thereof shall be paid on the fifteenth day of the last month of each succeeding quarter of the taxable year. Payment of any installment of the estimated tax shall be considered payment on account of the tax for the taxable year.

"'(b) Assessment: The estimated tax shall be assessed only to the extent paid.

"'SEC. 60. Special rules for application of sections 58 and 59.

"'(a) Farmers: In the case of an individual whose estimated gross income from farming for the taxable year is at least 80 per centum of the total estimated gross income from all sources for the taxable year, in lieu of the time prescribed in section 58 (d), the declaration for the taxable year may be made at any time on or before the fifteenth day of the last month of the taxable year.

"'(b) Application to short taxable years: The application of sections 58, 59, and 294 (a) (3), (4), and (5) to taxable years of less than twleve months shall be as prescribed in regulations prescribed by the Commissioner with the approval of the Secretary.

"'(c) Application to taxable years beginning in 1943: If the taxable year is the calendar year 1943, the fifteenth day of September 1943, shall be substituted for the fifteenth day of March for the purposes of section 58 (d). If the taxable year begins in 1943 after January 1, the date which shall be substituted for the fifteenth day of the third month of the taxable year for the purposes of section 58 (d) shall be prescribed by regulations prescribed by the Commissioner with the approval of the Secretary. In either case installments of the estimated tax for such taxable year payable after September 1, 1943, shall be ratably decreased to reflect the payments on account of a taxable year beginning in 1942 which are treated as payments on account of the estimated tax for a taxable year beginning in 1943.'

"(b) Additions to tax: Section 294 (a) of the Internal Revenue Code (relating to additions to tax in case of nonpayment) is amended by inserting at the end thereof the following:

"'(3) Failure to file declaration of estimated tax: In the case of a failure to make and file a declaration of estimated tax within the time prescribed, there shall be added to the tax an amount equal to 10 per centum of the tax.

"'(4) Failure to pay installment of estimated tax: In the case of the failure to pay an installment of the estimated tax within the time prescribed, there shall be added to the tax $2.50 or 2½ per centum of the tax, whichever is the greater, for each installment with respect to which such failure occurs.

"'(5) Substantial underestimate of estimated tax: If 80 per centum of the tax (determined without regard to the credits under sections 32, 35, and 466 (e)), in the case of individuals other than farmers exercising an election under section 60 (a), or 66⅔ per centum of such tax so determined in the case of such farmers, exceeds the estimated tax (increased by such credits), there shall be added to the tax an amount equal to such excess, or equal to 6 per centum of the amount by which such tax so determined exceeds the estimated tax so increased, whichever is the lesser. This paragraph shall not apply to the taxable year in which falls the death of the taxpayer.'

"(c) Penalties: Section 145 (a) of the Internal Revenue Code (relating to criminal penalties) is amended (1) by inserting after 'return' wherever appearing therein the words 'or declaration', and (2) by inserting before 'tax' wherever appearing therein the words 'estimated tax or'.

"(d) Payment by installments: Section 56 (b) of the Internal Revenue Code (relating to installment payments) is amended by striking out 'The' at the beginning thereof and inserting in lieu thereof 'Except in the case of an individual (other than an estate or trust and other than a nonresident alien with respect to whose wages, as defined in section 1621 (a), withholding under Subchapter D of Chapter 9 is not made applicable), the'.

"(e) Date for making return by certain nonresident aliens.

"(1) Section 217 (a) of the Internal Revenue Code (relating to returns by nonresident aliens) is amended by inserting after 'In the case of a nonresident alien individual' the following: 'with respect to whose wages, as defined in section 1621 (a), withholding under Subchapter D of Chapter 9 is not made applicable,'.

"(2) Section 218 (a) of the Internal Revenue Code (relating to payment of tax by nonresident aliens) is amended by inserting after 'In the case of a nonresident alien individual' the following: 'with respect to whose

wages, as defined in section 1621 (a), withholding under Subchapter D of Chapter 9 is not made applicable,'.

"(f) Taxable years to which applicable: The amendments made by this section shall be effective with respect to taxable years beginning after December 31, 1942, except that section 294 (a) (5) of the Internal Revenue Code shall not be applicable to a taxable year beginning in 1943 in the case of an individual not required to make a declaration under section 58 of the Internal Revenue Code for such year.

"SEC. 6. Relief from double payments in 1943.

"(a) Tax for 1942 not greater than tax for 1943: In case the tax imposed by Chapter 1 of the Internal Revenue Code upon any individual (other than an estate or trust and other than a nonresident alien not subject to the provisions of sections 58, 59, and 60 of such chapter) for the taxable year 1942 (determined without regard to this section, without regard to interest or additions to the tax, and without regard to credits against the tax for amounts withheld at source) is not greater than the tax for the taxable year 1943 (similarly determined), the liability of such individual for the tax imposed by such chapter for the taxable year 1942 shall be discharged as of September 1, 1943, except that interest and additions to such tax shall be collected at the same time and in the same manner as, and as a part of, the tax under such chapter for the taxable year 1943. In such case if the tax for the taxable year 1942 (determined without regard to this section and without regard to interest or additions to the tax) is more than $50, the tax under such chapter for the taxable year 1943 shall be increased by an amount equal to 25 per centum of the tax for the taxable year 1942 (so determined) or the excess of such tax (so determined) over $50, whichever is the lesser. This subsection shall not apply in any case in which the taxpayer is convicted of any criminal offense with respect to the tax for the taxable year 1942 or in which additions to the tax for such taxable year are applicable by reason of fraud."

"(b) Tax for 1942 greater than tax for 1943: In case the tax imposed by Chapter 1 of the Internal Revenue Code upon any individual (other than an estate or trust and other than a nonresident alien not subject to the provisions of sections 58, 59, and 60 of such chapter) for the taxable year 1942 (determined without regard to this section, without regard to interest or additions to the tax, and without regard to credits against the tax for amounts withheld at source) is greater than the tax for the taxable year 1943 (similarly determined), the liability of such individual for the tax imposed by such chapter for the taxable year 1942 shall be discharged as of September 1, 1943, except that interest and additions to such tax shall be collected at the same time and in the same manner as, and as a part of, the tax under such chapter for the taxable year 1943. In such case the tax under such chapter for the taxable year 1943 shall be increased by—

"(1) the amount by which the tax imposed by such chapter for the taxable year 1942 (determined without regard to this section and without regard to interest and additions to such tax) exceeds the tax imposed by such chapter for the taxable year 1943 (determined without regard to this section, without regard to interest and additions to such tax, and without regard to credits against such tax under section 466 (e) or under section 35 of such chapter), plus

"(2) if the tax for the taxable year 1943 (determined without regard to this section, without regard to interest or additions to the tax, and without regard to credits against such tax under section 466 (e) or under section 35 of such chapter) is more than $50, an amount equal to 25 per centum of the tax for the taxable year 1943 (so determined) or the excess of such tax (so determined) over $50, whichever is the lesser. Such amount shall in no case exceed 25 per centum of the tax for the taxable year 1942 (determined without regard to this section and without regard to interest and additions to such tax) or the excess of such tax (so determined) over $50, whichever is the lesser.

"This subsection shall not apply in any case in which the taxpayer is convicted of any criminal offense with respect to the tax for the taxable year 1942 or in which additions to the tax for such taxable year are applicable by reason of fraud. An individual who becomes subject to tax for the taxable year 1943 under this subsection shall be an individual required to make a return for the taxable year 1943 under section 51 of the Internal Revenue Code.

"(c) Additional increase in 1943 tax where increased income:

"(1) Tax for 1942 not greater than that for 1943: In the case of a taxpayer whose liability for the tax for the taxable year 1942 is discharged under subsection (a), and whose surtax net income for the base year plus $20,000 is less than that for the taxable year 1942, the tax imposed by Chapter 1 of the Internal Revenue Code for the taxable year 1943 shall be increased by the excess of 75 per centum of the tax imposed by such chapter for the taxable year 1942 (determined without regard to this section and without regard to interest and additions to the tax) over a tentative tax computed as if the portion of the surtax net income for the taxable year 1942 which is not greater than the sum of the surtax net income for the base year plus $20,000 constituted both the surtax net income for the taxable year 1942, and the net income for such taxable year after allowance of all credits against net income:

"(2) Tax for 1942 greater than that for 1943: In the case of a taxpayer whose liability for the tax for the taxable year 1942 is discharged under subsection (b) and whose surtax net income for the base year plus $20,000 is less than that for the taxable year 1943, the tax imposed by Chapter 1 of the Internal Revenue Code for the taxable year 1943 shall be increased by the excess of 75 per centum of the tax imposed by such chapter for the taxable year 1943 (determined without regard to this section and without regard to interest and additions to the tax) over a tentative tax for the taxable year 1943 computed as if the portion of the surtax net income for such taxable year which is not greater than the sum of the surtax net income for the base year plus $20,000 constituted both the surtax net income for the taxable year 1943, and the net income for such taxable year after allowance of all credits against net income.

"For the purposes of this subsection 'base year' means any one of the taxable years 1937, 1938, 1939, or 1940, to be selected by the taxpayer.

"(d) Rules for application of subsections (a), (b), and (c).—

"(1) Application of subsection (b) to members of armed forces: If the taxpayer is in active service in the military or naval forces of the United States or any of the other United Nations at any time during the taxable year 1942 or 1943, the increase in the tax for the taxable year 1943 under subsection (b) (1) shall be reduced by an amount equal to the amount by which the tax for the taxable year 1942 (determined without regard to this section) is increased by reason of the inclusion in the net income for the taxable year 1942 of the amount of the earned net income (as defined in section 25 (a) (4)).

"(2) Joint returns: If the taxpayer either for the taxable year 1942 or for the taxable year 1943 makes a joint return with his spouse, the taxes of the spouses for the taxable year for which a joint return is not made shall be aggregated for the purposes of subsections (a), (b), and (c), and in case the taxable year for which a joint return is not made is the taxable year 1943, the liability for the increase in the tax for the taxable year 1943 under subsections (b) and (c) shall be joint and several.

"(3) Foreign tax credit and applications of sections 105, 106, and 107: The credit against the tax imposed by Chapter 1 of the Internal Revenue Code for the taxable year 1943 allowed by section 31 of such chapter (relating to taxes of foreign countries and of possessions of the United States), shall be determined without regard to subsections (a), (b), and (c). Sections 105, 106, and 107 of such chapter (relating to limitations on tax) shall be applied without regard to subsections (a), (b), and (c).

"(4) Section 107 income attributed to base year: That portion of the compensation which is received or accrued in the taxable year 1942 (if the tax for such year is not greater than that for the taxable year 1943), or in the taxable year 1943 (if the tax for such year is less than that for the taxable year 1942), and which under section 107 of the Internal Revenue Code is attributed to the base year, shall for the purposes of subsection (c) be excluded in computing the surtax net income for the taxable year 1942 or 1943, as the case may be, and be included in computing the surtax net income for the base year.

"(5) Partnership business formerly operated as corporation: If, during the base year of any individual, such individual was a shareholder in a corporation and if substantially all of the assets of such corporation were at any time prior to May 1, 1943, acquired by such individual or a partnership of which he is a partner pursuant to the complete liquidation of such corporation, and if at all times after such liquidation up to and including the taxable year 1942 (if subsection (a) is applicable) or the taxable year 1943 (if subsection (b) is applicable) the trade or business of such corporation was carried on by such individual or partnership, for the purposes of subsection (c) such individual may compute his surtax net income for the base year as if the earnings and profits of the corporation for the taxable year ending with or within the base year had all been distributed as dividends at the end of such taxable year. If the interest of such individual in the partnership is proportionately less than his interest in the corporation, his distributive share of such dividends shall for the purposes of this paragraph be adjusted to reflect such difference.

"(6) Certain portions of increase in 1943 tax not part of estimated tax: The amount by which the tax for the taxable year 1943 is increased under subsection (a), (b) (2), or (c) shall not be considered to be a part of the tax for such taxable year for the purposes of sections 58, 59, 60, and 294 (a) (3), (4) and (5) of the Internal Revenue Code.

"(7) Taxpayer dying in taxable year 1942: If the individual dies during the taxable year 1942, subsections (a) (b), and (c) shall not apply.

"(e) Extension of time for payment of portions of increase in 1943 tax:

"(1) Twenty-five per centum increase under subsection (a) or (b): At the election of the taxpayer, made under regulations prescribed by the Commissioner with the approval of the Secretary, the Commissioner shall, except as hereinafter provided, extend the time for the payment of the portion of the tax for the taxable year 1943 equal to one-half of the amount of the 25 per centum increase therein under subsection (a) or (b) (2) for the taxable year 1943, in which case

such portion shall be paid on or before the fifteenth day of the fifteenth month following the close of the taxable year. The Commissioner may condition the extension upon the furnishing by the taxpayer of a bond in such amount, not exceeding the amount with respect to which the extension applies, with such surety or sureties, as the Commissioner deems necessary, conditioned upon the payment of such amount in accordance with the terms of the extension. If such amount is not paid on or before the date on which it is payable, it shall be paid upon notice and demand from the Collector. If such amount is not paid on or before the date on which it is payable, there shall be collected, as a part of the tax, interest on such amount at the rate of 6 per centum per annum for the period beginning with the date on which such amount is payable and ending with the date on which it is paid.

"(2) Increase under subsection (c): At the election of the taxpayer, made under regulations prescribed by the Commissioner with the approval of the Secretary, the Commissioner shall, except as hereinafter provided, extend the time for the payment of the portion of the tax for the taxable year 1943 equal to the increase therein under subsection (c), in which case such portion shall be paid in four equal annual installments, the first of which shall be paid on the fifteenth day of the fifteenth month following the close of the taxable year, and of the remaining installments one of which shall be paid on the last day of each succeeding twelve-month period, except that any installment may be paid prior to the date prescribed for its payment. The Commissioner may condition the extension upon the furnishing by the taxpayer of a bond in such amount not exceeding the amount of such increase, with such surety or sureties, as the Commissioner deems necessary, conditioned upon the payment of such amount in accordance with the terms of the extension. If the time for the payment of such portion is extended, there shall be collected, as a part of the tax, interest on each installment at the rate of 4 per centum per annum for the period beginning with the date prescribed for the payment of the tax for such taxable year and ending with the date on which such installment is paid or the date on which it is payable, whichever is the earlier. If any installment is not paid on or before the date on which it is payable, it and the remaining installments shall be paid upon notice and demand from the Collector. If any installment is not paid on or before the date on which it is payable, there shall be collected, as part of the tax, interest on such installment at the rate of 6 per centum per annum for the period beginning with the date on which such installment is payable and ending with the date on which it is paid.

"(f) Treatment of payments on account of 1942 tax. Any payment (other than interest and additions to the tax) made on account of the tax imposed by Chapter 1 of the Internal Revenue Code for the taxable year 1942 upon a taxpayer whose liability for such tax is discharged under subsection (a) or (b) shall be considered as payment on account of the estimated tax for the taxable year 1943. In the case of any extension of time for the payment of such tax granted by the Commissioner prior to September 1, 1943, payment of the portion thereof which if such extension had not been granted would have been payable under section 56 (b) prior to such date shall be made notwithstanding subsection (a) or (b), but the foregoing provisions of this subsection shall apply to any such payment. In case the taxpayer becomes delinquent, prior to September 1, 1943, in the payment of such tax or any installment thereof, subsection (a) or (b) shall not relieve the taxpayer of his liability for the tax, but the foregoing provisions of this subsection shall be applicable to payment of such liability. If any payment on account of the tax imposed by such chapter for the taxable year 1942 is made pursuant to a joint return made by husband and wife for such taxable year, and such payment is considered as a payment on account of the estimated tax for the taxable year 1943, such payment may be treated as a payment on account of the estimated tax of either the husband or the wife for such taxable year or may be divided between them.

"(g) Use of term "Taxable Year". For the purposes of this section the terms "taxable year 1937", "taxable year 1938", "taxable year 1939", "taxable year 1940", "taxable year 1942", and "taxable year 1943" mean, respectively, the taxable year beginning in 1937, 1938, 1939, 1940, 1942, and 1943, respectively; and "taxable year" as applied to the taxable year 1942 or 1943 shall not include any period of less than twelve months unless occasioned by the death of the taxpayer or unless there is no taxable year of twelve months beginning in such calendar year.

"(h) Regulations. This section shall be applied in accordance with regulations prescribed by the Commissioner with the approval of the Secretary.

"SEC. 7. Additional allowance for members of armed forces.

"(a) In general. Section 22 (b) (13) of the Internal Revenue Code (relating to additional allowance for military and naval personnel in computing net income) is amended to read as follows:

"'(13) Additional allowance for military and naval personnel. In the case of compensation received during any taxable year and before the termination of the present war as proclaimed by the President, by a member of the military or naval forces of the United States for active service in such forces during such war, or by a citizen or resident of the United States who is a member of the military or naval forces of any of the other United Nations for active service in such forces during such war, so much of such compensation as does not exceed $1,500,'

"(b) Effective date. The amendment made by subsection (a) shall apply with respect to taxable years beginning after December 31, 1942.

"SEC. 8. Abatement of tax for members of armed forces upon death.

"Chapter 1 of the Internal Revenue Code is amended by inserting after section 404 the following new supplement:

"'*Supplement U—Abatement of tax for members of armed forces upon death.*

"'SEC. 421. Abatement of tax for members of armed forces upon death.

"In the case of any individual who dies on or after December 7, 1941, while in active service as a member of the military or naval forces of the United States or of any of the other United Nations and prior to the termination of the present war as proclaimed by the President, the tax imposed by this chapter shall not apply with respect to the taxable year in which falls the date of his death, and the tax under this chapter and under the corresponding title of each prior revenue law for preceding taxable years which is unpaid at the date of his death (including interest, additions to the tax, and additional amounts) shall not be assessed, and if assessed the assessment shall be abated, and if collected shall be credited or refunded as an overpayment."

"SEC. 9. Assistant commissioners.

"Subchapter B of Chapter 39 of the Internal Revenue Code as amended to read as follows:

"'SUBCHAPTER B—ASSISTANT COMMISSIONERS

"'SEC. 3905. Appointment.

"'There shall be in the Bureau of Internal Revenue two Assistant Commissioners, who shall be appointed by the President, by and with the advice and consent of the Senate.

"'SEC. 3906. Duties.

"'The Assistant Commissioners shall perform such duties as may be prescribed by the Commissioner or required by law.'

"SEC. 10. Extension of time in connection with release of powers of appointment.

"Section 403 (d) (3) of the Revenue Act of 1942 is amended by striking out 'July 1, 1943' wherever it appears and inserting in lieu thereof 'March 1, 1944'; and section 452 (c) of the Revenue Act of 1942 is amended to read as follows:

"'(c) Release before March 1, 1944:

"'(1) A release of a power to appoint before March 1, 1944, shall not be deemed a transfer of property by the individual possessing such power.

"'(2) This subsection shall apply to all calendar years prior to 1944 and to that part of the calendar year 1944 prior to March 1, 1944.'"

And the Senate agree to the same.

R. L. DOUGHTON,
HAROLD KNUTSON,
DANIEL A. REED,
THOMAS A. JENKINS,
Managers on the part of the House.

WALTER F. GEORGE,
DAVID I. WALSH,
BENNETT CHAMP CLARK,
HARRY F. BYRD,
A. H. VANDENBERG,
JAMES J. DAVIS,
JOHN A. DANAHER (with reservations),
Managers on the part of the Senate.

STATEMENT

The managers on the part of the House at the conference on the disagreeing votes of the two Houses on the amendments of the Senate to the bill (H. R. 2570) to provide for the current payment of the individual income tax, and for other purposes, submit the following statement in explanation of the effect of the action agreed upon by the conferees and recommended in the accompanying conference report:

COLLECTION OF INCOME TAX AT SOURCE ON WAGES

Description of House and Senate bills

Part II of subchapter D of chapter 1 of the Internal Revenue Code provides for collection at the source of a tax of 5 percent on the excess of all wages paid on or after January 1, 1943, over a specific exemption of $624. The amount of tax collected at source under this provision is allowed as a credit against Victory tax and any excess thereof over the Victory tax imposed under part I of subchapter D is allowed as a credit against other income taxes imposed under chapter 1. Section 2 of the House bill would amend part II of subchapter D to provide for collection of a tax at source on wages paid on or after July 1, 1943, at a rate of 3 percent upon the excess of the wages paid over a specific exemption of $624 and a rate of 17 percent (which was designed to approximate the yield of the normal tax and the first-bracket surtax on such wages) upon the excess over a withholding exemption, the amount of which depended on the employee's family status. Thus, the combined rates approximated the net Victory tax, the normal tax, and the first-bracket surtax on such wages. In lieu of withholding at the flat percentage rates on the excess of the wages over the exemptions, employers were granted an option to withhold a tax determined under tables provided in the bill under which the two portions of the tax were combined into a single amount to be withheld from each wage payment.

The Senate bill adopts the basic system of collection at source as provided in the House bill but makes a number of technical

changes which are explained below. Under the bill as passed by the Senate, the methods of collection, payment, and administration of the withholding tax were coordinated generally with those applicable to the social security tax imposed on employees under section 1400 of the code. This proposal was made in order to facilitate the work of both the Government and the employer in administering the withholding system. Accordingly, section 2 of the Senate bill places the 20 percent withholding provisions in a new subchapter D of chapter 9 of the code. The new subchapter is entitled "Collection of Income Tax at Source on Wages." This amendment requires a change in the numbering of the various sections discussed below. This system of collection of income tax at source, like other income-tax laws, will apply in the Virgin Islands.

Definitions

Subchapter D under the bill as passed by the Senate consists of sections 1621 to 1627, inclusive. Section 1621 provides definitions of the more important terms used in subchapter D. The general definition of the term "wages" contained in section 1621 (a) is the same as that contained in the House bill and in section 465 (a) of the code. The term is generally defined to include all remuneration whether designated as salary, wages, fees, commissions, etc., and whether paid in cash or property, if paid for services performed by an employee for his employer. Certain of the exceptions provided in existing law with respect to remuneration paid for given types of services are continued in identical language. These exceptions, numbered to conform to the bill, include remuneration paid (2) for agricultural labor as defined in section 1426 (h); (3) for domestic service in a private home, local college club, or local chapter of a college fraternity or sorority; and (4) for casual labor not in the course of the employer's trade or business.

Exception (1) relates to remuneration paid for services performed as a member of the military or naval forces of the United States, other than pensions and retired pay includible in gross income. The addition of the expression "includible in gross income under Chapter 1," is a clerical change required by a further clerical change in section 1622 (a) from the provisions of the corresponding section 466 (a) of the code.

The exception provided with respect to remuneration for services performed for a foreign government or instrumentality thereof was amended in the Senate bill (exception (5)) to make clear that the exception extends to remuneration paid to employees by the Commonwealth of the Philippines. The exception was also amended to make certain that the services must be performed for the particular government, or branch of such government.

The exception provided in existing law for services as an employee of a nonresident alien individual, foreign partnership, or foreign corporation, if such alien or foreign entity is not engaged in trade or business within the United States, was eliminated. In many cases, although not engaged in trade or business in the United States, such employers do have an office or place of business therein or agents by whom wages are paid to citizen or resident employees in the United States. The amendment requires the tax to be withheld in such cases.

Section 1621 (a) (6) provides an exception for remuneration paid for services performed by a nonresident alien individual other than a resident of a contiguous country who enters and leaves the United States at frequent intervals. This is the same clerical change as that made in the House bill from a similar exception relating to the requirement of withholding contained in section 466 (a) of the code. The effect of this exception is generally to exclude from withholding all nonresident alien individuals who are subject to withholding under the provisions of section 143 of the code. By express provision, the exception does not extend to residents of a contiguous country who enter and leave the United States at frequent intervals. Thus residents of Canada and Mexico falling in such category who are employed within and receive remuneration for services performed within the United States will be subject to withholding under the provisions of the bill. Such persons are subject to the tax imposed by sections 11, 12, and 450 of the code, the same as in the case of citizens of the United States, upon the wages received for services performed within the United States and are not presently subject to withholding with respect to compensation for personal services under section 143.

Many persons falling within the category of residents of a contiguous country who enter and leave the United States at frequent intervals are employed by American railroads and steamship companies in transportation service which involves crossing and recrossing the border at frequent intervals. These and similar cases have many complicating factors and are not susceptible of appropriate treatment by rigid statutory rules. In addition, the exception of this general category of nonresident aliens from withholding under section 143 with respect to compensation rests within the discretion of the Commissioner. Accordingly, exception (7) authorizes the Commissioner to provide exceptions from withholding for such individuals under regulations prescribed with the approval of the Secretary.

Exception (8), relating to services performed while outside the United States, is a clarification of existing law designed to facilitate the use of certain presumptions in determining whether the major part of the services for an employer during the calendar year is to be performed outside the United States.

Exception (9) is a new provision excepting from the definition of "wages" remuneration paid for services performed as a minister of the gospel.

Section 1621 (a), relating to the definition of "wages," makes clear that the exception provided in paragraph (8) thereof with respect to services performed outside the United States does not extend to wages paid for services performed on an American vessel or upon any vessel as an employee of the United States employed through the War Shipping Administration. Hence, withholding is required upon the wages paid to (1) employees performing services on or in connection with an American vessel (as defined in section 1426 (g) of the code) under a contract of service which is entered into within the United States or during the performance of which the vessel touches at a port in the United States and (2) employees serving on or in connection with any vessel as an employee of the United States employed through the War Shipping Administration. This is in accordance with present administrative practice under existing law.

The term "pay-roll period" is defined in section 1621 (b) and is identical with that contained in the House bill and in section 465 (a) of the code. The Senate bill, however, added a definition of the term "miscellaneous pay-roll period." This term embraces any period for which a payment of wages is ordinarily made to the employee by his employer other than a weekly, biweekly, semimonthly, monthly, quarterly, semiannual, or annual payroll period. Thus, if an employer's ordinary practice is to pay his employees for periods of 10 days, such 10-day periods are miscellaneous pay-roll periods.

Section 1621 (c) defines the term "employee" in the same terms as the House bill and section 465 (d) of the code.

Sections 465 (c) and (e) of the code contains definitions of the terms "withholding agent" and "employer," respectively. Under the House bill and under the bill as passed by the Senate, the definition of withholding agent has been eliminated. Both bills generally define the term "employer" to mean the person for whom an individual performs or performed any service, of whatever nature, as the employee of such person. This general definition is not adequate, however, to cover certain special cases, such as the case where the local agent of a nonresident alien individual, foreign partnership, or foreign corporation pays wages to a citizen or resident of the United States, and the case of the person making payment of wages in situations where the wage payments are not under the control of the person for whom the services are or were performed, as, for instance, in the case of certain types of pension payments. The House bill provided for these cases by an exception to the general definition of the term "employer" which provided that if the wages are paid by a person other than the person for whom the services are or were performed, the term "employer" means the person paying such wages. The Senate bill has restated the exception in order to make clear that it is designed solely to meet unusual situations and not intended as a departure from the basic purpose to centralize responsibility for withholding, returning, and paying the tax and furnishing receipts.

Accordingly, the Senate bill provides in section 1621 (d) (1) that if the person for whom the services are or were performed does not have control of the payment of the wages for such services the term "employer" means the person having control of the payment of such wages. Section 1621 (d) (2) provides that in the case of a person who pays wages on behalf of a nonresident alien individual, foreign partnership, or foreign corporation, which is not engaged in trade or business within the United States the term "employer" means the person who pays the wages.

As stated, section 1621 (d) makes it clear that the responsibility for withholding, paying, and returning the tax and furnishing receipts rests with the employer, except as otherwise specifically provided in section 1624. In the case of a corporate employer having branch offices, the branch manager or other representative may actually, as a matter of internal administration, withhold the tax or prepare the receipts required under section 1625, but the responsibility and legal duty for withholding, paying, and returning the tax and furnishing the receipts rests with the corporate employer.

Under the bill as passed by the Senate, the tax required to be collected at the source is based upon the excess of the wage payment over the amount of the withholding exemption provided in section 1622 (b). The amount of the withholding exemption in a specific case is in general dependent upon the status of the individual employee as single, married, etc.; upon the number of his dependents; and, in the case of an employed married person whose spouse is also employed, the amount of the withholding exemption claimed by each spouse. In all cases the withholding exemption will be determined by the employer upon the basis of the information relative to status set forth in a withholding exemption certificate required to be furnished by the employees. Accordingly, definitions have been provided in sections 1621 (e) to (k), inclusive, for the purpose of enabling the employer to determine the status of wage earners with respect to the withholding exemption. Under these definitions, which are identical in all but one respect with those contained in the House bill, the terms "single person," "married person," "head of a family," and "dependent," have the meanings assigned to such terms for the purpose

of the personal exemption and credit for dependents in section 25 and the regulations prescribed thereunder, but the application of the appropriate amount of withholding exemption in each case depends upon the furnishing of a withholding exemption certificate stating that the individual occupies the described status or is entitled to the withholding exemption with respect to dependents. If no certificate setting forth the status of the employee is furnished, no withholding exemption is allowed; and tax will be withheld upon the gross amount of the wage payment. If husband and wife are both employed, each may claim one-half of the withholding exemption allowed a married person or they may agree to allow one spouse to claim all of the withholding exemption, and the other spouse to claim none of the withholding exemption. The option in such case extends only to the withholding exemption allowed a married person which under the definition is termed the "personal exemption for withholding."

The withholding exemption provided with respect to dependents must be claimed by the spouse who furnishes the chief support for such dependent whether or not such spouse claims any part of the personal exemption for withholding. In the case of the head of a family having one or more dependents, one of such dependents is to be omitted in determining the number of dependents for the purpose of the withholding exemption with respect to dependents. The only respect in which the Senate bill differs from these provisions in the House bill is that the former proposes to qualify the definition of the term "married person claiming half of the personal exemption for withholding" contained in subsection (h) so that such amount of the personal exemption for withholding shall apply only where the withholding exemption certificate expressly states that for the purposes of the tax collected at the source on wages the employee's spouse is claiming not more than one-half of the personal exemption for withholding. This change is designed to bring this definition in line with the definition of "married person claiming all of personal exemption for withholding"

Requirement of Withholding

The House bill expressed the withholding requirement in terms of two portions of the tax required to be collected at source. The portion required to be withheld at the rate of 17 percent was based upon the excess of the wage payment over the amount of a withholding exemption which approximated the personal exemption of the wage earner under the regular income tax plus credit for dependents plus 10 percent of such exemption and credit, the combined amounts being prorated in accordance with the length of the particular pay-roll period. The portion required to be withheld at the rate of 8 percent was based upon the excess of each wage payment over the prorated withholding exemption of $624 provided for Victory tax purposes. Thus, the employer would first apply one withholding exemption and rate to each payment of wages, then he would apply another withholding exemption and rate to such payment, and by adding the two results would arrive at the total amount of tax to be withheld. This amount would approximate the net Victory tax, the normal tax, and the first-bracket surtax on such wages.

The Senate bill is designed to achieve this same objective of withholding on wages an amount approximating the net Victory tax, the normal tax, and the first-bracket surtax on such wages, but it is so framed that the employer will not be required to make two separate computations and add the result of each in order to arrive at the amount of tax required to be withheld from any one employee.

To accomplish this objective of simplifying the work of employers, section 1622 under the Senate bill changes the aggregate withholding exemption of $552 for single persons provided in the House bill to $624; the withholding exemption of $1,320 for married persons to $1,248; and the withholding exemption of $408 for each dependent to $312. These amounts are termed the family status withholding exemptions. Withholding would then be applied at the single rate of 20 percent on all amounts paid in excess of these exemptions, prorated in accordance with the length of the pay-roll period. The Senate bill provides, however, that in no case may the tax to be withheld be less than 3 percent of the amount of the wages for each pay-roll period in excess of the prorated $624 Victory tax exemption.

The reason for the provision in section 1622 (a) that the amount to be withheld shall in no event be less than 3 percent of the amount in excess of the Victory tax withholding exemption is that the family status withholding exemption of a wage earner might equal or exceed the amount of his wages so that no withholding for normal tax and first-bracket surtax should take place, while at the same time his Victory tax withholding exemption might be less than the amount of his wages so that withholding for Victory tax purposes should take place. In other words, the provision is necessary to insure withholding for Victory tax purposes in the case of single persons with dependents having incomes between $624 and the applicable exemption under the 20-percent withholding, which ranges upward from $624 depending on the number of dependents, and in the case of married persons or heads of family with incomes between $624 and the applicable exemption under the 20-percent withholding, which ranges upward from $1,248 depending on the number of dependents. To illustrate: John Smith is a married person claiming the whole of the personal exemption for withholding and has one dependent. His weekly wage is $30. His weekly family status withholding exemption is $30 ($24 because he is a married person claiming the whole of the personal exemption for withholding, plus $6 because of his one dependent). Since his weekly family status withholding exemption equals the amount of his weekly wage, there will be no withholding for normal tax and first-bracket surtax purposes. However, John Smith's weekly Victory tax withholding exemption is $12, and since his weekly wage is $30, he has a Victory tax liability, and his employer will withhold $0.54 (3 percent of $18).

The specific wage levels at which only the 3-percent rate is applicable are readily ascertainable, and the Commissioner's regulations can furnish a list of those levels so that employers will not need to make computations in order to determine whether the 3-percent or full 20-percent rate is applicable. For example, a married person with one dependent who claims all of the personal exemption for withholding and who receives less than $33.18 a week will be subject only to a withholding tax of 3 percent on the amount received in excess of the prorated $624 Victory tax exemption. For all such persons receiving a weekly wage of $33.18 or over the rate of withholding will be 20 percent on the amount in excess of the applicable family status withholding exemption.

Under the Victory tax withholding provisions the liability for withholding is placed upon the person having control of the payment of wages. Section 1622, under the Senate bill, like the House bill, specifically designates the "employer" as the person required to withhold and collect the tax. This is a clarifying change. A clerical amendment in the House bill eliminated the provision in section 466 (a) which restricts the withholding to wages includible in gross income. The same change is made in the Senate bill. This limitation, which was designed to exclude from withholding the amount of any wage payment exempted under the law from the tax imposed by chapter 1 of the code, is rendered unnecessary by the changes made in the definition of the term "wages." The phrase "to any individual" was stricken from the requirement of withholding in order to avoid any implication that withholding should not apply merely because wages are received by a corporation, such as a corporate executor of a deceased employee.

Withholding Exemption

The amount of the withholding exemption applicable with respect to any payment of wages is determined under the provisions of section 1622 (b) under the Senate bill. The House bill changed the term "withholding deduction" contained in the Victory tax provisions to "withholding exemption" in order to avoid confusion. The latter designation is also used in the Senate bill. For convenience of reference, the withholding exemption allowable in computing tax at the 20-percent rate has, in the Senate bill, been designated the "family status withholding exemption" and that allowable in computing tax at the 3-percent rate the "Victory tax withholding exemption." The amount of the withholding exemption applicable to all wage payments is determined under the schedules provided in section 1622 (b) and the rules relative to the application of such schedules in certain types of cases are provided in paragraphs (2), (3), and (4) of subsection (b). The schedule of family status withholding exemptions applicable for the purpose of the 20-percent rate provided in subsection (a) (1) is as follows:

Family status withholding exemption

Payroll period	Single person	Married person claiming whole of personal exemption for withholding or head of family	Married person claiming half of personal exemption for withholding	Married person claiming none of personal exemption for withholding	Each dependent, other than the first dependent in the case of the head of a family
Weekly	$12.00	$24.00	$12.00	0	$6.00
Biweekly	24.00	48.00	24.00	0	12.00
Semimonthly	26.00	52.00	26.00	0	13.00
Monthly	52.00	104.00	52.00	0	26.00
Quarterly	156.00	312.00	156.00	0	78.00
Semiannual	312.00	624.00	312.00	0	156.00
Annual	624.00	1,248.00	624.00	0	312.00
Daily or miscellaneous (per day of such period)	1.70	3.40	1.70	0	.85

The schedule of Victory tax withholding exemptions for the withholding rate of 3 percent is as follows:

Pay-roll period:	*Victory tax withholding exemption*
Weekly	$12.00
Biweekly	24.00
Semimonthly	26.00
Monthly	52.00
Quarterly	156.00
Semiannual	312.00
Annual	624.00
Daily or miscellaneous (per day of such period)	1.70

The first schedule was changed in the Senate bill from that contained in the House bill, for the reasons stated above. The latter schedule is the same as that provided in section 466 (b) of the code with the exception of an additional line setting forth the amount of the withholding exemption applicable with respect to wages paid for a single day's service in the case of a daily or miscellaneous pay-roll period, and the designation, "Victory tax withholding exemption."

Except for the designation, the schedule is the same as that in the House bill. Under the rules prescribed in paragraphs (2) and (3) of the subsection, the daily or miscellaneous payroll period exemption will be used for computing the amount of the withholding exemption in the case of wages paid on a daily basis, for any period not otherwise provided for in the schedules, or for wages paid without regard to any period. For instance, in the case of wages paid for a 10-day payroll period, the amount of the withholding exemption applicable is $1.70 per day multiplied by the number of days in such period, or $17. The same rules apply to the withholding exemption schedule applicable for the purpose of computing the tax at the 20-percent rate.

The rules prescribed in paragraphs (2), (3), and (4) of section 1622 (b) are the same in substance as those provided in paragraphs (2), (3), and (4) of section 466 (b) of the code, and the same as those in the House bill. The Senate bill inserts "withholding" before "exemption." This is a clarifying change.

Paragraph (4) of section 1622 (b) is substantially the same as paragraph (2) of section 466 (b) of the code except that it is made clear that the rule there prescribed is applicable only if authorized by the Commissioner under appropriate regulations. Under this provision, if wages are paid for a period of less than a week or, in the case of wages paid without regard to any period, if the time described in paragraph (3) is less than 1 week, the employer may, if so authorized by the Commissioner, compute the amount of the tax on the basis of the excess of the wages paid during the calendar week over the withholding exemption allowable for a weekly pay-roll period. If the employer is not authorized to use such method, the tax will be based upon the excess of the wages paid, prorated on a daily basis, over the amount of the daily withholding exemption of $1.70. The application of this provision is illustrated by the following example:

If a married person (having no dependents) claiming all of the personal exemption for withholding receives in a calendar week $8 per day for 4 days, his employer may be authorized to withhold upon the amount in excess of $24 (or $8) at 20 percent, so that the total amount withheld would be $1.60. Hence, under such method withholding would apply beginning with the payment made for the fourth day, since the employee would have received $24 for the first 3 days. On the other hand, if not so authorized, the employer must use the amounts specified in the schedules for a daily or miscellaneous pay-roll period, in which case the amount withheld for each day would be 20 percent of the excess of $8 over $3.40 ($4.60), or $0.92, and the total amount withheld would be four times the latter amount, or $3.68.

Paragraph 5 of section 1622 (b) under the Senate bill is a new provision which, in order to simplify the work of the employer who withholds under the schedule method, permits him to round out the wages to the nearest dollar in computing the amount of tax to be withheld.

Paragraph (5) of section 466 (b) of the code provides that the total withholding exemption allowed an employee with respect to wages received from any one employer during the calendar year shall not exceed the amount of the withholding exemption allowable for an annual pay-roll period. This limitation operates to prevent an excessive withholding exemption and consequent underwithholding of the tax in those cases in which the employee receives regular wages plus additional wages in the form of bonuses, commissions, etc. The Senate bill, like the House bill, eliminates this paragraph as unnecessary. Under section 1622 (i) in the Senate bill, the Commissioner is vested with authority to provide appropriate rules for the determination of the withholding exemption applicable in such cases under which the withholding exemption allowed to an employee in any calendar year shall approximate the withholding exemption allowable with respect to an annual pay-roll period.

Wage Bracket Withholding

Under the provisions of section 1622 (c) under the Senate bill, employers may at their option withhold a tax determined under tables provided in such section to be deducted from each wage payment. Such tax shall be in lieu of the tax computed under the percentage rates and required to be withheld under the provisions of subsection (a). The change made in subsection (b) under the Senate bill with respect to the withholding exemption made it possible to provide one table applicable to each pay-roll period for all employees, regardless of their marital and dependency status. The resulting redesigning and reduction in the number of tables should substantially simplify the employer's task and the amounts withheld will very closely approximate the amounts which would be withheld under the more numerous tables of the House bill. Under this section, tables are provided for weekly, biweekly, semimonthly, and monthly pay-roll periods. For the convenience of employers making payment of wages for pay-roll periods other than those comprehended by the above-mentioned tables, or for periods which do not constitute a pay-roll period, or making payment of wages without regard to any particular period of time, a further table described as the table applicable to a daily pay-roll period or a miscellaneous pay-roll period is provided. Under this table the amount of the tax required to be withheld is determined by multiplying the amount of tax shown opposite the particular daily wage bracket by the number of days in the period for which wages are paid or, in the case of wages paid without regard to a period of time, by the number of days which have elapsed between such wage payments, since the date of commencement of employment during the calendar year, or January 1, of the calendar year, whichever is the later.

The rules relating to the application of the above-mentioned tables to specific types of cases are prescribed in paragraphs (2), (3), and (4) of section 1622 (c) under the Senate bill. These rules are in substance the same as those prescribed in paragraphs (2), (3), and (4) of section 466 (b) of the code, and are identical, apart from minor changes, with those prescribed in the House bill, for the purpose of determining the amount of the withholding exemption in cases where the tax is determined by application of the percentage rate to the wages paid. For example, if wages are paid for a period which does not constitute a pay-roll period, paragraph (2) of section 1622 (c) provides that the amount of tax to be withheld shall be computed by multiplying the tax shown opposite the appropriate wage bracket in the miscellaneous table by the number of days contained in the period for which such wages were paid. Paragraph (4) of that section provides that if wages are paid for a period of less than 1 week the employer may be authorized by the Commissioner to compute the tax under the table applicable in the case of a weekly pay-roll period. If the employer is authorized to use the table applicable to the weekly pay-roll period, the aggregate of the wages paid to the employee during the calendar week shall be considered as the weekly wage.

Paragraph 5 of section 1622 (c) under the Senate bill is a new provision which, in order to simplify the work of the employer who withholds under the table method with respect to employees whose wages exceed the highest wage bracket in any table, permits him to round out the wages to the nearest dollar in computing the amount of tax to be withheld.

Tax Paid by Recipient

Section 1622 (d) under the Senate bill is substantially the same as section 466 (d) of the code and the corresponding provision of the House bill. However, the language has been changed in order to make clear that nothing contained in the subsection should be construed to relieve the employer of the duty imposed by law to withhold and pay the tax. Under this provision, payment by the recipient of the income of the tax required to be withheld by the employer relieves the employer from payment of the tax but does not relieve him from liability for additions to the tax or penalties for failure to withhold, collect, and pay the tax in accordance with the provisions of the subchapter.

Nondeductibility of Tax

Section 1622 (e) under the Senate bill provides that the tax withheld and collected at the source on wages shall not be allowed as a deduction either to the employer or the recipient of the income in computing net income. However, provision is made by an amendment to section 35 of the code for credit for tax withheld at source in the case of the recipient of the income. This represents a clerical change from the House bill.

Refunds or Credits

Subsection (f) provides that the refund or credit of any overpayment of the tax required to be withheld and collected shall be made to the employer only to the extent that the amount of the overpayment was actually withheld and collected from the employee. The provision differs from the House bill by reason of the fact that the provisions of law applying to the social-security tax on employees under section 1400 have been made applicable. The subsection contains a cross-reference to the provision for credit or refund to recipients of income in the case of excessive withholding.

Included and Excluded Wages

Subsection (g) under the Senate bill is identical with the corresponding provision of the House bill. This subsection provides that if the remuneration paid for services performed during one-half or more of any pay-roll period constitutes wages, all the remuneration paid for such period shall be deemed to be wages; but if the remuneration paid for services performed during more than one-half of such pay-roll period does not constitute wages, then none of the remuneration paid for such period shall be deemed to be wages. The subsection has application only to remuneration paid for a period of not more than 31 consecutive days which constitutes an established pay-roll period within the meaning of the definition contained in section 1621 (b). It has no application to remuneration paid at irregular intervals or to remuneration paid without regard to any period. The 31-day limitation is intended to minimize changes in pay periods in order to avoid withholding.

Withholding Exemption Certificates

Subsection (h) of section 1622 under the Senate bill requires every employee receiving wages to furnish his employer a signed withholding exemption certificate in such form and containing such information as the Commissioner may, with the approval of the Secretary, by regulations prescribe. The purpose of the certificate is to enable the employer to determine the amount of the withholding exemption applicable to the wages of each employee or, if the employer elects under section 1622 (c) to adopt wage-bracket withholding, the amount to be withheld under that subsection. The status of the employee

as single person, married person claiming all of personal exemption for withholding, married person claiming half of personal exemption for withholding, married person claiming none of personal exemption for withholding, head of family, and the dependents to be taken into account by the employer for withholding purposes, are to be determined in accordance with the certificate furnished by the employee. Once in effect a certificate is to continue in effect until another certificate furnished by the employee takes effect. If no certificate is in effect with respect to an employee, the employer is to treat such employee as a married person claiming none of the personal exemption for withholding so that with respect to such employee there will be no withholding exemption in effect. Similarly, if the employer uses the wage-bracket tables, the amounts to be withheld from the wages of an employee with respect to whom there is no withholding certificate in effect are to be determined in accordance with the tables provided in the case of a married person claiming none of the personal exemption for withholding. In case of a change of status, the employee is required to furnish a new certificate not later than 10 days after such change occurs. This is a change from the House bill, designed to make clear that in the case of a change of status the employee must furnish a new certificate showing that change.

Under the House bill, changes in the employee's withholding exemption status are permitted at any time, but it is provided that the employer shall have at least 30 days from the date of notification of a change in status before being required to give effect to such change. Under subsection (h) of the Senate bill the employer is not required to give effect to a change in status more than twice during each calendar year. The modified rule is as follows:

(1) If the employee furnishes a withholding exemption certificate after the date of commencement of employment, the certificate is to take effect with respect to the first payment of wages made on or after the first status determination date which occurs at least 30 days from the date on which such certificate is furnished. For the purposes of this provision, the status determination dates are fixed as January 1 and July 1 of each year. These provisions are a modification of those under the House bill, designed to allow employers ample time in which to adjust payroll and other accounting records to conform to the withholding exemption certificates furnished by employees after the date of commencement of employment. Wherever feasible, however, employers may give earlier effect to such certificates. (2) If the employee furnishes a withholding exemption certificate on or before the date of commencement of employment, the certificate is to take effect as of the beginning of the first payroll period ending on or after the date on which the certificate is furnished or with respect to the first payment of wages made without regard to a payroll period on or after such date.

The rules set forth under (1) above are applicable to all wage earners who are employed on July 1, 1943, when the new withholding provisions take effect. The rules under (2) above apply in the case of new employment or reemployment, after an interruption in employment with the same employer, occurring after July 1, 1943. In applying these rules in the case of an employee intermittently hired and rehired by the same employer at frequent intervals, such employee shall be deemed to have commenced his employment at the time of the first hiring.

Overlapping Pay Periods, Etc.

Section 1622 (i), under the Senate bill, authorizes the Commissioner, under regulations prescribed with the approval of the Secretary, to provide suitable rules for the determination of the withholding exemption and the application of the wage-bracket tables with respect to various types of wage payments which do not fall readily within the statutory pattern which is necessarily designed to fit the customary type of periodic wage payments. The problems intended to be covered by these regulations are those arising generally in case of supplementary payments in the form of bonuses, commissions, dismissal wages, and the like, made in addition to periodic wage payments, and payments made with respect to periods beginning in one calendar year and ending in a different calendar year. The Senate bill changed the language of the corresponding provision of the House bill in order to make clear that the purpose of this provision is to limit the withholding exemption allowed to an employee in any calendar year to an amount approximating the withholding exemption allowable with respect to an annual pay-roll period.

Payments supplementary to periodic wage payments are made in various ways. Such payments may consist of commissions or bonuses paid each pay-roll period and covering the same or different periods as the regular wage payment or they may be made without regard to any particular period. The actual payment of the supplementary remuneration may or may not coincide with an actual payment of periodic wages. Such payments of supplementary remuneration raise the problem as to the proper handling of the withholding exemption and the wage-bracket tables in order to provide for the allowance of the appropriate withholding exemption and the deduction of the appropriate amount of tax.

For example, an employee's remuneration may consist of wages paid at periodic intervals plus additional wages in the form of a bonus paid at the end of each 6-month period. If the tax required to be withheld and collected at the source is computed independently with respect to each such payment of wages, after giving effect to the withholding exemption applicable to each such payment, it is apparent that such employee will have been allowed the entire amount of the withholding exemption to which he is entitled for a full calendar year. Hence, he should not be entitled to any withholding exemption with respect to wage payments made by the same employer during the balance of the calendar year. The same result would obtain if the tax on the periodic wage payments was withheld under the table applicable to such periods and the tax on the bonus was withheld on the percentage basis after allowance of the amount of the withholding exemption applicable to a 6-month period. It is obviously more desirable to have the withholding exemption to which the employee is entitled spread over the wage payments for the entire calendar year. Moreover, it is considered undesirable to burden the employer with the necessity of keeping records in order to determine at a given time the aggregate amount of the withholding exemption previously allowed to the employee.

Under the Senate bill, as in the House bill, the maximum amount allowable as a withholding exemption to an employee with respect to the wages paid by any one employer during the calendar year should approximate the amount of the withholding exemption allowed for an annual payroll period, whether such exemption is based on the schedules provided in subsection (b) of section 1622 or is reflected in the tables contained in subsection (c). For these reasons, it is expected that the Commissioner will provide reasonable regulations for the appropriate treatment of all such supplementary or overlapping wage payments. Such regulations should insure, on the one hand, that the amount of tax withheld by the employer will approximate the amount that would be withheld and collected if all wages paid to the employee by such employer were paid at periodic intervals throughout the calendar year and, on the other hand, that the employee will receive the benefit of withholding exemptions approximating in the aggregate the amounts specified under the schedules for an annual pay-roll period.

Withholding on Basis of Average Wages

The Senate bill added a new provision, which is contained in subsection (j), to permit withholding to be based on average wages. Under this provision, the Commissioner may, under regulations, authorize employers to estimate the wages which will be paid to any employee in any quarter of a calendar year; determine the amount to be withheld and collected upon each payment of wages to such employee during such quarter as if the appropriate average of the wages so estimated constituted the actual wages paid; and to withhold and collect upon any payment of wages to such employee during such quarter such amount as may be necessary to adjust the amount actually withheld and collected upon the wages of such employee during such quarter to the amount otherwise required to be withheld during such quarter. This provision is designed to promote the efficient functioning of the withholding system in cases where there is steady employment and little fluctuation in wages between pay periods, so that a reasonably accurate average can be estimated, and it is expected that the Commissioner's regulations will prescribe rules appropriate to that end.

Liability for Tax

Section 467 of the code consists of subsections (a), (b), and (c). The House bill changed the headings and combined subsections (a) and (b) into new subsection (a). These were clerical amendments made because of the new definition of the term "employer" contained in section 465 (d) under the House bill and effected no substantive change in the law Subsection 465 (b) under the House bill, relating to adjustments, was identical with section 467 (c) of the code. Under the Senate bill the corresponding section (sec. 1623) omits the provision for adjustments, since the adjustment authorization provision of section 1401 (c) of the code is made applicable.

Returns

The House bill provides for quarterly returns by the employer of tax withheld at source. The Senate bill omits the House provisions with respect to return and payment of the tax by employers. These requirements, under the Senate bill, are governed by the applicable provisions which apply to the tax imposed by section 1400. The provisions of the House bill relating to the determination of deficiencies have also been omitted in the Senate bill.

The change in the Senate bill from a system of collection, payment, and administration based upon the principles applicable to the income tax to a system of collection, payment, and administration based upon the principles underlying the collection of the social-security tax on wages has been made in order to promote efficiency and flexibility in the administration of the tax by the Government and the operations of the employer thereunder. This change, however, does not contemplate any departure from the basic principle that the responsibility and legal duty for withholding and paying the tax, etc., rests with the employer. In view of this basic principle, the Senate bill, in section 1624, retains the provision of the House bill that if the United States, a State, Territory, or political subdivision, or the District of Columbia, or any agency or instrumentality of any one or more of the foregoing is the employer, the return of the tax may be made by the officer or employee having control of the payment of wages or other officer or employee appropriately designated for that purpose.

Receipts

Section 469 of the code, relating to receipts, was amended by the House bill in two respects. Subsection (a) of section 469 was amended to eliminate the language which requires the employer to show on the receipt the period of employment covered by such receipt. As so amended, the section would specifically require only that the receipts show the amount of wages paid and the amount of tax withheld with respect thereto. The Commissioner is granted authority to prescribe by regulations the form and content of such receipts and, if he finds it necessary, he may require that the periods of employment be shown. Subsection (b) of section 469 of the House bill provided that the receipts should be in lieu of the information returns with respect to wages, but information returns would still be required with respect to remuneration not subject to withholding. Under the Senate bill, these House provisions are retained as section 1625 (a) and (b), and a clerical amendment is made in the heading and in the reference to "subchapter" rather than "part." The Senate bill contemplates that a duplicate of each receipt shall be furnished to the Government and provides that the furnishing of such duplicates shall be in lieu of the filing of Form 1099 information returns.

Subsection (c) of section 1625 under the Senate bill alters the provisions relating to extension of time for the furnishing of receipts to employees. By the terms of the amendment the Commissioner under regulations prescribed by him with the approval of the Secretary is empowered to grant to any employer a reasonable extension of time (not in excess of 30 days) with respect to the receipts required to be furnished to employees. Thus, the extension privilege will no longer be limited to the receipt to be furnished on the day on which the last payment of wages is made but may be applied in the case of receipts to be furnished at the close of the calendar year.

Penalties

Under the House bill subsections (a) and (b) of section 470, relating to penalties for fraudulent receipts or failure to furnish receipts, are identical with existing law. Under the Senate bill these penalty provisions remain substantially the same. The section has been renumbered as section 1626 and certain other clerical amendments have been made to adjust the provisions to the section of chapter 9 of the code.

Under the House bill subsection (c) of section 470 was amended to increase from $5 to $10 the minimum addition to the tax for failure by the employer to make and file a return required by this subchapter within the time prescribed by law or prescribed by the Commissioner in pursuance of law. The Senate bill retains this provision as section 1626 (c) with clerical changes required by the shift to chapter 9 of the code.

Section 470 (d) was a new provision added to the code by the House bill. This section provides appropriate penalties applicable to employees who willfully supply false or fraudulent withholding exemption certificates or who willfully fail to supply information which would decrease the withholding exemption. The penalty in each instance is a fine of not more than $500 or imprisonment of not more than 1 year, or both, and such penalties are in lieu of those provided in section 145 (a) of the code. This provision with minor modifications is retained in the Senate bill as section 1626 (d). As amended the statutory language makes clear that the penalties are applicable in the case of an employee who willfully supplies false and fraudulent information, or who willfully fails to supply information, which would require an increase in the tax to be withheld at source on his wages. Reference to section 145 (a) was eliminated because of the change from chapter 1 to chapter 9 of the code.

Under the bill as passed by the Senate, as has been previously noted, the withholding provisions have been shifted to chapter 9 of the code. To reflect this technical alteration an additional section has been added to the withholding provisions, namely, section 1627, and a subchapter E, to follow subchapter D of chapter 9, has been added. These new provisions are discussed below.

Other Laws Applicable

Section 1627 under the Senate bill provides that all provisions of law, including penalties, applicable with respect to the social-security tax on employees imposed by section 1400 shall, insofar as applicable and not inconsistent with the provisions of new subchapter D of chapter 9, be applicable with respect to the tax imposed under that subchapter.

Verification of Returns

Subchapter E of chapter 9 under the Senate bill contains certain provisions which will apply to chapter 9 generally. Under that bill there are two sections in subchapter E, namely, section 1630 and section 1631.

General provisions with respect to verification of returns, and related matters, are contained in section 1630. The Commissioner is empowered under subsection (a) to require that any return, statement, or other document required to be filed under chapter 9 shall contain or be verified by a written declaration that such return, statement, or other document is made under the penalties of perjury. To exercise this power the Commissioner is to prescribe appropriate regulations with the approval of the Secretary. The subsection makes clear that the declaration made under the penalties of perjury shall be in lieu of any oath otherwise required. Thus, the regulations may provide that the oath may be dispensed with in the case of employers making returns under chapter 9.

Subsection (b) of section 1630 provides for penalties in the case of a person who willfully makes and subscribes any return, statement, or other document, which contains or is verified by a written declaration that it is made under the penalties of perjury, and which he does not believe to be true and correct as to every material matter. The subsection states that such person shall be guilty of a felony, and, upon conviction, shall be subject to the penalties prescribed for perjury in section 125 of the Criminal Code.

Special Provision for Payment of Withheld Taxes

Section 1631 relates to the use of incorporated banks or trust companies (which are depositaries or financial agents of the United States) in connection with the payment of taxes under chapter 9. Under this section the Secretary may authorize such incorporated banks and trust companies to receive any taxes under chapter 9 in such manner, at such times, and under such conditions as he may prescribe. If the Secretary should make such authorization, he shall prescribe the manner, times, and conditions under which the receipt of chapter 9 taxes by authorized incorporated banks and trust companies is to be treated as payment of such taxes by the collectors. Withholding under the new system will involve very considerable amounts of tax moneys which will be withheld from the wages of employees. These funds will not belong to the employers. It may well prove desirable to provide a method by which these funds will be turned over by employers, and reach their way into the Treasury, more rapidly and more currently than, for example, on a quarterly basis. The purpose of section 1631 is to provide a flexible method by which this objective may be accomplished without placing an undue strain on the administrative tax collection machinery.

Technical Amendments

Section 2 (b) of the House bill was a technical amendment changing the heading of subchapter D of chapter 1 of the Internal Revenue Code. This amendment is unnecessary under the new structure provided in the Senate bill; accordingly, section 2 (b) of the Senate bill contains other technical amendments in keeping with the rearrangement effected thereunder. Paragraph (1) amends section 34 of the code by omitting reference to section 466 (e), relating to credit for Victory tax withheld at source under the system in effect prior to July 1, 1943. Paragraph (2) amends section 322 (f) of the code, which is likewise a cross-reference provision, to provide a cross-reference to section 1622 (f), relating to refunds or credits to employers and to recipients of income, instead of to section 466 (f), the present credit provision relating to the Victory tax.

Section 476 of the code provides that the taxes imposed by subchapter D of chapter 1 shall not apply to any taxable year commencing after the date of cessation of hostilities in the present war. Section 2 (c) of the House bill amends section 476 to limit the application of this provision to the Victory tax imposed by part I of subchapter D of chapter 1. Section 2 (c) of the Senate bill amends section 476 so that the tax imposed by part II of subchapter D of chapter 1 shall not apply with respect to any wages paid after June 30, 1943. Wages (as defined in sec. 1621 (a)) paid after that date will be subject to the provisions of subchapter D of chapter 9.

Effective Date

Section 2 (d) of the Senate bill, relating to the effective date, provides that the amendments made by section 2 (a) and (b) shall take effect on July 1, 1943, and shall be applicable to all wages paid on or after such date.

Conference Amendment

The conference amendment retains with the following changes the provisions of the Senate bill with respect to collection of income tax at source on wages:

In section 1621 (b) the word "daily" has been inserted in the definition of a miscellaneous pay-roll period. This is a clerical change.

In section 1622 (b) (2) and section 1622 (c) (2) the parenthetical expression "(including Sundays and holidays)" has been inserted in the interest of clarity.

Paragraph (5) of section 1621 (c) provides that in determining the amount to be deducted and withheld under the table method the wages may, at the election of the employer, be computed to the nearest dollar. This provision has been changed to qualify the rule so as to make it clear that it is applicable only if the wages exceed the highest wage bracket in the applicable table. Thus the rule is applicable in the case of a weekly pay-roll period where the weekly wage exceeds $200.

The provisions of section 1622 (h) have been amended in order to provide more logical rules for the effective date of withholding exemption certificates. The first rule, contained in paragraph (1), has been limited to certificates furnished after the date of commencement of employment with the employer by reason of a change of status. The second rule, contained in paragraph (2), has been extended to include the case of any certificate furnished otherwise than by reason of a change of status.

Section 1622 (h) has also been amended by adding the expression "and having no dependents." The purpose of this change is to avoid any misapprehension as to the consequences in a case where no withholding certificate is in effect.

A new paragraph (4) has been added to section 1621 (i). This paragraph authorizes

the Commissioner, with the approval of the Secretary, to prescribe regulations for determining the manner of withholding and the amount to be deducted and withheld, in the case of a payment of wages by an employer to an employee through an agent, fiduciary, or other person who also has the control, receipt, custody, or disposal of, or pays, the wages payable by another employer to such employee. In such a case the withholding exemption of the employee for any 1 year is to approximate the withholding exemption allowable with respect to an annual pay roll period. To illustrate the application of this provision: Five companies maintain a central agency which carries on the administrative work of the companies. This central agency or organization consists of a staff of stenographers, clerks, bookkeepers, and so forth. The expenses of the central agency, including wages paid to the foregoing employees, are borne by the companies in certain agreed proportions. Under the arrangement, each company is the employer of each employee on the staff of the central agency. Under the provisions of new paragraph (4), the Commissioner is authorized to provide that each such employee will be entitled in any one year only to an aggregate withholding exemption which shall approximate the withholding exemption allowable with respect to an annual pay roll period, rather than to five such withholding exemptions.

A complementary provision has been inserted as new section 1632. This section is made a part of subchapter E of chapter 9 of the code. Consequently its provisions are applicable with respect to all of the taxes imposed under chapter 9. This section provides that in case a fiduciary, agent, or other person has the control, receipt, custody, or disposal of, or pays, the wages of an employee or group of employees, employed by one or more employers, the Commissioner, under regulations prescribed by him with the approval of the Secretary, is authorized to designate such fiduciary, agent, or other person, to perform such acts as are required of employers under chapter 9 and as the Commissioner may specify. If such designation is made, all provisions of law (including penalties) applicable in respect of an employer shall be applicable to such fiduciary, agent, or other person so designated, except as may be otherwise prescribed by the Commissioner with the approval of the Secretary. However, except as so provided, the employer for whom such fiduciary, agent, or other person acts shall remain subject to the provisions of law (including penalties) applicable in respect of employers.

Thus, in the illustration given above of the five companies maintaining a central agency to carry on their administrative work, the Commissioner may designate such central agency or organization to perform such of the acts with respect to withholding, return and payment of the tax, the furnishing of receipts, and so forth, as the Commissioner may specify. However, such a designation relieves the employer of responsibility only to the extent that the Commissioner prescribes.

The expression "an employee" contained in section 1622 (i), following paragraph (4) of that subsection has been changed to "the employee." This is a clarifying change.

Section 1625 (c), relating to extensions of time for the furnishing of receipts, has been changed by striking out the words "to employees." This is a clarifying change designed to make certain that the Commissioner's authority to grant extensions of time for the furnishing of receipts extends to the receipts required to be furnished by the employer with his return of withheld taxes.

Sections 2 (c) and (d), relating respectively to the expiration date of the withholding provisions of the Victory tax (part II, subchapter D of chapter 1 of the code) and the effective date of the withholding provisions under subchapter D, chapter 9 of the code, have been changed. The change with respect to the expiration date of withholding under the Victory tax provides that such withholding shall not apply with respect to any wages paid after June 30, 1943, unless such wages are paid during the calendar year 1943 with respect to a pay-roll period beginning on or before June 30, 1943. The change with respect to the effective date of withholding under the bill provides that such withholding shall take effect July 1, 1943, and shall be applicable to all wages paid on or after such date, except that it shall not be applicable to wages paid during 1943 with respect to a pay-roll period beginning before July 1, 1943.

DESCRIPTION OF HOUSE AND SENATE BILLS

Miscellaneous amendments

Credit for Tax Withheld at Source on Wages

Section 3 of the Senate bill amends section 35 of the code to provide that the amount of the tax withheld and collected under subchapter D of chapter 9 shall be allowed as a credit to the recipient of the income against the income (including Victory) tax imposed by chapter 1. The credit for the amount withheld during any calendar year upon the wages is to be allowed as a credit to the recipient of the income against the tax for the last taxable year beginning in such calendar year. Apart from a clarifying change this provision is substantially the same as the corresponding provision in the House bill.

Excessive Withholding

Section 4 (a) of the Senate bill, which amends section 322 (a) (2) of the code, relating to excessive withholding, is the same in substance as section 3 (a) of the House bill, which made a clarifying amendment to section 322 (a) (2).

Authority to Make Credits Against Estimated Tax

Section 4 (a) also adds a new paragraph (3) to section 322 (a). This provision authorizes the Commissioner to prescribe with the approval of the Secretary regulations providing for a credit against estimated tax for any taxable year of the amount determined by the taxpayer or the Commissioner to be an overpayment of the tax for a preceding taxable year.

Under the new procedure in the declaration and payment of the estimated tax (the first installment of which will generally be payable at the same time as the making of the return and final payment of the tax for the preceding taxable year) a class of cases will arise in which it is apparent that the tax for the preceding taxable year has been overpaid. The Commissioner should have the same authority to credit an overpayment of the tax for a preceding taxable year against the estimated tax for the current taxable year as he has under existing law with respect to the tax for the current taxable year. Permitting the taxpayer on his return or on his declaration to compute the overpayment and credit it against his estimated tax in his declaration would obviate unnecessary remittances by the taxpayer of the estimated tax and unnecessary refunds by the Commissioner. The administration of the provisions of the bill may, therefore, require some crediting procedure as to the estimated tax in addition to that now provided in section 322 (a) (1).

In the absence of administrative experience in the field, it seemed wiser, in providing such additional credit, not to require the credit to be made or permitted, but to grant authority to the Commissioner to make or permit this type of credit, together with authority by regulation to specify the terms, conditions, extent, and effect of the credit to be made or permitted to be made. Among the matters to be covered by the regulations if the authority is exercised are—

(1) Whether and to what extent and under what conditions the taxpayer shall be allowed to take the credit on his declaration; and (2) whether the effect of the credit (whether taken by the taxpayer or made by the Commissioner) is to be like the credit allowed under section 35 of the code or like the credit specified by section 322 (a) (1). If, under this provision, the Commissioner authorizes a credit against the estimated tax of the character of that prescribed in section 322 (a) (1), such credit will constitute a payment of the estimated tax both generally and for the purposes of section 59 (b); and if the determination of the overpayment proves to have been erroneous, the year for which the overpayment was determined is adjusted.

Presumption as to Date of Payment

Section 4 (b) of the Senate bill amends section 322 (e) of the code, relating to presumption as to date of payment, to include tax actually withheld and collected at the source under subchapter D of chapter 9; to insure the application of the rule to the proper taxable year; and to provide for the application of the same rule with respect to payments of estimated tax.

Delegation of Authority to Collectors to Make Refunds

Subsection (c) of section 4 of the Senate bill amends section 3770 (a) of the code, relating to authority to make refunds New paragraph (4) has been added which authorizes the Commissioner to delegate, with the approval of the Secretary, to the various collectors any authority, duty, or function which the Commissioner is required to exercise or perform with respect to the making of refunds, and the like, in respect of any individual, estate, or trust, where the amount involved does not exceed $1,000. This provision makes it possible for the Commissioner to delegate to the collectors the function of making refunds of such amounts, not in excess of $1,000, as the Commissioner may prescribe. This provision will permit the administrative authorities to handle refunds more expeditiously.

Rule Where No Tax Liability

Section 4 (d) of the Senate bill adds new subsection (c) to section 3770 of the code. Under this provision an amount paid as tax shall not be considered not to constitute an overpayment solely because there was no tax liability in respect of which that amount was paid.

The income-tax law requires the taxpayer to make a return of his tax and to pay the tax so returned. These requirements contemplate that in the discharge of these duties at the time, place, and manner prescribed, honest mistakes will occur—mistakes both as to the amount of the tax and as to the existence of any tax liability; and that such honest mistakes made incident to the bona fide orderly compliance with the actual or reasonably apparent duties of the taxpayer are to be corrected under the provisions of law governing overpayments. It is believed that existing law so provides. The language of certain court decisions (holding that certain payments, not made incident to a bona fide and orderly discharge of actual or reasonably apparent duties imposed by law, are not overpayments and accordingly that interest is not payable) has been read by some as meaning that no payment can result in an overpayment if no tax liability actually existed. It is not believed that such reading is in any way a statement of existing law. The provisions of the bill, however, emphasize the need for clarity in this regard.

Under the bill as passed by the Senate, two requirements become basic features of the income tax: (1) The declaration and payment of the estimated tax; and (2) the with-

holding and collection by the employer of tax from the wages of employees, and the return and payment as such of the amount by the employer to the Government. Honest mistakes incident to faithful and orderly compliance will, of course, occur, just as they have in the older procedures of the tax. The doubts expressed as to the existence of an overpayment in case it ultimately turns out that there is no tax, it is believed should be put to rest, and to this end the amendment to section 3770 of the code was inserted in the Senate bill. It is thought that the code does not contemplate that liability for inerest can be cast on the Government by merely dumping money as taxes on the collector, by disorderly remittances to him of amounts not computed in pursuance of the actual or reasonably apparent requirements of the code, or not transmitted in accordance with the procedures set up by the code, or by other abuses of tax administration. As to these, a proper application of existing law will enable the courts, in the future as generally in the past, to deny treatment as overpayments to these improper payments.

Cross Reference

Section 4 (e) of the Senate bill changes the designation of the last subsection of section 3771 to subsection "(f)." This is a cross-reference provision.

Review of Allowance of Interest

Section 4 (f) of the Senate bill corresponds to section 3 (b) of the House bill and amends section 3790 of the code relating to prohibition of administrative review of the Commissioner's decision on the merits of claims presented under the internal-revenue laws. Because of the difficulty of applying the rules provided in the House bill, the Senate bill has extended the scope of section 3790 to include interest on any credit or refund under the internal-revenue laws.

Conference Amendment

The conference amendment retains with the following changes the provisions of the Senate bill covering miscellaneous amendments:

Section 4 (a) of the Senate bill, amending section 322 (a) (2) of the code (relating to excessive withholding), has been amended to make clear that where the amount of the tax withheld at source on wages is in excess of the income (including Victory) tax imposed by chapter 1, the amount of such excess shall be considered an overpayment. This amendment does not effect any change in substance.

Section 4 (b) of the Senate bill, which amends section 322 (e) of the code (relating to presumption as to date of payment) has been amended in two respects: First, it has been changed to provide that the tax actually deducted and withheld at the source on wages shall be deemed to have been paid by the recipient of the income not earlier than the fifteenth day of the third month following the close of his applicable taxable year; second, a clerical change is made, which omits the reference to the case of a nonresident alien individual. This second change is required by reason of the conference change which makes the return date of certain nonresident alien individuals the same as the return date for citizens and residents of the United States.

Section 4 (c) of the Senate bill, which amends section 3770 (a) of the code by authorizing delegation of authority to collectors to make refunds, has been changed to make clear that the amount involved, i. e., $1,000, is to be determined without regard to interest, penalties, additions to the tax, and additional amounts. Such items are, however, within the scope of the authorized delegation.

The references throughout the foregoing portion of the bill to withholding at the source have been made uniform, so that the reference now is to "deduction and withholding." These are clerical changes, and do not effect any change in substance.

CURRENT PAYMENT OF TAX NOT WITHHELD AT SOURCE

Description of House and Senate Bills

The House bill provided for a system of current payment of individual income tax only to the extent of a so-called estimated basic tax (net Victory tax plus normal tax plus first-bracket surtax) on income not constituting wages subject to withholding at source. The system proposed under the Senate bill provides for the current collection of all individual income (including Victory) tax on income to the extent that such taxes are not paid through withholding at source.

Section (5) of the Senate bill strikes sections 58, 59, and 60 of the code, which are cross-reference provisions, and inserts in lieu thereof new sections 58, 59, and 60 to provide for the current payment of that portion of the individual's tax liability not required to be withheld at source. Withholding at source is at a rate designed to approximate the net Victory tax, the normal tax, and first-bracket surtax and applies only with respect to wages (as defined in sec. 1621). The current payment system is designed to provide for collection during the taxable year of the remaining tax liability for such year. Accordingly, it provides for the current collection of the net Victory tax on income not subject to withholding at source, for the current collection of the surtax above the first bracket on wages, and for the current collection of the normal tax and surtax on income not subject to withholding at source. The amount of the current payment is to be determined upon the basis of a declaration by the taxpayer of his estimated tax liability for the current taxable year.

Requirement of Declaration

Subsection (a) of section 58, under the Senate bill, prescribes the rules for determining what persons are required to make a declaration of estimated tax. Nonresident aliens and estates and trusts are specifically excepted from the requirement to make such declaration and from the current payment system. Under the House bill, nonresident alien individuals who are residents of a contiguous country and who enter and leave the United States at frequent intervals were not excepted from the requirement for a declaration. The Senate bill excepted all nonresident aliens from the operation of the current payment system.

The requirements as to who shall make and file a declaration are based generally upon the amount and kind of the estimated gross income for the current taxable year or the amount and kind of the actual gross income for the preceding taxable year, and the personal status of the individual as single or married at the time prescribed for the making of the declaration. Under the House bill, the amounts of gross income which determined the necessity for a declaration of estimated tax were based upon the amounts which determined the necessity for a return under section 51. Under the Senate bill, provision is made for declarations of estimated tax in certain cases by persons required to make returns of Victory tax under the provisions of section 455, even though such persons would not be required to make returns under the provisions of section 51. These amendments are designed to collect the Victory tax currently in the case of individuals who are not subject to withholding at the source and to equalize the system of current collection as between such persons and persons subject both to the Victory tax and the regular income tax.

Under the conditions set forth in section 58 (a) in the Senate bill, every individual who, at the time prescribed for the making of the declaration, is single or is married but not living with husband or wife shall make and file a declaration of his estimated tax for the taxable year if—

(1) His gross income from wages (as defined in sec. 1621) can reasonably be expected to exceed $2,700 for the taxable year; or

(2) His gross income from wages (as defined in sec. 1621) did exceed $2,700 for the preceding taxable year; or

(3) It can reasonably be expected that for the taxable year his gross income from sources other than wages (as defined in sec. 1621) will exceed $100 and his gross income from all sources will amount to $500 or more; or

(4) His gross income for the preceding taxable year from sources other than wages (as defined in sec. 1621) did exceed $100 and his gross income from all sources for the preceding taxable year was $500 or more.

Every individual who, at the time prescribed for the making of the declaration, is married and living with husband or wife shall make a declaration of his estimated tax for the taxable year if—

(1) It can reasonably be expected that for the taxable year, such individual will receive gross income from wages (as defined in sec. 1621) and the aggregate gross income of such individual and such spouse from wages will exceed $3,500; or

(2) In the preceding taxable year, such individual received gross income from wages (as defined in sec. 1621) and the aggregate gross income of such individual and such spouse from wages exceeding $3,500; or

(3) It can reasonably be expected that for the taxable year such individual will receive gross income from sources other than wages (as defined in sec. 1621), the aggregate gross income of such individual and such spouse from the sources other than wages will exceed $100, and (a) the gross income from all sources of such individual will exceed $624 or (b) the aggregate gross income of such individual and such spouse from all sources will amount to $1,200; or

(4) In the preceding taxable year such individual received gross income from sources other than wages (as defined in sec. 1621), the aggregate gross income of such individual and such spouse from sources other than wages exceeded $100, and (a) the gross income from such sources of such individual for the preceding taxable year exceeded $624, or (b) the aggregate gross income from all sources of such individual and such spouse for the preceding taxable year was $1,200 or more.

For the purposes of section 58, the amount of the gross income which the taxpayer can reasonably be expected to receive or, in the case of a taxpayer upon the accrual basis, the amount which can reasonably be expected to accrue, shall be determined upon the basis of the facts and circumstances existing as of the time prescribed for the making of the declaration.

Contents of Declaration

Subsection (b) of section 58 in the Senate bill prescribes the rules relative to the form and content of the taxpayer's declaration of estimated tax. Is is required generally that the declaration shall be in such form and contain such information as may be prescribed by the Commissioner under regulations approved by the Secretary. Subsection (b) specifically requires that the declaration shall state (1) the amount which the taxpayer estimater as the amount of his tax under sections 11 and 12, or section 400, as the case may be, and the Victory tax imposed by section 450 (adjusted for the credit provided in sec. 453), without regard to any credits for tax withheld at source; (2) the amount which he estimates as the amount of the credits allowable for the taxable year under sections 32, 35, and 466 (e) on account of tax withheld at source on

tax-free covenant bonds and wages; and (3) the excess of the amount estimated under (1) over the amount estimated under (2). Under subsection (b) the "estimated tax for the taxable year" is the excess of the amount estimated by the taxpayer as the tax imposed by chapter 1 (without regard to the credit for taxes withheld at source) over the amount which the taxpayer estimates as the amount allowable as a credit for the taxable year for taxes withheld at the source. The subsection further provides that every declaration of estimated tax for the taxable year shall contain or be verified by a written statement that it is made under the penalties of perjury.

Joint Declaration by Husband and Wife

Under the provisions of subsection (c) of section 58 in the Senate bill, a husband and wife living together at the time prescribed for making a declaration may elect to make a joint declaration in which case the liability with respect to the estimated tax shall be joint and several. A joint declaration by husband and wife shall be signed and verified by both spouses. If the declaration is signed by one spouse as agent for the other, authorization for such action must accompany the declaration. No joint declaration is permitted if either husband or wife is a nonresident alien. If the husband and wife make a joint declaration but do not make a joint return for the taxable year the amounts paid on account of the estimated tax for such year may be treated as payments on account of the tax liability of either the husband or wife for the taxable year or may be divided between them in any manner they see fit.

Time and Place for Filing Declarations

The time and place for filing declarations of estimated tax required under section 58 under the Senate bill are prescribed in subsection (d) of such section. Such declarations must be filed on or before the 15th day of the third month of the taxable year by every person whose then anticipated income for the current taxable year or whose actual income for the preceding taxable year meets the requirements of subsection (a). In the more usual case of taxpayers on the calendar year basis, such declarations are to be filed on or before the 15th day of March. In the case of taxpayers on a fiscal year basis, such date will be the 15th day of the third month of the particular fiscal year. If, under the provisions of subsection (a) a declaration is not required on or before the 15th day of the third month of the taxable year but subsequent thereto the facts and circumstances are such that the gross income for the taxable year can reasonably be expected to meet the requirements of such subsection, a declaration of the estimated tax liability is required to be filed. In such event, the declaration must be filed on or before the 15th day of the last month of the quarter of the taxable year in which the requirements of subsection (a) are first met. For instance, a single person was hired on January 2, 1944, at a salary of $2,400 per annum. He had no other source of income, could not reasonably expect to receive any other income, and did not receive any income during the preceding taxable year. In the absence of any change of circumstances before March 15, 1944, such person is not required to make a declaration as of that date. On July 1 such person was advised that he was promoted to a higher position and that thereafter his salary would be increased to $3,200 per year. Hence, on that date the gross income of such person for the taxable year could reasonably be expected to exceed $2,700. Therefore, assuming that such taxpayer makes his income tax return on a calendar year basis, a declaration of his estimated tax liability for the taxable year should be filed on or before the 15th day of September of such year.

Under the provisions of subsection (d), an amended or revised declaration is permitted, subject to such regulations as may be prescribed by the Commissioner with the approval of the Secretary. Such amended or revised declaration may be filed in any quarter of the taxable year subsequent to the quarter in which the declaration or the last amended declaration was filed. The revised estimate shown in such amended declaration shall not take effect with respect to any quarter unless filed on or before the 15th day of the third month of such quarter. Declarations of estimated tax liability and all amended or revised declarations shall be filed with the collector of internal revenue for the district in which is located the legal residence or principal place of business of the person making such declaration or if the declarant has no legal residence or principal place of business in the United States, such declarations and amendments and revisions shall be filed with the collector of internal revenue at Baltimore, Md. Any such amended declaration shall be filed with the collector for the district in which the original declaration was filed.

Subsection (e) of section 58 authorizes the Commissioner to grant a reasonable extension of time for filing the declaration of the estimated tax under such rules and regulations as he shall prescribe with the approval of the Secretary. Except in the case of taxpayers who are abroad, no extension shall be granted for a period of more than 6 months. This provision is the same in substance as the comparable provision of the House bill, except that the Senate bill applies the same rules relative to extension to payment of the estimated tax.

Rules Applicable to Declarations

Subsection (f) relating to persons under disability, provides that if the taxpayer is unable to make his own declaration a declaration shall be made by a duly authorized agent or by the guardian or other person charged with the care of the person or property of such taxpayer. In such case, the taxpayer and his agent shall be responsible for the declaration as made and incur liability for any penalties provided for erroneous, false, or fraudulent declaration.

Under subsection (g) it is provided that the fact that an individual's name is signed to a filed declaration shall be prima facie evidence for all purposes that the declaration was actually signed by him.

Subsection (h) makes applicable to declarations of estimated tax the provisions of section 55, relating to publicity of returns.

With the exception of the foregoing section 58 (h) and the differences due to the basic difference in the systems of current payment of tax in the House bill and in the Senate bill, section 58 of the Senate bill is substantially the same as the corresponding section 58 of the House bill.

Payment of Estimated Tax

Section 59 of the Senate bill is substantially the same as section 59 of the House bill except for technical amendments necessitated by the requirement for current payment of the entire tax instead of only the basic tax as under the House bill, and a clarifying amendment relating to installment payments of the estimated tax.

Under the provisions of new section 59, if the declaration of the estimated tax is made on or before the fifteenth day of the third month of the taxable year, such tax shall be paid in four equal installments. In such case the first installment shall be paid at the time of filing the declaration, the second installment on the fifteenth day of the sixth month, the third installment on the fifteenth day of the ninth month, and the fourth installment on the fifteenth day of the twelfth month of the taxable year.

If the declaration of estimated tax is filed after the fifteenth day of the third month of the taxable year, the estimated tax shall be paid in equal installments the number of which is equal to the number of quarters remaining in the taxable year. For example, if the declaration is filed on the fifteenth day of the sixth month of the taxable year, the estimated tax shall be paid in three equal installments.

If, pursuant to section 58 (e), the Commissioner grants an extension of time within which to make a declaration of estimated tax, installments of such tax shall be paid at such time and under such conditions as the Commissioner may prescribe.

If a taxpayer files an amended or revised declaration of estimated tax, the remaining installments of estimated tax shall be ratably increased or decreased, as the case may be, to reflect any change made in the previously estimated tax by such amendment or revision. For example, on March 15, 1944, the taxpayer filed a declaration of estimated tax for the calendar year 1944 in the amount of $600. An installment of $150 was paid at the time of making such declaration. However, on June 15, 1944, the taxpayer filed an amended declaration, disclosing an estimated tax for the taxable year of $300 instead of the $600 originally estimated. As a result of such amended declaration, the installments of estimated tax required to be paid on June 15, September 15, and December 15 will each be $50.

At the election of the taxpayer, any installment of estimated tax may be paid prior to the date prescribed for its payment.

As stated above, section 58 (e) authorizes the Commissioner, under certain conditions, to grant an extension of time for payment of the estimated tax.

The section further provides that payment of the estimated tax shall be considered payment on account of the income (including Victory) tax imposed by chapter 1 for the taxable year. The taxpayer will, of course, have to file his regular income-tax return as usual, and on such return the estimated tax paid will be taken into account. All such payments of estimated tax are for the purpose of the provisions of law relating to refund or credit of the tax imposed by chapter 1, including the provisions relating to interest on overpayments of such tax, deemed to have been paid on the fifteenth day of the third month following the close of the taxable year.

Subsection (b) of section 59 provides that the estimated tax shall be assessed only to the extent paid. Thus, the collector may not distrain for any unpaid installment of estimated tax. Such provision, however, shall not be construed to prevent the application of section 146 relating to the closing by the Commissioner of the taxable year.

Special Rules for the Application of Sections 58 and 59

New section 60 under the Senate bill provides special rules for the application of sections 58 and 59 relating to the declaration and payment of the estimated tax. Subsection (a) allows the individual whose estimated gross income from farming for the taxable year is at least 80 percent of his total estimated gross income from all sources for the taxable year the option of filing his declaration on or before the fifteenth day of the last month of the taxable year, in lieu of the time prescribed for other individuals under section 58 (d). This provision recognizes the difficulty of estimating in the early part of the taxable year the amount of income which will be derived from ordinary farm operations. Weather conditions, plant and animal diseases, ravages of insects and other pests, are among the factors which contribute to the uncertainty of such income. The estimated gross income from farming is the estimated income of the farm entrepreneur from the cultivation of the soil and the raising or harvesting of any agricultural or horticultural commodities, and the raising of live-

stock, bees, or poultry. In other words, the requisite gross income must be derived from the operations of a stock, dairy, poultry, fruit, or truck farm, or plantation, ranch, nursery, range, or orchard.

Subsection (b) of new section 60 authorizes the Commissioner, with the approval of the Secretary, to prescribe suitable regulations for the application with respect to short taxable years of section 58, 59, and 294 (a) (3), (4), (5), added to the Internal Revenue Code by the bill. Thus, the rules applicable to short taxable years with respect to the declaration and payment of the estimated tax, and additions to the tax for failure to make a timely declaration of estimated tax, timely payment of installments of estimated tax, or for substantial underestimates of tax, are to be established by regulations.

Subsection (c) prescribes the special rule governing the transition to the system of current payment of the income tax on income not subject to withholding at source. The subsection provides the rule applicable with respect to the filing of the first declaration required under the bill. In the case of a taxable year which is the calendar year 1943, the declaration is to be filed on or before September 15, 1943. In the case of a taxable year which is a fiscal year beginning after January 1, 1943, the declaration shall be filed on such date as the Commissioner, with the approval of the Secretary, may by regulations prescribe. Apart from the date for filing the first declaration, all of the other rules prescribed in the bill with respect to declarations generally shall be applicable to such first declaration. The subsection makes it clear that the payments which taxpayers are required to make with respect to their 1942 tax shall be applied to decrease ratably the installments of estimated tax for taxable years beginning in 1943.

Additions to Tax

Section (5) (b) of the Senate bill adds to section 294 (a) of the code three new paragraphs numbered (3), (4), and (5). These paragraphs contain sanctions relating to the filing of declarations and payment of installments of estimated tax and to the proper estimate of tax.

Paragraph (3) provides for an addition to the tax in the case of failure to make and file a declaration of estimated tax within the time specifically prescribed by this bill or within the time prescribed by the Commissioner under the authority granted by the bill. Such addition to the tax shall be in an amount equal to 10 percent of the tax. The term "the tax" for the purpose of this provision means the tax imposed by chapter 1 of the code. The Senate bill eliminates from the comparable provision of the House bill the minimum penalty of $10.

Paragraph (4) provides for an addition to the tax imposed by chapter 1 of the code in the case of the failure to pay an installment of the estimated tax within the time specifically prescribed in the bill or within the time prescribed by the Commissioner pursuant to authority granted by the bill. Such addition to the tax shall be in the amount of 2½ percent of the tax imposed by chapter 1, but in no event shall such addition be less than $2.50. In the case of husband and wife who file a joint declaration of estimated tax for the taxable year, and subsequently file separate returns for such year, the addition to the tax in the case of a failure to pay an installment of the estimated tax within the time prescribed shall be 2½ percent of the tax imposed on each spouse under chapter 1, but not less than $2.50 in the case of each spouse.

Paragraph (5) provides for an addition to the tax in the case of a substantial underestimate of tax. In view of the fact that the taxpayer may revise his estimate of tax quarterly throughout the taxable year, and as late as the 15th day of the last month of the taxable year, the provision for an addition to the tax is a reasonable sanction to insure the payment during the taxable year of a total amount of estimated tax closely approximating the actual liability for the year. In the case of individuals other than farmers exercising the election under section 60 (a), an addition to the tax imposed by chapter 1 is provided in the event that the amount of the estimated tax (increased by the amounts of the credits for taxes withheld at source) is less than 80 percent of the amount of the tax imposed by that chapter (determined without regard to the credits for taxes withheld at source). The parenthetical expressions represent a change from the comparable provision of the House bill, designed to obviate hardship in certain cases. In the event of a failure to file any declaration where one is due, the amount of the estimated tax for the purposes of this provision will be zero. In the case of farmers exercising the election under section 60 (a), the addition to the tax is applicable if the amount of the estimated tax, increased as stated above, is less than 66⅔ percent of the amount of the tax imposed by chapter 1, determined as stated above. The addition to the tax shall be an amount equal to 6 percent of the difference between the amount of the estimated tax so increased, and the tax imposed by chapter 1 so determined; or the difference in dollars, whichever is the lesser. To illustrate: (1) Taxpayer A files a declaration showing an estimated tax of $200, based upon the excess of an amount estimated as the amount of tax without regard to withholding credit, $800, over the amount which he estimates as the withholding credit for tax withheld at source on wages, $600. His tax for the year, determined without regard to the withholding credits, is $1,200. The actual amount of tax withheld on his wages is $700. Eighty percent of his tax for the year determined without regard to the withholding credits is $960. The amount of the estimated tax, which is $200 ($800 minus $600), increased by the amount of the credit for tax withheld at source ($700), is $900. Accordingly, taxpayer A is subject to the penalty. Applying the 6-percent rate, the amount of the penalty is $18 (6 percent of $1,200 minus $900). The penalty of the dollar amount of the excess is not applicable because that excess is $300 ($1,200 minus $900). The 6-percent penalty is the lesser, and therefore applicable.

(2) Taxpayer B files a declaration showing an estimated tax of $200, based upon the excess of an amount estimated as the amount of tax without regard to withholding credit, $800, over the amount which he estimates as the withholding credit for tax withheld at source of wages, $600. His tax for the year, determined without regard to the withholding credits, is $950. The actual amount of tax withheld on his wages is $550. The amount of the estimated tax, which is $200 ($800 minus $600), increased by the amount of the credit for tax withheld at source ($550) is $750. Accordingly, since 80 percent of $950 is $760, taxpayer B is subject to the penalty. Applying the 6-percent rate, the amount of the penalty is $12 (6 percent of $950 minus $750). The penalty of the dollar amount of the excess is $10 ($760 minus $750). Since the dollar amount penalty is less than the penalty at the 6-percent rate, the former is applicable.

Penalties

Subsection (c) of section (5) of the Senate bill amends section 145 (a) of the code. Section 145 (a) prescribes criminal penalties for the willful failure to make and file returns, keep records, supply information, or pay tax. By the amendment contained in section 5 (c) the same penalties are made applicable to the failure to make and file declarations and pay the estimated tax.

Installments

Section (5) (d) of the Senate bill terminates the privilege of installment payments of tax in the case of all individuals subject to the system of current collection of income taxes provided in the bill. The bill contemplates that since the payments made during the taxable year will be based upon the reasonably anticipated tax liability for that year (which should closely approximate the actual tax liability in view of the privilege granted to the taxpayer to revise his estimate), there is no occasion for retaining the installment privilege. The requirement, pursuant to section 56 (a), for payment on the 15th day of the third month following the close of the taxable year of any excess of the actual liability over the amount of estimated tax paid during the taxable year should not create a hardship in any case where a reasonable and proper estimate is made during the taxable year. Despite the amendment made by subsection (d), any payment of tax or any payment of an installment of tax due and payable before September 1, 1943, shall be made in accordance with the requirements of the present law. In other words, a taxpayer on the calendar year basis, who pays his 1942 tax liability in installments, must pay his March 15 and June 15, 1943, installments of 1942 tax.

Effective Date

Subsection (e) of section 5 of the Senate bill provides that the amendments made by section 5 of the bill shall be effective with respect to taxable years beginning after December 31, 1942. Thus the recommended system for current payment of individual income tax not withheld at source applies only to taxable years beginning on or after January 1, 1943.

Conference Amendment

The conference amendment extended the system of current payment of tax not withheld at source to those nonresident aliens with respect to whose wages withholding at source is made applicable. Thus, generally speaking, the current tax payment system will apply to certain nonresident alien individuals who are residents of a contiguous country and who enter and leave the United States at frequent intervals. Such aliens, with respect to wages received for services performed in this country, are subject to tax in the same manner and to the same extent as citizens of the United States. Since they will be subject to withholding on such wages, failure to include them within the current tax payment system would cause a considerable doubling-up in the payment of their taxes. The necessary change to effect the inclusion of these aliens is contained in the opening sentence of section 58 (a). For the purposes of the contents of the declaration, such aliens shall estimate the amounts of all of the credits allowable with respect to taxes withheld under section 143 and withheld on wages.

Paragraph (3) of section 58 (a) under the conference amendment is a new provision which extends the scope of the declaration requirement in order to cover a situation arising from the operation of section 6 (b). Under this provision a declaration of estimated tax for the taxable year beginning in 1943 is required from an individual who was required to make a return for the taxable year beginning in 1942, and whose gross income from wages for such 1942 taxable year exceeds the gross income which can reasonably be expected to be received from wages for the 1943 taxable year. This provision is designed to require an individual to file a declaration and pay as a part of estimated tax the amount of the excess of his 1942 tax liability over his 1943 tax liability (by reason of section 6 (b) (1)), in the case where such individual would otherwise not be required to file a declaration for the taxable year 1943.

Section 58 (b) (1) has been changed by striking the reference in the Senate bill to "the amount of tax under sections 11 and 12, or 400, as the case may be, and section 450,"

and inserting in lieu thereof: "The amount of tax under this chapter." This is a clarifying amendment.

Section 5 (d), which amends section 56 (b) of the code, has been changed to remove the installment privilege in the case of the nonresident alien individuals to whom withholding under subchapter D of chapter 9 is made applicable. This provision is required by reason of the inclusion of such individuals in the current tax-payment system.

A new subsection (e) has been added to section 5 of the bill. This subsection amends sections 217 (a) and 218 (a) of the code to provide, in effect, that nonresident alien individuals to whom withholding under subchapter D of chapter 9 is made applicable shall file returns and pay tax at the time provided in the case of citizens and residents of the United States. The purpose of this provision is to coordinate the return and payment date of such individuals with the date applicable to others to whom the current tax payment system applies.

Subsection (f) of the conference amendment (corresponding to subsection (e) of the Senate bill) contains a change which precludes the application of section 294 (a) (5) in the case of taxpayers who are not required to make a declaration of estimated tax for a taxable year beginning in 1943.

Relief from double payments in 1943

Description of House and Senate Bills

Section 6 of the Senate bill contains provisions relating to the problem of transition to the system of current collection of tax liabilities. This section differs materially from the corresponding section of the House bill. This difference is occasioned by the fact that under the House bill the system of current collection of tax liabilities is applied only to normal tax, surtax at the first bracket rate and the net Victory tax, the balance of tax liability for any taxable year being collected in the year following the receipt of the income as under existing law. Under the House bill the transition problem was met by the discharge of the liability for tax for the taxable year beginning in 1942 only to the extent of the normal tax plus a percentage of the surtax net income at the first bracket rate. Thus, the amount discharged corresponded approximately to the amount to be collected currently in cases in which the income for the 2 years is approximately the same.

The Senate bill calls for the collection currently of the entire tax liability. Section 6 of the Senate bill meets the problem of transition by discharging the entire liability for the taxable year commencing in 1942. Under subsection (a) of section 6 this discharge is made applicable as of September 1, 1943, to all persons to whom the system of current collection of tax liabilities applies, with the exception of any case in which the taxpayer is convicted of any criminal offense with respect to the tax for the taxable year 1942 or in which additions to the tax for such taxable year are applicable by reasons of fraud. It is also provided that interest and additions to the tax for the taxable year 1942 shall be collected as a part of the tax for the taxable year 1943.

In order, however, to prevent certain windfalls as a result of the discharge, subsections (b) and (c) of section 6 of the Senate bill provide for an increase of the 1943 tax liability in certain situations. The net effect of these increases, which is more fully explained below, is to reduce the amount of the relief from 1942 tax liability, but for administrative reasons the entire 1942 tax liability is discharged and the reduction is couched in terms of an increase in the 1943 liability which would otherwise be due. There are no comparable provisions in the House bill.

Subsection (b) of section 6 of the Senate bill provides a special rule applicable in cases in which the 1942 tax would have been greater than the 1943 tax. In such a case an amount equal to the excess of the 1942 tax over the 1943 tax (in both instances determined without regard to interest, additions to the tax, and credits for amounts withheld at source) is added to the 1943 tax liability. For example, a taxpayer who is married but has no dependents and who had a net income for the taxable year 1942 of $10,000 and would, therefore, be liable for a tax in the amount of $2,152 for the year 1942 but for the provisions of subsection (a) of section 6, is nevertheless liable for that minimum amount of tax for the year 1943, even though his net income for 1943 were to drop to a figure which would produce a tax liability less than $2,152. If, for example, his net income for the year 1943 were only $2,000, producing a tax liability of approximately $180, he would have added to his liability for 1943 the difference between $2,152 and $180, or $1,972. A special exception to this rule makes such an increase of the 1943 tax liability inapplicable with respect to persons entering upon active service with the armed forces in 1942 or 1943, to the extent that the excess of the 1942 tax over the 1943 tax is attributable to earned net income as defined in section 25 (a) (4) of the Internal Revenue Code. The determination of the portion of the excess of 1942 tax over 1943 tax which is attributable to earned net income is to be determined under regulations prescribed by the Commissioner with the approval of the Secretary.

The increase in the tax liability for 1943 which is effected by subsection (b) of section 6 of the Senate bill is considered to be a part of the 1943 tax which is to be paid currently during the taxable year. Therefore, on the occasion of the taxpayer's filing his declaration of estimated tax for 1943 on September 15, in the case of a taxpayer on a calendar year, the tax liability for the taxable year 1943 as estimated by the taxpayer will include any increase resulting from the operation of subsection (b) of this section. Thus, in the case of a calendar year taxpayer (other than a taxpayer who entered the armed forces in 1942 or 1943) who elected to pay his 1942 tax in installments, the September and December installments of estimated tax can never be less than one-fourth of the 1942 tax less whatever amount is estimated to be withheld at source.

Subsection (c) of section 6 of the Senate bill contains two additional situations in which the 1943 tax liability is increased as a result of, in effect, reducing the amount of the 1942 tax liability discharged. In both of the situations covered under subsection (c) however, the resulting increase in the 1943 tax is considered not to be a part of the 1943 estimated tax which is to be paid currently during the taxable year. Such increase, therefore, is required to be paid at the time prescribed for the payment of the tax for the 1943 year. Subsection (d) of this section, which will be subsequently discussed, provides for a manner in which this increase may be paid over a period of 4 years. In effect, in each of the situations covered under subsection (c) the principle involved is the same, namely the reduction in the amount of relief from tax liability for 1942 or 1943, whichever year is the measure of relief, from a full year's relief to a lower amount in cases where the taxpayer's income has risen substantially when compared with the income of a previous period. This lower amount of tax relief is obtained by computing a tentative tax for the year otherwise serving as the measure for relief, based on the amount of the surtax net income of the base year plus $10,000. As in subsection (b) the tax for the year 1942 is technically discharged and the excess of tax liability over the relief so computed is added as an increase of 1943 tax. The subsection provides that the increase in tax will be determined under regulations of the Commissioner. It is contemplated that such regulations will prescribe the details relating to the comparisons of the years involved, the computations of the tentative tax on which such increase is based, the method of determining the composition of the income on which the tentative tax is computed, and other matters involved.

The first situation covered by the Senate bill in subsection (c) of section 6 is one in which the tax for the taxable year 1942 (determined without regard to interest and additions to the tax and credits for amounts withheld at source); is less than that for the taxable year 1943 (similarly determined), and where the surtax net income of the taxpayer for any one of the taxable years 1938, 1939, or 1940, whichever may be selected by him (hereafter referred to as the base year), plus $10,000 is less than the surtax net income of the taxpayer for the taxable year 1942. In such a case relief from the liability for the taxable year 1942 is limited to an amount equal to a tentative tax computed as if the portion of the surtax net income for the taxable year, which is not greater than the sum of the surtax net income for the base year plus $10,000, constituted both the surtax net income for the taxable year 1942 and the net income for such taxable year after allowance of all credits against net income. The effect of this provision is to limit the discharge of the 1942 liability to an amount of tax computed on an amount of surtax net income and net income equivalent to that of the base year plus $10,000 computed at the 1942 rate rather than on the income for 1942. The amount of income on which the tentative tax is computed is composed of the same type of income as the income of the 1942 taxable year. Thus if the 1942 income consisted entirely of capital gains the tentative tax would be computed as a tax on capital gains. The excess of the 1942 tax over the tentative tax computed in this manner is discharged and the amount of such excess is added as part of the 1943 tax liability.

An example will illustrate the application of this provision. Taxpayer A had a surtax net income of $5,000 for his base year. In 1942 he had a tax liability of $13,002. For 1943 his tax, without regard to this section, amounted to $14,000. His surtax net income for 1942 was $30,000 and was composed entirely of dividends and interest. By taking the amount of his surtax net income for his base year of $5,000 and adding to it the sum of $10,000, a tentative tax for 1942 for income thus constituted would be $4,680. Thus, the amount by which the tax for 1943 is increased is the difference between $13,002 and $4,680 or $8,322.

The second situation covered in subsection (c) is one in which the tax for the taxable year 1942 (determined without regard to interest, additions to the tax and credits for amounts withheld at source), is equal to or greater than the tax for 1943 (similarly determined) and the surtax net income of the taxpayer for the base year plus $10,000 is less than the surtax net income for the taxable year 1943. Where the tax for 1942 exceeds the tax for 1943, subsection (b) initially operates to increase the 1943 tax by the amount of the excess. In such a case the relief from liability for the taxable year 1942 is further limited by subsection (c) to an amount equal to a tentative tax computed as if the portion of the surtax net income for the 1943 taxable year which is not greater than the sum of the surtax net income for the base year plus $10,000, constituted both the surtax net income for the taxable year 1943 and the net income for such taxable year after allowance of all credits against net income. An additional factor is present when reference is had to 1943 as the year for measuring the relief owing to the fact that Victory tax is applicable to this year. It is necessary, therefore, in arriving at the tentative tax to compute a tentative Victory tax based on an amount determined by a ratio based upon relationships with respect to the

types of 1943 incomes. Thus, the computation in this situation is similar to the computation made in the first situation covered, but the comparison between the surtax net income of the taxable years and the excess amount of tax over the tentative tax is based on the surtax net income of the 1943 year and the computation takes its particular form from the manner in which the income for 1943 is constituted, in this subsection it is also provided that in the event that there is included in the taxable year used as the measure of relief, income which, under section 107 of the Internal Revenue Code, is attributed to the base year selected by the taxpayer, such income shall be excluded in computing the surtax net income of the relief year and shall be included in computing the surtax net income for the base year.

Subsection (d) of section 6 of the Senate bill provides that at the election of the taxpayer made under regulations prescribed by the Commissioner with the approval of the Secretary, the time for the payment of the portion of the tax for 1943 equal to the increase occasioned by the application of subsection (c) shall be extended. If so extended such portion of the tax shall be paid in four equal installments, the first of which shall be paid on the fifteenth day of the fifteenth month following the close of the taxable year and one of the remaining three installments shall be paid on the last day of each succeeding 12-month period. It is provided that the Commissioner may condition this extension upon the furnishing of a bond not exceeding the amount of such increase with such surety or sureties as he may deem necessary. If the time is extended for payment of this portion of the tax, it is provided further in this subsection that there shall be collected as a part of the tax, interest in the amount of 4 percent per annum on each such installment from the date prescribed for the payment of the tax for the taxable year until the date on which such installment is paid or payable, whichever is the earlier. If any installment is not paid on or before the date on which it is payable, it and the remaining installments shall be paid upon notice and demand from the collector and interest at the rate of 6 percent per annum is to be collected from the payable date until the date of payment.

Subsection (e) of the Senate bill provides special rules for the application of subsections (b) and (c) and requires that in computing the tax for the taxable year 1943, the credit for foreign tax shall be determined without regard to any increase in the 1943 tax by reason of subsections (b) and (c). It further provides that in applying sections 105, 106, and 107 of the Internal Revenue Code (relating to limitations on tax) any increase in the tax occasioned by subsections (b) and (c) shall likewise be disregarded. This subsection also contains a provision for the computation of the increase in tax under either subsection (b) or (c) where a joint return is made by a taxpayer to whom either one of the subsections apply. The rule is stated that the taxes of the spouses of the taxable year for which a joint return is not made shall be aggregated for the purposes of subsections (b) and (c), and, in addition, provides that if the taxable year for which a joint return is not made is the taxable year 1943, the liability for the increase in the tax under subsections (b) and (c) shall be joint and several.

In the Senate bill subsection (f) of section 6 provides that subsection (a) shall not apply to an individual who died during the taxable year 1942. Thus, no amount of the tax liability of such a person is discharged.

Subsection (g) of section 6 of the Senate bill provides for the treatment of payments made on account of the 1942 tax. Any payment (other than interest and additions to the tax) made on account of the tax imposed by chapter I of the Internal Revenue Code for the taxable year 1942 upon a taxpayer whose liability is discharged under subsection (a) is considered as payment on account of the estimated tax for 1943. Where any payment of such tax is made pursuant to an extension of time granted by the Commissioner prior to September 1, 1943, such payment is likewise treated as a payment of estimated tax for 1943 and is required to be paid despite the fact that the provisions discharging the tax liability are effective as of September 1, 1943. If the taxpayer should become delinquent prior to September 1 in the payment of his tax or any installment, the fact that the liability for 1942 tax is discharged as of that date is specifically provided as not relieving the taxpayer of his liability for the tax. Such payment, however, is to be treated as a timely payment would be, namely, as a payment on account of estimated tax liability for 1943. The effect of this subsection is to require taxpayers who have elected to pay in installments to continue undiminished their payments on account of 1942 tax liability for all installments which would be due before September 1, 1943. In the event of an extension of time or of delinquency occurring before September, the legal consequences resulting are no different from what they would be under existing law and only after the payments for which time has been extended or which have become delinquent have been paid, do such payments take the character of payments on account of estimated tax for 1943. This subsection further contains the rule that if any payment on account of the tax for 1942 is made pursuant to a joint return, the payment may be treated as a payment on account of the estimated tax of either the husband or the wife or may be divided between them.

Subsection (h) of section 6 of the Senate bill contains the definition of the term "taxable year" when used in reference to the years 1938, 1939, 1940, 1942, or 1943 in the section. It provides that the term means the taxable year beginning in such enumerated year. When used in conjunction with 1942 or 1943 it does not mean any taxable year of less than 12 months, unless such short year is occasioned by the death of the taxpayer or unless there is no taxable year of 12 months beginning in the calendar year. Thus there will be no relief from the tax liability with respect to the short taxable year 1942 where a taxpayer effects a change from a calendar- to a fiscal-year basis but the 12-month fiscal year beginning in 1942 will be the year for which tax is discharged.

Conference Amendment

The conference amendment retains with the following changes the provisions of the Senate bill with respect to relief from double payments in 1943:

In place of the 100 percent discharge of tax liability for most taxpayers, the committee of conference adopted the policy of 75 percent discharge of such liabilities where the total liability is in excess of $50. As in the Senate bill, even though the effect be to discharge only 75 percent of the tax liability of the lower of 1942 or 1943, for administrative reasons the entire 1942 tax liability is discharged and the 1943 tax liability is increased by the 25 percent of tax with respect to which no relief is granted. Thus, in the case of taxpayers whose tax for 1942 is not greater than that for 1943, section 6 (a) of the bill, as agreed to in conference, provides that the 1942 tax shall be completely discharged but that the 1943 tax shall be increased by an amount equal to 25 percent of such tax for 1942. Where, however, the tax liability of the individual for 1942 is $50 or less, the entire amount of the tax is discharged and the 1943 liability is not increased. In order to prevent inequity to persons whose tax liability only slightly exceeds $50, it is further provided that the tax for 1943 shall be increased by 25 percent of the amount of the tax or the excess of the tax liability over $50, whichever is the lesser.

The conference amendment brings into the system of current collection of income tax, by imposing the requirement for filing declarations, etc., those nonresident aliens who are residents of contiguous countries and who enter and leave this country at frequent intervals by reason of being employed in this country. Such individuals are subject to withholding provisions applicable to citizens on their wages earned in this country (except where the withholding is specifically made inapplicable by regulations), and such individuals file returns under existing law in the same manner as citizens. In order, therefore, that these individuals should not be required to double up in their payments of tax to this country, they are included in the provisions of section 6 of the bill, discharging tax liability for the taxable year 1942. Since the fixed income from investments of such persons is withheld on at the source currently under existing law, the discharge of tax liability applicable to such persons as in the case of all other persons is measured in the terms of tax imposed under chapter 1, which means, as it does throughout the law (unless specifically stated otherwise), the net tax liability after credits against the tax.

As in the Senate bill, subsection (b) of section 6 provides that the amount of tax liability in effect discharged shall be measured by the 1943 tax liability in cases in which that liability is less than the 1942 tax liability. As in the Senate bill, in this case the 1942 tax liability is technically discharged and any excess of the 1942 over the 1943 tax liability is added to the 1943 tax liability. In such a case the additional 25 percent of tax, or excess of tax liability over $50, whichever is the lesser, which is added to the 1943 tax, is computed on the lesser amount of tax liability, namely, that for 1943. For example, under the conference amendment a person whose tax for 1942 was $1,000, and for 1943 was $800, would be liable for a 1943 tax in the amount of $1,200 ($800 plus $200 plus 25 percent of $800), and his 1942 tax would be discharged.

The comparison to determine whether the 1942 or the 1943 tax liability is the greater is made on the basis of tax liability before the application of credits against the tax for amounts withheld at source. Where the 1942 tax liability is not greater than that for 1943, the 25-percent increase is determined on the basis of the tax imposed (i. e., net tax liability after credits) for 1942. For the purposes of determining the amount of the increase in the 1943 tax liability where the 1942 tax liability is greater, the tax imposed (i. e., net tax liability after credits) for 1942 is used with respect to the year 1942 and the tax imposed plus the credits for tax withheld at source under sections 466 (e) and 35 of the code is used with respect to the year 1943. The difference in the two taxes so determined is the increase to be added. For the purpose of determining the amount of the 25-percent increase in the 1943 tax in such a case, the tax imposed for 1943 plus the credits for tax withheld at source under sections 466 (e) and 35 are used.

The conference amendment recognizes that, in the case of a nonresident alien or a person holding substantial amounts of tax free covenant bonds, there might be a situation where an individual's tax before credits for tax withheld at source for 1942 would exceed his tax for 1943 similarly determined, but the tax imposed for 1942 would be less than his tax imposed for 1943 plus credits for withheld tax on wages under sections 35 and 466 (e), so that there would be no excess of 1942 tax liability over 1943 tax liability.

In such a case the conference amendment limits the 25-percent increase in the 1943 tax to 25 percent of the net tax for 1942, or the excess of such tax over $50, whichever is the lesser. This limitation is necessary to achieve the result that the measure of discharge of tax liability shall be the tax liability of the year in which the lesser tax is imposed.

The conference amendment makes some changes in the treatment of cases of increased incomes found in subsection (c) of section 6 of both the Senate bill and the bill as agreed to in conference. The taxable year 1937 is added to the years from which the taxpayer may select his base year. In addition, it is provided that $20,000, instead of $10,000, is to be added to the surtax net income of the base year in computing the tentative tax which is the limit of discharge of tax liability. If the tentative tax so computed is less than 75 percent of the tax liability for the year which is the measure of relief, the excess of such 75 percent of tax liability over the amount of tentative tax is made an additional increase in the 1943 tax.

By reason of a technical rearrangement, special rules for the application of the provisions relating to discharge of tax liability are to be found in subsection (d) of section 6 of the bill as agreed to in conference rather than in subsection (e) of that section as in the Senate bill. These rules in addition to the points discussed hereafter relate to: (1) The application to the taxable year 1943 of the foreign tax credit (paragraph (3)); (2) the application to the taxable year 1943 of the limitations on tax rate effected by sections 105, 106, and 107 of the code (paragraph (3)); and (3) the rule to be followed in the case where joint and separate returns are made by a husband and wife for the taxable years 1942 and 1943 respectively, or vice versa (paragraph (2)).

In addition, as a further technical rearrangement, there is included in paragraph (1) of subsection (d) the rule found in subsection (b) of section 6 of the Senate bill excepting from the increase in the 1943 tax the excess of the 1942 tax over the 1943 tax to the extent attributable to earned net income in the case of persons who were members of the armed forces during 1942 or 1943. In the Senate bill this exception was applicable to a member of the military or naval forces of the United States. The conference amendment makes this exception applicable also to a member of the armed forces of any of the United Nations. Instead of the use of the phrase "attributable to earned net income" in the Senate bill, the conference amendment excepts from the increase "an amount equal to the amount by which the tax for taxable year is increased by reason of the inclusion in the net income for the taxable year 1942 of the amount of the earned net income." This change is designed to make certain that the earned net income in this respect is to be taken out of the upper tax brackets.

The conference amendment likewise incorporates, as paragraph (7) of subsection (d) of section 6, subsection (f) of section (6) of the Senate bill providing no discharge of tax liability in case of persons who died in 1942. There is also incorporated, as paragraph (4), the provision in subsection (e) of section (6) of the Senate bill relating to the treatment of section 107 income in cases to which subsection (c) is applicable.

The conference amendment adds to subsection (d) of section (6), as paragraph (5), an additional rule for the application of subsection (c). This rule provides that if during the base year of an individual, such individual was a shareholder in a corporation and if substantially all of the assets of the corporation were acquired by such individual or a partnership of which he is a member pursuant to complete liquidation of the corporation at any time prior to May 1, 1943, and if at all times after the liquidation up to and including whichever of the 2 taxable years, 1942 or 1943, is the measure of discharge of the taxpayer's liability, the trade or business of the corporation was carried on by the individual or partnership, the individual may compute his surtax net income of the base year as if the earnings and profits of the corporation for taxable year ending with or within the base year had all been distributed as dividends at the end of such taxable year. The individual's distributive share of these hypothetical dividends is limited to his proportionate share in the partnership during the taxable year used as the measure of his discharge of tax liability if such interest is proportionately less than his interest in the corporation.

Subsection (d) of section 6, in paragraph (6), provides that the 25 percent increase in 1943 tax required under subsections (a) or (b) (2), or the additional increase under subsection (c), shall not be considered to be a part of the tax for the taxable year 1943 for the purposes of the estimated tax provisions. Thus these increases would for the first time be reflected in the annual returns filed in 1944. A similar provision was incorporated in subsection (c) of section 6 of the Senate bill with respect to the subsection (c) increase.

The conference amendment incorporates in paragraph (2) of subsection (e) of section 6, the rule with respect to granting extension of time for the payment of any increase in 1943 tax resulting from the application of subsection (c). The substance of this provision is the same as that found in the Senate bill in subsection (d) of this section. Paragraph (1) of subsection (e) under the conference amendment contains provisions for the extension of time for payment of the 25 percent increase resulting from the application of subsections (a) and (b) (2). This paragraph provides that at the election of the taxpayer, the Commissioner shall extend the time for payment of the portion of the tax for the taxable year 1943 equal to one-half of the amount of the 25 percent increase under subsection (a) or (b) (2). The time for payment of this one-half is extended to the fifteenth day of the fifteenth month following the close of the taxable year. As in the case of the increase under subsection (c), the Commissioner may condition the extension upon the furnishing by the taxpayer of a bond not exceeding the amount with respect to which the extension applies, with such surety or sureties as he may deem necessary, conditioned upon the payment of the amount in accordance with the terms of the extension. If the amount is not paid on or before the date on which it is payable as a result of the extension, it is to be paid on notice and demand from the collector; and if not paid on the payable date, interest at the rate of 6 percent per annum is to be collected as a part of the tax on the amount for which the extension was granted for the period beginning with the date on which this amount is payable and ending on the date on which it is paid.

By reason of the technical rearrangement, the conference amendment includes, with minor technical changes, in subsection (f) of section 6 the substance of the provisions found in subsection (g) of section 6 of the Senate bill. This subsection relates to the treatment of payments on account of the 1942 tax.

Under the conference amendment subsection (g) incorporates the provisions of subsection (h) of section 6 of the Senate bill.

The conference amendment adds a new subsection (h) providing that the entire section 6 shall be applied in accordance with regulations prescribed by the Commissioner with the approval of the Secretary.

ADDITIONAL ALLOWANCE FOR MILITARY AND NAVAL PERSONNEL

Description of the House and Senate Bills

Section 22 (b) (13) of the code makes provision for an exclusion from gross income in the case of personnel below the grade of commissioned officer in the military and naval forces of the United States. The amount to be excluded under this provision is not to exceed $250 in the case of a single person and $300 in the case of a married person or head of a family and applies only to salary or compensation received for active service in the armed forces during the present war.

The House bill would amend section 22 (b) (13) of the code to effect an exclusion from gross income in the case of military and naval personnel, without distinction as to rank, with respect to the compensation received during any taxable year and before the termination of the present war as proclaimed by the President for active service during such war. The amount to be so excluded would not exceed the excess of $3,500 over the personal exemption claimed under section 25 (b) of the code.

The Senate bill amends section 22 (b) (13) to provide for a flat exclusion of $1,500 from gross income in the case of all military and naval personnel, without distinction as to rank, with respect to such compensation. The amount of such exclusion is not to be reduced by the personal exemption claimed under section 25 (b) of the code.

The amendment would apply only with respect to taxable years beginning after December 31, 1942, and not, as under the House bill, with respect to all compensation received after December 31, 1941, by a member of the military or naval forces of the United States for active service in such forces.

Conference Amendment

The conference amendment adopts the provisions of the Senate bill, but extends the application of those provisions to a member of the military or naval forces of any of the other United Nations. The provision will therefore cover such individuals as well as members of the military or naval forces of the United States.

ABATEMENT OF TAX FOR MEMBERS OF ARMED FORCES UPON DEATH

Description of the House and Senate Bills

Under the House bill supplement U is added to chapter 1 of the code to relieve a member of the military or naval forces of the United States who dies on or after December 7, 1941, in active service from the liability for the tax imposed by chapter 1 for the taxable year in which falls the date of his death. In addition thereto, the supplement provides that any tax imposed under chapter 1 or under the corresponding title of any prior revenue act (including interest and additions to the tax) which is unpaid as of the date of death shall not be assessed. If any such tax, interest, or additions to the tax have been assessed and are unpaid at the date of death, such assessment or assessments shall be abated. If the amount of any such liability which was unpaid as of the date of death is collected subsequent to such date, the amount so collected shall be credited or refunded as an overpayment.

The Senate bill revised the House version of this new supplement to limit the relief granted therein to that portion of the income taxes which is attributable to earned net income as defined in section 25 (a) (4) of the code. In addition, the taxes in respect to which such relief is granted are limited, in general, to those which would have become due and payable after the date when such individual entered upon active service in such forces or the effective date of the Selective Service Act (September 16, 1940) whichever date is the later, assuming that such member paid, or would have paid, his

taxes in quarterly installments to the extent provided for in the code. If the liability for the portion of such taxes which is attributable to earned net income is outstanding at the date of death, the liability shall be abated. If such portion of the taxes has been paid at any time, the amount paid shall be credited or refunded as an overpayment.

To effectuate this policy, the Senate bill classifies such deceased members of the armed forces into three groups according to the year in which they entered upon active duty in such forces, and states with respect to each group those taxes (or the portions thereof) of which the members of the group are to be relieved. This classification was made necessary by reason of the transition in the year 1943 to a current tax basis.

The first category applies to those who entered upon such service before the commencement of the taxable year beginning in 1943. The taxes to be abated, credited, or refunded to members in this group are (1) the tax attributable to earned net income for the taxable year in which falls the date on which he entered upon such service or September 16, 1940, whichever date is the later; (2) the tax attributable to earned net income for all subsequent taxable years while he was in such service; and (3) for the taxable year last preceding the date on which he entered upon such service or September 16, 1940, whichever date is the later, that portion of the tax for such preceding year attributable to earned net income which bears the same ratio to the entire tax so attributable as the number of quarters in the taxable year referred to in (1) subsequent to the date on which he entered upon such service or September 16, 1940, whichever date is the later, bears to 4. Thus, for example, if the individual (on a calendar-year basis) enters the service on July 1, 1942, he would be exempt from the tax attributable to his earned net income for the year 1942, for all subsequent years in the service and for one-half of the tax so attributable for the calendar year 1941. If he entered the service on July 1, 1940, he would be exempt from such tax for 1940 and subsequent years in service and for one-fourth of such tax for 1939.

The second category consists of those members of the armed forces who entered upon such service in the taxable year beginning in 1943. The taxes to be abated, credited, or refunded in respect of this class are: (1) that portion of the tax for the taxable year beginning in 1943 (not including the increase in such tax prescribed by the "windfall" provision contained in section 6 (c) of the Senate bill), which bears the same ratio to the total tax (not including such increase) as the number of quarters in such taxable year subsequent to the date on which he entered upon such service bears to four, to the extent such portion is attributable to earned net income; and (2) the tax attributable to earned net income for all subsequent taxable years during which he was in such service.

The third category is made up of those members who entered upon such service after the end of the taxable year beginning in 1943. The taxes to be abated, credited, or refunded in respect of this group are all the taxes which are attributable to earned net income for the taxable years during which they were in such service but not including the taxable year during which they entered upon such service.

In computing the tax to be abated, credited, or refunded under (3) of the first category and (1) of the second category, a fractional part of a quarter subsequent to the date on which he entered upon such service or September 16, 1940, whichever date is the later, shall be disregarded unless it exceeds 15 days, in which case it shall be considered a quarter.

CONFERENCE AMENDMENT

The conference amendment adopts the provisions of the House bill, but extends the application of those provisions to a member of the military or naval forces of any of the other United Nations. The provisions will therefore cover such individuals as well as members of the military or naval forces of the United States.

Assistant Commissioners

Section 9 of the Senate bill amends the Internal Revenue Code to authorize the appointment of two Assistant Commissioners, who shall be appointed by the President, by and with the advice and consent of the Senate. The amendment provides that the Assistant Commissioners shall perform such duties as may be prescribed by the Commissioner or required by law. There was no comparable provision in the House bill. The conference amendment retains this provision.

Powers of Appointment

Section 10 of the Senate bill extends the time in connection with the release of powers of appointment for estate and gift tax purposes from July 1, 1943, to March 1, 1944. There was no comparable provision in the House bill. The conference amendment retains this provision.

R. L. DOUGHTON,
HAROLD KNUTSON,
DANIEL A. REED,
THOMAS A. JENKINS,
Managers on the Part of the House.

Mr. DOUGHTON. Mr. Speaker, I yield 30 minutes to the gentleman from Minnesota [Mr. KNUTSON] and I yield myself 10 minutes at this time.

CALL OF THE HOUSE

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

The SPEAKER. Evidently a quorum is not present.

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

A call of the House was ordered.

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

[Roll No. 86]

Allen, Ill.	Gifford	Merrow
Baldwin, Md.	Granger	Miller, Conn.
Baldwin, N. Y.	Grant, Ala.	Myers
Barry	Guyer	Nichols
Bell	Hagen	O'Brien, N. Y.
Bonner	Hancock	O'Leary
Bradley, Pa.	Harris, Va.	O'Toole
Buckley	Hart	Ramey
Burchill, N. Y.	Hartley	Randolph
Byrne	Heffernan	Reed, Ill.
Cannon, Fla.	Hendricks	Rockwell
Capozzoli	Herter	Russell
Chapman	Hoffman	Sadowski
Cochran	Hope	Scott
Compton	Judd	Sheridan
Costello	Kennedy	Sikes
Courtney	Keogh	Somers, N. Y.
Crawford	Kerr	Sumners, Tex.
Culkin	Kilburn	Tolan
Delaney	King	Treadway
Dies	Klein	Van Zandt
Dilweg	Lambertson	Welchel, Ohio
Dirksen	Landis	Welch
Domengeaux	LeCompte	White
Ellsworth	Lemke	Wilson
Fay	Lynch	Winter
Flannagan	McCowen	Woodrum, Va.
Gale	Magnuson	Worley
Gavagan	Mansfield, Tex.	Zimmerman
Gibson	Marcantonio	

The SPEAKER. On this roll call 342 Members have answered to their names, a quorum.

Without objection, further proceedings, under the roll call, will be dispensed with.

There was no objection.

PERMISSION TO ADDRESS THE HOUSE

Mr. JONKMAN. Mr. Speaker, I ask unanimous consent that today, at the conclusion of the legislative business and following any special orders heretofore entered, I may address the House for 30 minutes.

The SPEAKER. Is there objection?

There was no objection.

CURRENT TAX PAYMENT ACT OF 1943

Mr. DOUGHTON. Mr. Speaker, after 4 months of arduous and strenuous work by the Committee on Ways and Means, we are today, as far as our committee and the House of Representatives are concerned, to write the last chapter in a bill providing for the current collection of individual income taxes. This has been one of the most difficult, as well as one of the most controversial and troublesome, bills with which our committee has ever had to deal. The House can realize, I am sure, some of the difficulties which faced the conference committee. You all remember the fierce battle in the House on the first and second bills which we reported, neither of which was adopted, and also the fight over instructing the conferees to agree to the Senate amendment.

For 8 days the conferees labored, either in joint conference or in individual meetings, in an effort to reach a compromise or an agreement which we hoped would be acceptable to both the House and the Senate. It will be recalled that the bill which the House sent to the Senate had the effect of canceling 100 percent of the 1942 tax liability of 90 percent of all taxpayers, or approximately the tax liability of 35,000,000 taxpayers out of a total of 39,000,000. Since 100 percent of the tax liability of these taxpayers would have been canceled, there was no doubling up of their 1942 and 1943 liability in the bill passed by the House and sent to the Senate. In order to prevent doubling up of the remaining 4,000,000 taxpayers, the House bill did not place them on a current basis with respect to that part of their liability above the first-bracket rate. This bill canceled, in the aggregate, approximately 77 percent of the total 1942 liability, or a total of $7,600,000,000.

The Senate struck out all of the House bill after the enacting clause and passed a bill with the following features:

First. It provided for a withholding system as did the House bill.

Second. It provided for a special treatment for the armed forces, as did the House bill, but changed the House provisions.

Third. The Senate bill, with the exception of the windfall provision, canceled 100 percent of the 1942 tax liability. With the windfall provisions, the Senate bill canceled about 87 percent of the 1942 tax liability.

Thus, the bills of the House and of the Senate were in direct conflict on the all-important matters of the amount of

cancelation and the method of cancelation necessary to make a transition to a current system of payments.

One of the most difficult problems with which our conferees were faced was the insistence of the Senate conferees that the total abatement or forgiveness be at least equal to the aggregate cancelation provided in the House bill. The Senate conferees were adamant also at the outset in their position as to an equal percentage of cancelation of the tax "straight across the board" for all taxpayers.

The conferees discussed various plans for compromise for a period of at least 5 days, and remained in seemingly hopeless deadlock. The House conferees would not accept the Senate bill; neither would the Senate conferees accept the House bill; and as a result we discussed and voted on various other proposals, one bill, the last bill reported by the committee to the House, another a flat 50 percent abatement of the 1942 tax or the lower of the 1942 or 1943 tax, another a 60 percent "straight down the line" abatement, but none of these proposals made by the House conferees, while having a majority vote of the House conferees, could secure a majority vote of both the House and Senate conferees. Finally, a proposal was made which 10 of the conferees were seemingly willing to accept. This provided for a 100-percent abatement of the lower of the 1942 or 1943 tax liability, where the tax was $50 or less, with a notch provision to take care of persons whose tax liability slightly exceeded $50. The notch provision allowed a flat $50 abatement to those taxpayers whose tax was between $50 and $66.67. Other taxpayers would have 75 percent of their tax for the lower of the 2 years, 1942 or 1943, abated. Special relief provisions were added to take care of the taxpayers in the armed forces together with antiwindfall provisions to prevent abatement of that part of the tax on war profits.

During the long consideration and discussion of this controversial subject, may I call the attention of the House to the fact, in showing how difficult the problem has been, that at no time was there ever a unanimous vote on any proposal relating to this subject either in the executive sessions of our committee, on the floor of the House on three separate occasions, or in the conference committee. The first and only time when there was a majority of both House and Senate conferees was on the final vote which stood 11 to 3. On this vote, the Senate conferees were unanimous and the House group stood 4 to 3. May I add further that this was the only vote ever taken in the conference, in which the majority members of the House conferees did not vote together. Having been unable to get the Senate conferees to agree on a graduated abatement of the 1942 liability, except to the extent of a $50 tax, the majority of the House conferees yielded on this point, in order to get a bill, and voted on two different motions for a "straight across the board" abatement. One motion was for a flat abatement of 50 percent, and the other for a 60-percent abatement. Accordingly, the only difference in the last analysis was the extent to which the House conferees would go in total abatement, the principle of straight across the board having been yielded in two votes. But the Senate conferees would not go below a 75-percent abatement, pointing out that the House bill provided for an abatement of 77 percent of the 1942 liability. Our House conferees having already yielded on the differential in the motions for a straight 50 and then a 60-percent abatement, I did not feel justified in being responsible for the failure to reach an agreement because of a mere difference of 15 percent, especially as such a failure would end any hope of getting a current collection system in operation this year. The following examples will show the tax effect of the differences between a 60 percent and a 75-percent abatement:

Married persons, no dependents

Net income before personal exemption	1942 tax	60 percent forgiven	75 percent forgiven	Difference
$10,000	$2,152	$1,291.20	$1,614	$322.80
$100,000	64,000	38,436.00	48,045	9,609.00
$1,000,000	854,000	512,400.00	640,500	128,100.00
$5,000,000	4,374,000	2,624,400.00	3,280,500	656,100.00

Moreover, in terms of total revenue, a 60-percent abatement would abate only 15 percent, or one and one-half billions less than a 75-percent abatement. One very important point to be considered was whether it would not be better to collect less with less postponement or the possibility of more with longer postponement. Under a 60-percent forgiveness, the amount not canceled would have to be spread over a period of at least 4 years in order to prevent undue hardship in the upper brackets. With a 75-percent abatement, the entire amount of the forgiven 1942 liability could be collected in 2 years, and taxpayers will have this back liability out of the way by March 15, 1945. Under a 60-percent abatement, this back liability will not be liquidated until March 15, 1947. It is better to secure this revenue now when incomes are rising than to postpone its collection to some future date when incomes are falling. Furthermore, under a 75-percent abatement, we will collect 25 percent of the 1942 liability by March 15, 1945, whereas under a 60-percent abatement we would collect only 20 percent of the 1942 liability by March 15, 1945.

I will now briefly discuss other important features of the conference agreement:

There are two antiwindfall provisions in the bill. One of these provisions limits the tax to be abated to the lower year, 1942 or 1943. It was recognized that this provision would work an undue hardship on persons who were in the service in 1942 or 1943. Since their tax in 1943 will in most cases be lower than their 1942 tax, to prevent such a hardship a special rule is provided with respect to the 1942 tax of persons in the service in 1942 or 1943. Instead of collecting the full 1942 tax, that part of the 1942 tax liability relating to earned income, which a civilian would have to add to his 1943 tax, is forgiven in the case of the serviceman. This will afford relief to persons in the armed forces whose earned net income in 1942 was considerably higher than their service pay for 1943. The following example will make this clear:

Assume a soldier who is married with no dependents had a net income of $3,200 in 1942. His tax for 1942 amounted to $360.80. He entered the Army in 1943 and had no tax to pay. His 1942 liability will be canceled. Not only does the conference agreement afford relief to servicemen as to their 1942 liability, but also as to their liability for 1943 and subsequent years. Under the conference agreement, a member of the military or naval forces of the United States, during the present war, is allowed, in arriving at his income subject to tax for 1943 and subsequent years, to exclude $1,500 of his military pay. This allowance is in addition to his personal exemption and credit-for-dependents allowance. The conference agreement also allows this $1,500 exclusion to American citizens or residents of the United States serving with our allies. The Senate had a rather involved provision relating to the income tax of a man dying in the service. We were able to get the Senate conferees to accept the House provision in preference to their own, with the qualification that this relief should also be extended to persons serving in the armies of the other Allied Nations. I will not take the time of the House to discuss further changes, as they are fully set forth in the conference report.

I will now discuss the second windfall provision.

It was thought necessary to guard against windfalls during the war period, to limit the amount of the abatement to the equivalent of a tax on a normal year plus $20,000. For his normal year the taxpayer may choose any one of the years 1937, 1938, 1939, or 1940.

The conference agreement will put into operation a withholding system as of July 1 of this year. It will also meet the public demand for a current pay-as-you-go system, and will bring into the Treasury more revenue than either the House bill or the Senate bill. For the fiscal year 1944 the conference committee report will add approximately three billions more than the existing law or the House bill, and almost two billions more than the Senate bill. It puts all the taxpayers upon a current basis. A differential is provided in the case of the smaller taxpayers by allowing an abatement of 100 percent of the tax liability of the lesser year, 1942 or 1943, which does not exceed $50. While the compromise was not a perfect solution of the problem, it did, in my opinion, meet many of the defects contained in the Senate bill. I therefore did not feel justified in standing in the way of getting a bill, which the country was demanding, and which was so important from the standpoint of the immediate revenue needs of the Treasury. Accordingly, I felt it to be my duty to cast my vote with the 10 other members of the conference

who were willing to support the compromise proposal.

Considering both the House and Senate bills which were before the conference, I do not believe anyone can say that the House conferees got the worst of the bargain, or that anything better was possible under the circumstances, if a current tax system was to be enacted at this session or during this Congress. It was either this compromise or no bill, as I am sure everyone familiar with the subject must realize.

In closing, I wish to present the following table, which shows how much revenue is collected under the conference agreement as compared with the House and Senate bills:

Treasury estimates

[In millions of dollars]

(1942 liability existing law, 9,815)

	House bill	Senate bill	Conference report
Amount of 1942 liability canceled	7,602	8,515	6,533
Percent of cancelation	77.5	86.8	66.6
Amount of 1942 liability uncanceled	2,213	1,300	3,282
Percent uncanceled	22.5	13.2	33.4

REVENUE FOR FISCAL YEAR 1944

Existing law	12,999.5
House bill	13,022.8
Senate bill	14,912.2
Conference report	16,005.9

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

Mr. DOUGHTON. Mr. Speaker, I yield 6 minutes to the gentleman from Tennessee [Mr. COOPER].

Mr. COOPER. Mr. Speaker, it is with regret that I find myself in disagreement with the distinguished and beloved chairman of my committee. We have worked shoulder to shoulder in many legislative battles during recent years and have tried to be mutually helpful to each other. We have seldom disagreed, but on this occasion we are conscientiously and honestly unable to agree on this conference report. I am sure he accords to me the same sincerity of purpose that I very cheerfully accord to him. Three of the four Democratic House conferees did not sign the conference report, and I am one of those.

It is my conviction that the effect of this bill is to transfer an unfair and unjust part of the financial burden of this war from the wealthy to the lower income group of the people, and I am unable to support it.

You have been urging pay-as-you-go legislation. You started out to get taxpayers current and wind up here with a bill that gets less of them current than almost any plan that has been proposed. The result of your effort is to pass a bill that does not get taxpayers current, but only accomplishes the real purpose of forgiving taxes already due the Government and in many instances already paid.

The House, by a vote of 313 to 95, sent to the Senate a pay-as-you-go tax bill which forgave a total of about seven and one-half billion dollars. The conferees have brought back to the House a bill effectively forgiving about eight and one-half billion dollars of tax, after allowing for windfall provisions. A special tax of 25 percent on the lower of the liabilities of 1942 or 1943 further reduces the effective forgiveness under the conference bill to about six and one-half billion dollars. Because the amounts forgiven under the House bill and under the bill brought back in the conference report do not differ widely, you have been told, and you no doubt will be told again, that this conference bill closely resembles the House bill and represents a substantial acceptance of the House bill. Quite the contrary is the truth.

The bill which the House sent to the Senate made 40,000,000 taxpayers completely and immediately current. The bill returned by the Senate to the House also made these 40,000,000 taxpayers completely and immediately current. This bill makes only 5,000,000 taxpayers current. The bill reported by the conferees, however, retains one-fourth of a year's tax liability on about 33,000,000 of these 40,000,000 taxpayers.

Who, then, gets from this bill the benefit of the amount improperly reimposed on these 33,000,000 taxpayers? The answer is that the tax which has been reimposed on these 33,000,000 taxpayers has been removed from the shoulders of about 380,000 taxpayers with incomes above $10,000. The $10,000 mark is about the breaking point in comparing the difference between the House bill and the conference report. Taxpayers with incomes of less than $10,000 realize much less forgiveness under the conference bill than under the House bill and taxpayers with incomes above $10,000 realize much greater forgiveness under the conference bill than under the House bill. That is what this conference bill does. It completely redistributes the burden of tax for the year 1942, and departs violently from the distribution of that tax under the House bill.

Let me give you some examples to illustrate the difference between the House bill and the conference bill.

A married couple with an income of $3,000 is forgiven $324 under the House bill, and only $243 under this bill.

A married couple with an income of $5,000 is forgiven $691 under the House bill and only $560 under this bill.

A taxpayer with an income of $25,000 is forgiven $4,437 under the House bill and $6,915 under this bill.

A taxpayer with an income of $50,000 is forgiven $9,185 under the House bill and $18,996 under the bill before you.

A taxpayer with an income of $100,000 is forgiven $18,690 under the House bill and $48,045 under the bill before you.

Under the House bill a married taxpayer with an income of $1,000,000 is forgiven $189,750, while under the bill before you he is forgiven $640,500.

Under the House bill the amount forgiven for those with net incomes over $10,000 amounts to $1,512,000,000 out of a total liability for these incomes of $3,555,000,000, or 42.5 percent. Under the conference bill the corresponding amounts of the effective forgiveness, after allowing for the windfall provisions and the special 25-percent tax, are $2,213,000,000 out of $3,555,000,000, or 62.3 percent. The amount forgiven under the House bill is about seven and one-half billions and under the conference bill about six and one-half billions. The amounts forgiven for incomes over $10,000 are 20 percent of the total forgiveness under the House bill as against 34 percent under the conference bill.

Thus, it is seen clearly that the effect of the bill which has been brought back to us by a majority of the conferees lifts the burden from the shoulders of a few large taxpayers and places it on the shoulders of millions of small taxpayers.

This bill retains in its essential characteristics the same basic inequities present in the Ruml-Carlson bill, which this House on three separate and distinct occasions rejected. In this bill the taxpayer with a $3,000 income is forgiven an amount equal to nearly 5 weeks of income after taxes; the taxpayer with the $100,000 income is forgiven an amount equal to 15 months of income after taxes. This is the same Ruml-Carlson bill that we turned down before it was reduced to three-quarter size.

The reduction of the Ruml-Carlson bill to three-quarter size not only does not remove its basic inequities; in many ways it makes the bill even worse than the full Ruml-Carlson bill which we found so objectionable. This bill makes only 5,000,000 taxpayers current. The House bill makes 40,000,000 taxpayers current. The 4,000,000 which the House bill did not make current are those for whom current payment is not necessary and in many cases is not convenient or feasible. The 33,000,000 additional taxpayers, which the bill before you does not make current for 2 years, are the ones most in need of being made current. They are the ones for whom the hearts of the Ruml-Carlson proponents bled when the Ways and Means Committee bill was before the House.

More serious is the fact that this bill will interfere with the adoption of the kind of tax bill we must have if this war is to be properly financed and economic disruption in this country is to be prevented or kept to a minimum. By providing for a 12½ percent collection of the 1942 tax in the coming year and another 12½ percent in the year following, this bill will almost certainly interfere seriously with the imposition of the additional taxes which are so badly required. Statements were made on the floor of the Senate that a 75 percent forgiveness would give increases in collection over the next 2 years which would take the place of tax increase on incomes. At a time when the President of the United States has asked for an additional $16,000,000,000 in taxes or savings, or both, and when every indication points to the need of at least that amount for financing the war and blocking the development of serious inflation, we are placing ourselves in the position of making the necessary increases very difficult to get.

There is not only the fact that a small increase in receipts into the Treasury for the next 2 years under this bill stands in

the way of increased taxes on individual incomes. There is also the fact that the cancelation of taxes under this bill is, as I have pointed out, grossly inequitable. When a new tax measure comes up it will be necessary to go to the small and middle incomes in order to get the great bulk of the revenue under that measure. This is for the simple reason that large incomes are already paying rates which cannot be increased in any great degree. It will be a serious matter to impose on the lower income group tax increases which will more than take away from them the amounts forgiven under this bill, while at the same time the higher income groups are not subjected to increases which offset or even greatly reduce the benefits they would receive under this bill. The net benefits accruing to the large income groups will present an enormous obstacle in placing heavy tax increases on low income groups.

Accordingly, I say that although the Ruml-Carlson bill would interfere seriously with a new tax bill because of its inequity, this bill will interfere even more with a proper tax bill because it confuses the issue through the 12½ percent collection of 1942 tax liability this year and next year. The President has asked us for $16,000,000,000. This bill forgives about $6,500,000,000 and places a heavy obstacle on the increase of tax rates necessary to even distantly approach the $16,000,000,000 request of the President.

The proponents of this measure point to some increase in revenue not only from the payment over 2 years of 25 percent of the 1942 tax, but to the operation of two so-called windfall provisions. These windfall provisions are a clear admission that the principle of the Ruml-Carlson bill, followed in the bill which the conferees have returned to the House, is inequitable and must be made to appear more presentable than it really is. The first of these provisions is to forgive the lower of the 1942 or 1943 tax. That is supposed to catch a person with an abnormally high income in 1942. No doubt it does so. But it also catches, and I suggest catches a great many more people whose 1943 incomes are abnormally low because of shortages, priorities, and other inevitable results from the war. We know that hundreds of thousands of small businessmen, for example, are suffering heavily in 1943. This windfall provision will catch them and label them as having abnormally high incomes in 1942. Millions of people for whom the relief of pay-as-you-go was intended will receive relatively little of its benefit under this windfall provision.

The second windfall provision is intended to catch people whose incomes in 1942 or 1943 were higher than in 1940, 1939, 1938, or 1937. It is intended to catch the war profiteers. No doubt it does catch some of them. But it also catches many innocent businessmen whose earnings were abnormally low in those pre-war years and who now must pay 1942 taxes on the excess just as though they were war profiteers. Moreover, I would point out that the conferees found it desirable to insert a provision that if a partnership has absorbed a corporation, then the partner's income shall be computed on the basis of the corporate income for 1940, 1939 1938, and 1937, in order that a proper base-period income may be reconstructed. This is no doubt an equitable provision, but there are literally dozens, perhaps hundreds of other types of cases much more important than this very rare situation which will call out for similar relief. We are going to be faced in the application of this windfall provision with all the difficulty and problems we have gone through in trying to give general relief for persons with abnormally low base-period earnings under the excess-profits tax. This second windfall provision fires a shotgun into a crowd. It catches many innocent people and opens the door to, in fact demands, a multiplicity of further amendments to prevent the harsh operation of the provision.

The House bill did not need windfall provisions of this kind because its distribution of cancelation was equitable. It avoided the basic windfall which the large income receiver gets out of the bill before you and which no windfall provision touches.

Sincerely believing that this bill does not include the essential elements of fairness and equity to the taxpayers of the country, and that the price paid in forgiveness is too great to pay for the desirable results of accomplishing a pay-as-you-go system, I am not in a position to give it my support.

Mr. KNUTSON. Mr. Speaker, I yield myself 10 minutes.

Mr. Speaker, in the consideration of the conference report it might be well to bear in mind that the House on two different occasions came within four votes of adopting the Carlson bill, which involved substantially 100-percent abatement. We present you the best compromise that we were able to work out after 5 days of hard and grueling work in conference. The Senate conferees voted as a unit on every proposition that came up, until one of the majority Senators announced that he would thenceforth vote for every compromise because he did not want it to go to the country that Congress is unable to function and that his party is unequal to the occasion.

The responsibility for enacting a tax bill and for getting the people of the country on a current basis does not rest with the minority, it rests with the party in power, but we have cooperated 100 percent. There was no politics in the conference; none whatever. This is shown by the fact that Senator GEORGE, Senator WALSH, Senator CLARK, and Senator BYRD voted with three Republican Senate conferees, or should I say the three Senate Republican conferees voted with the four Democratic Senators whom I have named.

Those who are opposed to the report we have brought before you would have you believe that the Federal Treasury is going to lose enormous sums of money if it is adopted. The contrary is the case. Under the existing law, the Treasury will take in $12,999,000,000 in the next fiscal year. Under the House bill the Treasury would take in $13,022,000,000. Under the Senate bill, the Treasury would take in $14,912,000,000. Under the conference report, the Treasury will take in $16,005,000,000. These figures are not mine; they are from the Treasury Department.

Speaking now to those on this side of the House who wanted complete abatement, may I say that it was out of the question to attain that end. I am not entirely satisfied with the report we are presenting to you. It is a compromise. That is the reason the bill was sent to conference, to iron out the differences between the two Houses and try to work out a reasonable compromise. I think we have done so, notwithstanding the statements of the preceding speaker.

The American people want to be put on a current, pay-as-they-earn basis. Under the conference compromise, practically all of them, over 40,000,000, will be made current within 2 years. We could not do any better.

I ask you, as one American to another, can we afford to say to the country that we are not capable of rising to the occasion when an emergency exists? This country is at war. The cry is for revenue to wage that war. Let me ask you on the majority side, you whose primary responsibility it is to place people on a current pay-as-they-earn basis, What will the reaction of the country be to you if you fail them in this momentous hour? Ponder on that. That point was brought out by two distinguished Senators who belong to the majority party. Both of them said it would be one of the most unfortunate things that has happened in a long time if the conference report should perchance fail of adoption. Failure would be a serious indictment of representative government.

At this time I wish to pay tribute to one of the noblest Romans I have ever served with, the chairman of this committee, the beloved gentleman from North Carolina, "Marse" BOB DOUGHTON. He recognized the emergency, he recognized the need for action, as did all of those who signed the conference report, and he was big enough to sweep partisan considerations and personal views aside and rise to the occasion. God bless him. I hope he stays in this House another 100 years.

At this point I shall offer for the RECORD a brief explanation of how the bill will operate.

Let us take the situation with which we are all familiar—our own income. In the case of a Member of Congress, with a $10,000 salary, his tax liability for 1942 was approximately $2,000 if he is a married man with no dependents. He filed a return last March 15 and presumably paid his first installment of $500 on his 1942 liability.

Under the proposed new law, the second installment on the the 1942 liability must also be paid. It is due June 15. Thus by July 1, when the withholding tax begins, he will have paid one-half his 1942 liability.

Under the conference report, all amounts paid on the 1942 liability will be applied against the current 1943 liability.

Beginning July 1, the Sergeant at Arms of the House, who is the official paymaster, will begin deducting the new withholding tax from each Member's salary. This is not an additional tax, but is for the purpose of collecting the income tax at the source. In the lowest surtax bracket, it will result in collecting the full liability at the source, but as the tax liability of Members of Congress extends beyond the first bracket only part of their liability will be collected through the withholding tax. The balance will be paid in installments. The withholding tax is 20 percent of the wage or salary in excess of the withholding exemption, which is $52 a month for single persons and $104 a month for married persons. Thus the withholding on a Congressman who is a married man with no dependents would be 20 percent of the excess of the monthly salary, $833.33, over the monthly exemption, $104. This would be 20 percent of $729.33, or $145.87. This amount will be deducted monthly, and may be credited toward the 1943 liability.

On September 15, Members of Congress, like everyone else subject to income tax, will file a tentative return of estimated tax on their 1943 income. Assuming the Member's income for 1943 is the same as for 1942, the 1943 tax will nevertheless be greater because of the Victory tax, which became effective January 1, 1943. In the case of a married man with no dependents, the total tax on an income of $10,000, including net Victory tax, would be $2,467. By June 15 the Member would have paid half his 1942 assessment, or $1,000, which would be credited on the 1943 liability. Also he would have had deducted from his salary up to July 1, on account of the present Victory tax withholding, approximately $234.40, which would make a total of $1,234.40 standing to his account as of July 1. Thus for the remainder of the year he would owe the difference between this amount, $1,234.40, and $2,467, or $1,232.60. During the remainder of the year, however, there will be withheld from his salary $145.87 per month under the withholding tax, which in the last 6 months of the year would total $875.22. Thus, of the $1,232.60 still owed on his 1943 liability for the last half of the year, all but $357.38 will be collected at the source. This balance he will pay in two installments, one-half on September 15 and one-half on December 15. On March 15, 1944, he will file his final return for the year and make any necessary adjustments on account of overpayment or underpayment. At that time, on the same form, he will file his return of estimated tax for 1944, and will pay in installments so much of his tax liability for the year as is not being collected at the source.

The next question is, What happens to the 1942 tax liability under the bill? Seventy-five percent of this liability is abated under the bill, and the remaining 25 percent is collected over a period of 2 years in addition to current taxes. In the example cited, the 1942 tax was $2,000. Thus $500 of the 1942 assessment would be collected under the bill, one-half, or $250, being payable March 15, 1944, and the remaining one-half on March 15, 1945.

If a Member had a higher tax liability on his 1942 income than will be due on his 1943 income, then his 1943 tax would be based on the higher income of the 2 years, and the 75-percent abatement would apply to the lower income of the 2 years.

Mr. DOUGHTON. Mr. Speaker, I yield such time as he may desire to the gentleman from Rhode Island [Mr. FORAND].

Mr. FORAND. Mr. Speaker, the conference report now before us is the old Ruml plan in a new dress, and I shall vote against it.

The only difference between this report and the original Ruml plan, which would forgive 100 percent of a year's tax, is that the conference report reduces the forgiveness to 75 percent. Both operate on the same principle of percentage forgiveness rather than on a forgiveness based on a number of tax units as was provided in my bill, which passed the House on May 4.

This means that at a later date, through higher rates, the Treasury will recover from the lower- and middle-bracket taxpayer every dollar now forgiven him plus that amount forgiven to those in the upper brackets. In other words, it will collect from the lower- and middle-income groups to compensate for the bonus now being declared for the wealthy, the upper income group. The poor will pay for the benefit given to the rich.

Why do I say that? Because the incontrovertible proof stands out before our eyes.

It is generally agreed that the rate of 85.4 percent on incomes of $1,000,000 is so high that it cannot be raised. To go any higher would amount to confiscation. It would be practically a capital levy. So when you forgive 75 percent of a year's tax to an individual with an income of $1,000,000, which, under the provisions of this legislation amounts to $640,000, you make an outright gift, you give him a bonus, and you cannot get any of it back when you increase the tax rate.

This is not true in the middle and lower brackets. On those taxpayers you will raise the rates, and you are going to do it sooner or later. Any statement to the contrary is questionable as to its veracity. It is an attempt to fool the taxpayer.

Our national debt, we are told, will run up to $300,000,000,000 before this war is over. That debt must be paid. You cannot raise the rates for the large income so, after forgiving huge sums to the rich, you will raise the rates for the low- and middle-income groups to collect the money necessary to pay that debt. Such procedure, Mr. Speaker, is unfair and unjust to the small taxpayers. It is unfair and unjust to the white-collar class, and I shall not be a party to it. I shall vote against the report.

Mr. DOUGHTON. Mr. Speaker, I yield 5 minutes to the gentleman from Michigan [Mr. DINGELL].

Mr. DINGELL. Mr. Speaker, the bill now before us is supposed to be a compromise of the House and Senate pay-as-you-go bills. It is not my idea of a compromise. It uproots the principle we endorsed in the House bill by a vote of 3 to 1 and transplants in its place the principle adopted by the Senate. It grafts onto the transplanted Senate principle a few miscellaneous provisions to make a prettier display. But basically what we have before us is simply the Ruml plan set to three-quarter time. It is off key, it grates on my ears, it is all disharmony.

When the pay-as-you-go bill was sent to the Senate by this House it did what we needed to do, in a fair and reasonably simple way. It put the bulk of income tax on a current basis and abated enough of the tax to avoid hardship in the process of transition. In that bill, tax cancelation did what it was supposed to do. It was a means to the end of getting on a pay-as-you-go basis. But since it left this House, the end has been sacrificed to the means, and cancelation has become the basis for the biggest tax grab in history.

The bill presented to us by the conference committee is the product of a dog fight on the size and distribution of the tax grab and not on the principles of pay-as-you-go. There is nothing sound, nothing sensible, about the tax-forgiveness features of this bill. All they do is to specify how far each taxpayer can dip into the grab bag. The rule of thumb applied in forgiving taxes is simply this—the bigger your income, the deeper you reach into the grab bag of tax forgiveness.

By all odds, the prime beneficiaries of tax forgiveness under the conference committee bill are the taxpayers with incomes about $10,000. There are $380,000 taxpayers with incomes above $10,000. They represent less than 1 percent of the total of 44,000,000 taxpayers. Yet, their cut of forgiveness is not 1 percent, or 5 percent, or even 10 percent. Oh, no; their cut is 34 percent of the entire amount of taxes forgiven under the Ruml-ized bill now before us. More than one-third of the total forgiveness goes to 1 percent of the taxpayers. Their cut is large and juicy indeed. Some people call that the principle of equality of treatment. I do not care much for a "principle of equality" which produces such gross inequality in practice and revitalizes the danger of inflation—or is the danger of inflation confined to the little fellow?

There has been some attempt to justify this wicked tax grab on the ground that the tax gift is not realized until death or until income slacks off. The Ruml-ites do not deny that tax forgiveness is a gift. They simply try to cloud the issue and say it is not realized right away. I think we can decide for ourselves whether or not it is realized right away. Find me a $10,000 income man, for example, who does not salt away some funds to pay his taxes. You simply will not find him. If this bill becomes law, the funds the taxpayers have been salting away for payment of 1942

taxes will not have to be used for taxes. Taxpayers will be paying as they go and will be using current funds, not accumulated funds, to pay off their taxes. The money they set aside to pay 1942 taxes will be cash on hand. It will be money that can be added to the taxpayer's wealth or spent in inflationary buying. It will be an immediate tangible gift to the taxpayer to do with what he may. That is why forgiveness has become so popular. It is not just forgiveness to get pay-as-you-go. It is forgiveness for the sake of forgiving.

Who is going to pay for this forgiveness? After all, you cannot subsidize the rich without having someone paying for it. And that someone is bound to be the millions of Toms, Dicks, and Harrys in our taxpaying population, the millions of taxpayers in the lower and middle brackets. After all, it is their rates which are mathematically capable of expansion. You cannot boost a 90-percent rate very far, but a 20, 30, or 40 percent rate lends itself to expansion. To get back the taxes canceled by this bill, you would have to raise the tax on a man with a $2,000 net income from $220 to $350. Or if his income were only $1,500 his tax would have to go up from $78 to $170. If his income were $3,000, his tax would have to be raised from $504 to $702.

In other words to offset the tax forgiveness to the wealthy, you would have to double the tax rates of the great majority of average citizens. Apparently, doubling up of taxes is good enough for the little fellow, but the big fellow under this bill slices up the biggest pork pie in history.

I have but a very short time to deal with the facts as they pertain to the conference report but I can best illustrate my views in the matter by comparing the report and its effect upon the Congress and people of the United States by saying that it is a legislative toadstool. To some it may look like the real thing but it is dangerous in that it is political poison. After this warning each and every Member of this House is on his or her own. If you suffer the ill effects of partaking of this dish, it is your own funeral, not mine.

Up to this point I have been talking about the fabric of the bill. Now, I want to take a look at the embroidery which has been attached to the bill to sell it to this Congress and to the people of this country. When I look at this frill of antiwindfall provisions and a 25-percent carry-over of the 1942 tax, I can only conclude that we are being lured to walk into an elaborately baited trap. Some of that bait looks pretty attractive and on the surface appears to improve the bill. Actually, the special provisions of this bill are merely an attempt to hoodwink and befuddle us and to camouflage the tax grab, which is the real core of the bill.

Limitation of forgiveness to 75 percent of the 1942 tax is supposed to be a major improvement. But it is still the Ruml principle, pure and simple. It still confers a permanent and irretrievable gift on the wealthy which is all out of proportion to the "Indian gift" that it confers on the average citizen. Let us not delude ourselves. This is simply the Ruml plan set to different music. It simply sings the Ruml lullaby in three-four time, instead of four-four time. And it reserves a special time for the little taxpayer—he gets the two time. He gets the least of tax forgiveness, but he will get most of the tax increases when the next tax bill comes up. Look out for the sales tax and the increased income tax rates which are to follow.

Now, how about this one-quarter of the tax that is not abated but spread over a 2-year period? A lot of loose talk would have us believe that this carry-over of 25 percent is a substitute for tax increases. That kind of talk is sheer bunk and nonsense. First of all, under the conference committee bill, we will be paying only 2¼ years' taxes on 3 years' income. I do not know how you can call that quarter a tax increase when it is really a reduction of a tax liability already incurred. Second, it is ridiculous to speak of substituting the 25-percent carry-over for the tax increases we have to have to finance this war. What do the war profiteers expect? An enormous tax subsidy plus insurance against tax increases? That is asking too much, and we will be failing our duty on the home front if we adopt such an unrealistic program. The boys now in uniform will be asking questions when you begin to lay this load on their shoulders. It will prove embarrassing if you vote for this bill.

The so-called antiwindfall provisions of the bill before us also call for close scrutiny. As I understand it, antiwindfall provisions are supposed to be studded with teeth that bite into objectionable windfalls. Gentlemen, the provisions before us are toothless. They fail to strike at the basic inequity of the bill. They do not even touch the distorted structure of tax forgiveness under the Ruml principle on which it is based.

It is true that these so-called antiwindfall provisions will reduce the amount of forgiveness by about one and one-fourth billion dollars. But that reduction is made not at the expense of those who are unjustifiably enriched by war profiteering or those who are unjustifiably enriched by tax forgiveness—no, those reductions are made primarily at the expense of persons whose income happens to fall off in 1943. This bill makes a decline in income from 1942 to 1943 prima facie evidence of war profiteering. You and I know that such declines have occurred in millions of cases because war has offset peacetime activities and not necessarily because war inflated 1942 incomes. Basing tax forgiveness on the smaller of 1942 and 1943 taxes tars the innocent victim of war's dislocations with the same brush as the guilty war profiteer.

The bill also contains a provision for a special tax on excess income in wartime. This bill was so liberalized and watered down by the conference committee that it catches only a few fish in its net. Among those fish are not merely war profiteers but people who are just coming into their own as a result of long and diligent effort. Gentlemen, this bill simply does not recognize the difference between right and wrong. In this bill black and white have become fused into a dirty gray.

No amount of camouflage can hide the ugly fact that this bill hands out an unjust and discriminatory enrichment in the midst of a cruel and costly war. While American boys are dying on battlefields all over the world we have the spectacle on the home front of taxpayers feasting on the carcass of 1942 taxes. This is not a pretty picture, yet it is precisely what we are doing if we pass the conference committee bill. I want no part of a bill which matches the sacrifices being made on the battle fronts with unjust enrichment on the home front.

I want to point out that the percentage differential in the forgiveness was definitely and hopelessly rejected but when in the final analysis I sought a differential on the basis of earned and unearned income, in other words, on a basis of such income as a man works and sweats for and such income as is gathered from coupon clipping, a principle which is well established in tax law allowing exemptions and variations, this, too, was turned down by the conferees and is not in the bill.

To show you how solicitous the conferees must have been about the greatest possible remission of taxes which are due the Federal Government from the upper-bracket taxpayers, they would not allow any kind of differential either in percentages or on a basis of earned and unearned income, but when it came to the consideration of the amendment which was offered by me in the Committee on Ways and Means and approved by the House, having to do with abatement of such taxes as might be due and payable from a soldier, sailor, or marine who forfeits his life and his all for his Government, the conferees, with the assistance of the minority Members on the House side, retained until the last day the Senate provision which made of my original proposal a sham, a joke, and an insult to our heroic warrior dead because in their case it made a distinction between earned and unearned income. When on the last day of the conference I threatened to disembowel the report, the conferees, led by the minority of the House, backed off and the curse was erased.

Just imagine the courage of conferees who excluded from consideration the earned- and unearned-income distinctions because it would affect adversely the amount of irretrievable forgiveness granted to the upper-bracket taxpayers while at the same time insisting on making this distinction and applying it to a soldier hero who gave his life for his country and the conferees insisted that tax forgiveness would be allowed only on the earned income but if the soldier had sold his home and showed a profit of $500 to $1,000 or clipped a small amount of dividend coupons, he would have to pay unto the last cent and upon death it would be taken out of the amount collected from his estate, but the taxpayer with a million-dollar income from coupon clipping would receive without dis-

ferentiation, the full 75 percent of remission provided for in the conference report. The conferees were frightened into the path of political righteousness by my warning. My original amendment, contained in the House bill, is now in the conference bill.

These are important reasons why I cannot vote for the conference report, and I urge that it be voted down for we would be far better off to remain on the tried and true basis than to create further and sinful inequalities. Remember when you vote for this bill you vote for eventual reimposition of all of the forgiveness and the great bulk of the recapture of the taxes so ruthlessly thrown away at this time will have to come from the lowermost brackets, from the millions of men and women who are least able to bear the load and who already are overburdened.

Let me warn you that there will be no hesitation, in fact there will be an outright demand later to impose a Federal sales tax, not of 2 or 3 percent but possibly 10, 15, or maybe 20 percent. Imagine a man with a wife and four, five, or six little children paying through the nose to make up for the remission, for the congressional gift to those in the highest brackets, who cannot be made to pay under any system of reassessment. To that class of big taxpayers it will be an outright and irretrievable bonus, the equivalent of all the tax increases which we have imposed upon them in the past 5 years. In this class you will find many of the type of Heintz and Jacks, wartime profiteers. Some people will be permitted to retain millions in war profits and will keep them with congressional approval while the small taxpayer will be scalped. Those who will vote to approve this conference report will either do it blindly or feign to believe that there is no threat to inflation while they contend that a few extra dollars in the pocket of the little fellow threatens our very existence. A surplus dollar with no place to go, whether in the pocket of a rich man or a poor man, unless invested in a War bond, is a threat to inflation.

I am going to be free to follow the proper course when the next tax bill comes up. My position will not only be defensible but absolutely impregnable, but some of you Members here who are going to impress your imprimatur upon this conference report are going to have the time of your lives making explanations to your constituents when the next campaign rolls around. Any candidate passing an I. Q. test of a 14-year-old boy who will make an issue of your vote in support of this iniquitous proposal will drive you out of Congress.

Should the conference report prevail, I am of the impression that the President should and will veto the bill because there is nothing wrong with our present tax system, and while it may be desirable to establish the system of paying as you go and collecting at the source, it is not worth the price we are called upon to pay for its establishment and the inequalities cannot be justified by any argument.

As time goes on you will find that the attitude of my friend from Tennessee, and my equally distinguished and sincere friend from Oklahoma, with whom I join, will be recognized because it is honest and just, and constitutes a force that is irrepressible.

The principle embodied in the conference report is a typical and time-honored Republican principle of what is fair and equitable. It does not square with the ideals of Jefferson, Jackson, Wilson, or Roosevelt; therefore, let the Republicans pass it if they can, and let there be no defections on our side. Let there be no support of this heretical doctrine that remits $75 in the case of one taxpayer, which will later be reassessed three times over, and permits the remission of $750,000 to another taxpayer which cannot be recaptured. This is not equality in treatment, it is inequitable and unjust.

If the House will vote down the conference report, we can bring back a report that will differentiate in a fair way between small and large taxpayers and allow abatement on a percentage basis, and my idea is that it ought to be abated in the same way that it was put on in the 1942 tax bill. There can be no argument about the fairness of taking it off as you put it on, but there is a lot of argument against forgiving 75 percent of all of the tax increases which you, by previous action, applied in the last 5 years.

THE DINGELL PLAN

It will be interesting for the Members of the House to know that I suggested a plan to the House and Senate conferees which, for the want of a better designation, would be known as the Dingell proposal or plan, which would bring about absolute currency in tax collection and would embody the feature of collection at the source without any forgiveness or abatement whatsoever. Currency in payment would be brought about by the simple and gradual change in the practice of collecting income taxes due by setting back the first collection due date and the final date for payment 3 months in each of the coming years except the first year, when the initial set-back would be only 2 months, until full currency was attained. This plan, for a certainty, would work out as regards the individual income taxpayer. There is no challenging that statement. It might even be extended eventually to include corporation income taxes.

To illustrate my plan, an income taxpayer under existing law pays his 1942 tax by making his first or part payment, or even all of it, on or before March 15 of 1943. He must pay the balance of his obligation, if any, under pain of penalty, by December 15, 1943. My plan, aiming at eventual currency, would obligate the taxpayer to pay his 1943 tax by partial or full payment beginning January 15, 1944, with a final payment, if any, payable by October 15, 1944, instead of the customary December 15, as provided under present law. The tax for the following year would be due and payable beginning October of the same year and the final payment would have to be paid on or before July 15 of 1945. Thus each year the grace period would be reduced or revised toward currency until all taxpayers simultaneously became current, and this would be without any remission or forgiveness whatsoever. But this plan was not very attractive because it was not sweetened with full or partial abatement.

Under the plan which the conference submits to the House, such tax payers as are to become current will not attain such classification or status until the end of 1945. I believe, under my plan without any abatement and beginning in the shift of initial payment date in the year 1944, we would be fully current in 1947. I will include in the RECORD a rough sketch or a table which I prepared and believe is readily understandable which will serve as a guide for the membership.

The table follows:

	Last payment due
If 1943 tax due date is moved from Mar. 15 to Jan. 15, 1944	Oct. 15, 1944
If 1944 tax due date is moved from Jan. 15, 1945, to Oct. 15, 1944	July 15, 1945
If 1945 tax due date is moved from Oct. 15 to July 15, 1945	Apr. 15, 1946
If 1946 tax due date is moved from July 15 to Apr. 15, 1946	Jan. 15, 1947
If 1947 tax due date is moved from Apr. 15 to Jan. 15, 1947	[1] Oct. 15, 1947

[1] If desired, when year of currency is attained, final date of payment of taxes could be extended to Dec. 15, 1947.

Mr. KNUTSON. Mr. Speaker, I yield 10 minutes to the gentleman from New York [Mr. REED].

Mr. REED of New York. Mr. Speaker, an ancient law that I ran onto said that a well-made law should be formulated on the basis of caution, perspicacity, precision, sagacity, and conciseness. I can hardly claim that this particular conference report brings in a bill here which fulfills those requirements. I think this has been one of the hardest tasks I ever faced in this legislative chamber. We are in the midst of war, and it would seem as though we might have gotten together without such a waste of time.

I am not particularly enamored of this conference report, but I feel that I would not be discharging my duty unless I were to vote for it. The people of this country are entitled to know just where they stand so far as this bill is concerned. We started out as a committee in good faith to hold hearings for one specific purpose, and that was to make the people current in the payment of their taxes. The reason for that was known to every person practically in this country. That was that the rates had become so high, and the tax load had increased so rapidly, that to go on under the old system of collecting the taxes a year behind was a dangerous thing, and it would become more dangerous as we proceeded to put on an ever-increasing tax load. Once before I called attention to the fact as to just how rapidly this load has been put on the backs of the people In 1940 the tax load was about $5,387,000,000. In 1941 it was stepped up to $7,607,000,000; in 1942, $12,700,000,000; in 1943, $22,976,000,000; and in 1944, $33,081,000,000. Then you add onto that $10,000,000,000

of local and State taxes, and we are now looking forward to the $16,000,000,000 in addition which the President still insists upon.

Word has gone out to the country that if this bill is passed it will not be necessary to raise the $16,000,000,000. I fail to see where that can possibly be true, because we are going to spend in 1943, $80,000,000,000; in 1944, $104,000,000,000, and we are going to have a debt in 1944 of $210,000,000,000. I fail to see how you can go along here for 2 years, or for 1 year, without another tax bill.

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

Mr. REED of New York. Yes.

Mr. KNUTSON. The gentleman will recall that in the conference committee it was told us that the adoption of this report would probably obviate the necessity for another personal income tax bill for this year.

Mr. REED of New York. Oh, I have listened to promises from this administration since 1933, and I know of only one that was kept, and that was to make the country wet. That was in 1933. I have a list, comprising almost a volume, of New Deal broken promises, so that I do not attach very much importance to what was said by administration leaders in conference, in regard to additional taxes.

Mr. MORRISON of North Carolina. Mr. Speaker, will the gentleman yield for a question?

Mr. REED of New York. I would like to, but I cannot at this time as I have only a few minutes left.

In order to meet at least a large part of the tremendous outlays now being made for war purposes, totaling over one hundred billions annually, and at the same time aid in the check against ruinous inflation, burdensome taxes must of course be levied. In the past few years the tax load has been increased by leaps and bounds, without giving taxpayers a chance to adjust themselves to each new increase. All the increases have been retroactive in effect, and it is this feature of the recent tax bills which has worked a tremendous hardship on all taxpayers, since they have had no opportunity to prepare for the increased burden, or adjust themselves to it.

The 1942 tax bill, for example, was not enacted until October 21, 1942, after nearly 10 months of the year had gone by, yet it was made applicable to all income earned from January 1, 1942. Most of the responsibility for the delay in the enactment of the 1942 measure was due to the administration's procrastination in formulating its program and its subsequent reversal of position on several major policies. On two occasions the President intervened at the last minute by suggesting changes which were in contravention of the administration's previous position—once in connection with the lowering of personal exemptions, and the other time in connection with the taxation of excess corporate profits.

The high level of present taxes, coupled with the fact that the income tax now reaches the great mass of the people, has aggravated and made more obvious certain fundamental defects in the present tax-collection machinery. One of these defects is that the personal income tax is not collected until the year after the income on which it is based is earned. This works a great hardship on the taxpayer when his income ceases, as at death, retirement, or loss of his job, as well as when his income sharply declines. Under the present collection method the income tax is not actually based on ability to pay, as it is supposed to be, since it is levied on the income of the past year, and not on the income of the current year, out of which it must be paid.

On February 2 of this year, in response to widespread popular demand, the Ways and Means Committee began public hearings on various proposals to place the personal income tax on a current, pay-as-we-go basis. To correct the defects in the present system, it was determined that the income tax should be assessed against current income instead of the past year's income, and be collected out of current income as the income is earned. It was made clear that this change would be of benefit to the Treasury, as well as to taxpayers, since it would tap the higher level of national income 1 year sooner than under existing law and at the same time reduce tax delinquencies.

Among the plans considered by the Ways and Means Committee were the following:

First. Doughton plan No. 1, which, in addition to collecting taxes currently, would have involved substantial doubling up by requiring taxpayers to carry forward their 1942 liability, recomputed at 1941 rates and exemptions, and discharge it over a period of 3 to 5 years.

Second, Doughton plan No. 2, which would have carried forward half the 1942 assessment in the case of all taxpayers and collected this amount in addition to current taxes over a period of 5 years.

Third. The Robertson-Forand plan, which would have made taxpayers current to the extent that their liability did not exceed the amount proposed to be withheld at the source under a 20-percent withholding tax.

Fourth. The Carlson plan, which is a modified Ruml plan, and which would have made all taxpayers immediately current with no doubling up in their payments. This would have been accomplished simply by changing the basis of assessment of 1943 taxes from 1942 income to 1943 income, and by abating the previously assessed 1942 liability.

Of the various plans considered, the Carlson plan was the one plan and the only plan which would make all taxpayers current with no doubling up. The other plans either did not make all taxpayers current, or else delayed the objective for a period of years and in the meantime required substantial doubling up in payments.

In March, the majority of the Ways and Means Committee voted down all pay-as-you-go proposals, and reported to the House a measure which failed to make any taxpayers current, and which would not have permitted any taxpayers to become current except by paying 2 years' taxes in 1 year. Nine Republican members of the committee, who had supported the Carlson plan in committee, offered the proposal as a substitute for the committee bill. It failed of adoption by a vote of 193 to 215. The House then recommitted the wholly unsatisfactory committee bill to the Ways and Means Committee by a vote of 248 to 168.

After reconsideration of the matter the majority members of the Ways and Means Committee, on April 30, reported to the House the so-called Doughton No. 1 plan, which, as previously pointed out, involved substantial doubling up as the price for getting taxpayers current after 3 years. Again the Republican members of the committee proposed the Carlson plan as a substitute, and this time it failed of adoption by a margin of only 4 votes, 202 members having voted for the substitute and 206 against. The Republican minority then moved to recommit the committee bill, with instructions to report back the Robertson-Forand bill forthwith, as a substitute. This measure, while it did not make all taxpayers current, did make 90 percent current with no doubling up. It was felt that if this measure were sent to the Senate, the other body would amend it by substituting the Carlson plan. The House adopted the motion to recommit by a vote of 230 to 180. On final passage, the amended bill embracing the Robertson-Forand plan was adopted by a vote of 313 to 95.

When the bill reached the Senate, it was referred to the Finance Committee. That committee, after considering the same plans which had been studied by the Ways and Means Committee, adopted a modified Ruml-Carlson plan as a substitute for the House bill. When the measure reached the Senate floor, various alternative plans were again considered, but the Carlson plan, as modified, was the only one which commanded a majority vote in the Senate. Following is a list of the various plans considered by the Senate and the vote thereon:

Ellender amendment—no abatement of 1942 liability—defeated 21 to 57.

Connally amendment—Doughton No. 1 plan—defeated 29 to 50.

George amendment—75 percent Carlson plan—defeated 32 to 50.

O'Daniel amendment—withholding tax only—defeated 29 to 48.

Bankhead amendment — Robertson-Forand plan—defeated 27 to 52.

Finance committee amendment—Carlson-Ruml plan—carried 48 to 31.

On final passage, the Senate bill was agreed to by a vote of 49 to 30.

Upon the passage of the bill by the Senate, the Senate insisted upon its amendment and asked for a conference with the House. After the conference was agreed to, the Republican minority on the Ways and Means Committee sponsored a motion to instruct the conferees to agree to the Senate bill. Had not the President intervened by sending a letter to Chairman GEORGE and Chairman DOUGHTON urging the defeat of the Senate bill, there is no question but what our motion would have carried, and the people would have been given the Carlson-Ruml plan, which they overwhelm-

ingly desire. The President's letter, however, had the effect of swaying enough votes to prevent our motion to instruct the conferees from being carried, and it was defeated 194 to 202.

The conference committee met for a week trying to arrive at an agreement. Although a majority of the Senate conferees favored the Carlson plan, it has not been possible to secure its adoption in conference since the majority members of the House conference group are definitely and unalterably opposed to it. The three Republican members of the conference consistently supported the Senate bill, embracing the Carlson plan, but without at least one vote from the Democratic side we were unable to command a majority vote. While our votes, coupled with those of the Senate members favoring the Carlson plan, represented a majority of the conference committee, the rules require the conferees on the part of each House to vote as a unit in accordance with the will of a majority.

With the threat of a Presidential veto being bandied around, the Senate Democratic conferees were anxious to compromise on something short of the Carlson plan. The House Democratic conferees had little to offer except the discredited Doughton No. 1 plan and the Robertson-Forand plan, neither of which were acceptable to the Republican minority members of the conference or to the Senate conferees. Finally, the Democratic House conferees proposed a 60-percent Carlson plan, but this, too, failed to receive our support or that of the Senate conferees.

The Senate conferees proposed as a compromise the so-called George plan, which had been offered in the Senate by Senator GEORGE. This, in effect, was a three-quarters Ruml-Carlson plan, since it abated 75 percent of the liability of the lower-income year, 1942 or 1943, in the case of all taxpayers. The House Democratic conferees were unyielding on this compromise proposal because of the amount of abatement involved, and the House Republican conferees were opposed to it in principle because of the fact that it involved some doubling up, which was the basis of our opposition to all substitute proposals for the Carlson plan.

The conference committee, as I have indicated, sat for a week without being able to arrive at any agreement. A deadlock was in prospect, with the result that there would be no legislation on the subject enacted into law. As a final compromise proposal, the Senate conferees offered a plan based on the George 75-percent proposal, but with 100-percent abatement of 1 year's liability where the tax was $50 or less. The plan also included the principle of the two antiwindfall provisions of the Carlson plan, limiting the abatement to the lower income of the 2 years, 1942–43, and excluding from the abatement smaller war profits.

It became evident that if any agreement was to be reached with the Senate, it would have to be on this proposal. I personally did not favor it because of the doubling-up feature, resulting from the carry-over of 25 percent of the past year's liability. I have felt all along that the Carlson plan was the only fair and practicable measure for accomplishing the transition to a current, pay-as-we-go basis of income-tax collection. But here we were, faced with the dilemma of either accepting the Senate compromise proposal or being responsible for the complete break-down of the conference and the collapse of the effort to at least substantially achieve the desirable and necessary tax reform which we had set out to accomplish. I felt that under the circumstances I must subordinate my own views on the subject and vote to accept the compromise proposal so that the pay-as-you-go system could be put into immediate effect and the transition to a fully current basis be accomplished within a reasonable time.

The 25 percent carry-over, which will be spread over a period of 2 years, will in effect amount to a 12½-percent increase in tax payments in 1944 and 1945. However, it is to be hoped that such increase will be in lieu of any increase in rates in connection with the President's request for $16,000,000,000 of additional revenue, since there is a limit to what the taxpayers can stand.

If the Carlson plan had been adopted, there would be no such doubling up. Except for the opposition of the administration, and the President's interference, the Carlson plan would undoubtedly have been adopted by the House after it had been passed by the Senate. The full responsibility for the increased liability under the conference agreement must therefore rest squarely on the shoulders of the administration. We of the Republican minority, both in the House and Senate, certainly did all we could to give the people the Carlson plan, and we regret that our efforts were not successful. So far as I am personally concerned, I want to say that while I signed the conference report, I did so only in order to get any legislation at all and not because I favor the compromise over the Carlson plan. I am still for the Carlson plan, but I realize that under the present circumstances there is no possibility of securing its enactment.

Following is a brief summary of the principal provisions of the conference agreement, and an outline of how it will apply in the case of the average taxpayer.

The bill as agreed to in conference provides for withholding at the source, commencing July 1. The withholding rate will be 20 percent, and will apply to wages and salaries in excess of the withholding exemptions, which are $624 annually for single persons, $1,248 annually for married persons, and $312 annually for each dependent. On a weekly basis the withholding-tax exemptions are $12 for single persons, $24 for married persons, and $6 for each dependent. On a monthly basis they are $52, $104, and $26, respectively.

If, for example, a married man earns $50 a week, his employer will withhold out of each pay envelope, commencing July 1, 20 percent of the excess of the weekly pay over the weekly exemption of $24 which is applicable in his case. Thus the withholding tax would be 20 percent of $26, or $5.20. This withholding tax will be credited against the current income-tax liability of the taxpayer. It is not an additional tax, but simply a means of collecting the personal income tax at the source as the income is earned. The withholding will only apply to wages and salaries, and in general will cover only those types of employment as are now affected by the Victory tax withholding. Thus it will not apply to agricultural labor, domestic servants or self-employed persons. The present Victory tax withholding will be absorbed in the 20 percent rate, which is intended to cover both the Victory tax liability and the first bracket liability under the regular income tax. Those whose tax for the year does not exceed the amount withheld at the source will have nothing more to pay. Those whose liability does exceed the amount withheld, and those who are not affected by the withholding, will pay their remaining or entire tax, as the case may be, in quarterly installments.

The tax paid March 15 of this year on account of the past year's liability will be credited against the current year's liability. The June 15 installment on last year's income must be paid in full, and it will also be credited to the current year's tax. Those who paid their tax in full on March 15 will not have to pay any September 15 or December 15 installment unless their income for 1943 is higher than for 1942. The withholding tax will be collected, however, and any overpayment will be refundable March 15, 1944.

On September 15, taxpayers will be required to file a return covering their estimated income for the year. At that time, they will take credit for the amounts paid on March 15 and June 15, and adjust their September 15 and December 15 installments accordingly. They will also take credit for the amount withheld out of their pay envelopes after July 1. On December 15 they may, if they desire, file an amended return showing an increased or decreased income over that previously estimated. The final return for the year will be filed March 15, 1944, at which time any necessary adjustments can be made, based on the actual income for the year, and the actual outlays for contributions, interest payments, and other deductions. On the same final return, taxpayers will show their estimated income for the ensuing year. Amended returns may be filed on any of the subsequent quarterly installment dates, if necessary.

In order to assure the filing of substantially correct estimates of income during the year, either on the original return or the amended returns, the bill provides that taxpayers must pay during the year at least 80 percent of the amount finally ascertained to be due for the year, or face an interest penalty of 6 percent of the amount by which the

payments during the year fall short of 80 percent of the actual liability shown on the final return. In the case of farmers, only two-thirds of the final liability must be paid within the year to avoid the interest penalty, and they also are not required to file a return of estimated income until the last installment date, December 15.

The 1943 tax liability will be based on the higher income of the two years, 1942 or 1943, in the case of all taxpayers—except members of the armed forces, as hereafter explained. In order to prevent any undue doubling up of taxes as a result of the shift to a current collection basis, the conference report provides for the abatement of three-fourths of the liability for either the year 1942 or 1943, whichever is the lower. Where the amount of tax due in the lower year is $50 or less, the liability is completely forgiven, and there is no carry-over. On liabilities of between $50 and $66.67, there is a flat $50 abatement, and on liabilities over $66.67, the 75 percent abatement applies.

The unabated one-quarter of the tax for the lower of the two years will be collected in two installments, one of which is payable March 15, 1944, and the other on March 15, 1945. No interest will be charged. In effect, this carry-over amounts to a 12½ percent increase in tax payments during these two years, since it is added to the payments on account of the current liability for such years.

Those whose income in the abated year—1942 or 1943, whichever is lower—exceeds the highest income for 1937, 1938, 1939, or 1940 by more than $20,000 will be subject to a special antiwindfall provision, the effect of which is to limit the abatement to so-called normal income and to prevent its application to swollen war profits. This would be accomplished by collecting as a windfall tax the difference between the 75-percent abatement of the tax for the lower of the 2 years, 1942 or 1943, and a tentative tax, computed at 1942 rates, on the total of the base year's income plus $20,000. For example, if the tax in the lower of the 2 years, 1942 or 1943, were $400,000—the approximate tax on an income of $500,000—there would be a provisional abatement of 75 percent, or $300,000, and the balance, or $100,000, would be carried forward and collected over the next 2 years in addition to current taxes. The $300,000 provisional abatement would then be compared with a hypothetical tax on the highest income for 1937, 1938, 1939, or 1940, increased by $20,000. If the resulting hypothetical tax were equal to or greater than the amount provisionally abated—75 percent of the tax for the lower year, 1942 or 1943—no windfall tax would be assessed since no abnormal profits would be indicated. However, if this hypothetical tax on so-called normal income had amounted to only $100,000, then the abatement would be limited to this sum, and the difference between it and the $300,000 provisional abatement would be collected as a windfall tax. This windfall tax may be paid in four installments, at the option of the taxpayer, with interest at 4 percent, the first installment being due March 15, 1945.

In the above example, the taxpayer would owe the full tax for the highest income year, 1942 or 1943, plus one-quarter of the liability for the lower of the 2 years, plus the windfall tax.

The conference report includes three special provisions for members of the armed forces. First, there will be no increase in their 1943 tax on account of having had a higher income in 1942, insofar as such 1942 income was earned income, as distinguished from unearned or investment income. The first $3,000 of the 1942 income would be presumed to be earned in all cases, but no amount over $14,000 would be recognized as earned income. Thus if a soldier had a civilian salary of $10,000 in 1942 and a service income of $600 in 1943, his tax for 1943 would be based solely on his 1943 income and not his 1942 income, and there would be no carry-over of any part of the 1942 liability. In such case the 1943 tax would cover the full liability for the 2 years, except as the abatement provisions might be applicable. They require that the 1943 tax be increased by 25 percent of the tax for the lower year—1943—if it is in excess of $50, but since in the above example the soldier did not have sufficient income in 1943 to make him subject to tax he would have no liability either on account of 1942 or 1943.

The second provision in the interest of members of the armed forces is that which increased their exemption for income-tax purposes. They are permitted under the conference report to exclude from gross income the first $1,500 of their service pay, regardless of rank, and in addition will be entitled to the regular exemption of $500 for single persons, $1,200 for married persons, and $350 for each dependent.

The third provision relating to members of the armed forces would cancel any outstanding income-tax liability of such a person who dies while in active service.

Mr. DOUGHTON. Mr. Speaker, I yield such time as he may care to consume to the gentleman from Oklahoma [Mr. DISNEY].

Mr. DISNEY. Mr. Speaker, this is sorry business, and every Member knows it.

This Ruml plan, from a practical standpoint, trades a big year of taxes for a bad year. It gives away the taxes for the most prosperous year of our history, and the Government takes the loss in the first bad year we come to. It is argued ingeniously we must "take the taxes out of the salary check." But this monstrosity forgives 75 percent, not only of the tax on salaries of workers, but it forgives 75 percent of taxes on capital gains, bond interest, dividends, real-estate profits, commissions, and like income. Besides being so flagrantly dishonest, it is cumbersome, a nuisance, and a constant annoyance.

I believe in the collection of taxes at the source, but not in the tossing away of revenue. A Congressman takes an oath to support the Constitution. He also has a duty to protect the revenues of his Government against private deceit and public clamor.

For these reasons and many others advanced in the RECORD I shall vote against the conference report.

Mr. MORRISON of North Carolina. Mr. Speaker, will the gentleman yield?

Mr. DOUGHTON. I am sorry, but I do not have the time.

Mr. MORRISON of North Carolina. How are we going to get any information from the committee if they will not yield to anybody except to listen to them speak.

Mr. DOUGHTON. If the distinguished gentleman had asked me to yield, I would have been glad to. He did not do me that honor.

Mr. MORRISON of North Carolina. I was afraid to ask the chief himself when I could not get anybody else to answer. I want some questions answered.

Mr. DOUGHTON. If the gentleman has read the report, which has been available for several days, it gives all the information at my disposal. I am sorry I do not have time to yield at this time.

Mr. Speaker, I yield such time as he may desire to the gentleman from Wisconsin [Mr. SAUTHOFF].

TAXES AGAIN

Mr. SAUTHOFF. Mr. Speaker, this Ruml plan has about as many lives as an alley tomcat, and about as many morals. No matter how many times it is defeated it always bobs up again in a new guise. So here she is again, 25-percent reformed, and the Congress will take her to its manly bosom at a shotgun wedding and all will be forgiven—at least 75 percent of all will be forgiven, which is a pretty good average on sin in Washington.

This bill is not a tax bill at all, but merely a method of collecting taxes, or, rather, not collecting taxes. The President advises us and the country that we need $16,000,000,000 of additional revenue, so we spend 5 months in devising a plan to avoid additional revenue. Under this bill we forgive:

Three weeks pay to the average wage earner.

Two and one-half months pay to Members of Congress.

Four years' income after taxes to wealthy persons in the upper bracket income class.

Evidently tax forgiveness is being rationed and big business has the proper priorities with a 28-percent cut to Members of Congress.

Naturally, the question arises, How will we raise the extra $16,000,000,000? The answer is, by a Federal sales tax. For more than 30 years I have opposed the principle of the sales tax. I have felt, and still do, that it violates the fundamental principle of taxation—let the burden rest on those best able to pay. The sales tax reverses this principle and places the tax burden upon the food, clothing, and other necessities of those least able to carry the load. And yet the pious proponents of this new tax will say, "It is the only way to prevent inflation." My answer to that is this: No $50-

a-week wage earner is buying $3.50 steaks in the swanky hotels and restaurants of Washington. Only those who have the money can afford the outrageous prices for food in our Capital City. It is not the Government employees, clerks, stenographers, mail carriers, and so on, who run up the price of food.

Speaking of food calls to mind the roll-back. One thing brings on another in this upside-down program. In order that we may keep down food prices to the consumer, and at the same time keep up production, we are going to pay subsidies. On June 1 there was a roll-back of 10 percent on the price of butter. Let us say that this roll-back will amount to 5 cents per pound. Under present restrictions that means 60 cents per year per person. The subsidy will be paid to the creameries and will cost the Government $90,000,000 annually. There will also be a roll-back of about 2 cents per pound on meat, and 2 cents per pound on coffee, and that will run about $350,000,000 per year. All of which will amount to less than $1 per month to the average American family on butter, meat, and coffee. To affect this saving, which means less than 1 cent a day to the consumer, it will cost the Government $450,000,000 annually. This means more taxes, and more taxes means more wages, and more wages means higher cost of living, and so the merry dance goes on, and no relief in sight.

The Congress vetoed the President's $25,000 ceiling on wages, which I felt was a mistake. The Congress again made a mistake on this tax bill. Both of these congressional acts aided big money. And the third mistake will be made when we pass a sales tax. All of these measures will work to the detriment of the average wage earner. The President made a mistake in not taking Mr. Bernard Baruch's advice on the first price-fixing bill, which Mr. Baruch said was no good and would not work. The results speak for themselves. It seems strange that we should not be realistic enough to face the facts and remedy them.

Mr. DOUGHTON. Mr. Speaker, I yield such time as he may care to consume to the gentleman from South Carolina [Mr. FULMER].

Mr. FULMER. Mr. Speaker, I opposed the passage of this bill. I have voted against every one of these bills which have for their major purpose giving millions to those who already own millions at the expense of the smaller income taxpayers and the Treasury of the United States.

The bill is even worse than the bill which was passed by the House some days ago, known as the Robertson-Foran bill.

For instance, a married couple with an income of $3,000 is forgiven $324 under the House bill and only $243 under this bill.

A taxpayer with an income of $25,000 is forgiven $4,437 under the House bill and $6,915 under this bill.

Under the House bill a married taxpayer with an income of $1,000,000 is forgiven $189,750, while under this bill he is forgiven $640,500, and the larger the taxpayer the larger the increased amount of forgiveness on up to those in the millionaire class.

I paid my 1942 income tax on the 15th of last March. Now, why the Government should give me back 75 percent of my income tax for 1942, permitting me to use same as payment on my 1943 taxes, is beyond my comprehension, especially at this time, when we are called upon to vote billions almost weekly in connection with our war efforts, the greatest struggle ever in the history of the world.

In the first place, the Ruml proposal is, more or less, a real joke, as far as accomplishing what has been carried in the tremendous amount of propaganda in the press, through the mails, and over the radio, that is, "we are going to make taxpayers current, pay as you go."

The only class of taxpayers that could become current and pay as they go, based on what they actually know as to the amount they would have to pay, would be those taxpayers who do not have any income except a definite salary or wage income.

Where a taxpayer is engaged in other lines of business, for instance, farming, merchandising, banking, in fact, as stated, any line of business other than simply receiving a salary, the only thing that such a taxpayer could do under this bill would be to guess as to what amount such a taxpayer would have to pay, in that, certainly, this type of taxpayer would not, as stated, be in a position to know what amount of income tax he would have to pay until the end of the taxable year, at which time he would know the definite amount for which he would be liable.

For instance, take my farming operations. There is not a possible chance for me to know just what I am going to produce on my farm this year, and, certainly, I do not know what I am going to receive for the products I sell until after I have finished gathering and disposed of my farm products.

In the next place, there is no way of actually knowing about any losses which I may have on the farm which would be deductible until, as stated, at the end of the year, when I am in a position to get out a balance sheet, which would definitely indicate the amount of taxes that I am due.

This Ruml-tumble proposal originated in Wall Street, and I am sure when the people of the country wake up to just how Mr. Ruml is giving the humble a real tumble those who vote for this bill will have to do a considerable amount of explaining.

Mr. Speaker, I am inserting herewith a very interesting statement, which I am sure will be read with a great deal of interest by the readers of the CONGRESSIONAL RECORD, giving information concerning the Ruml-tumble tax proposal:

BARELY ONE-HALF OF ALL INCOME TAXES AND INCOME TAXPAYERS ARE BROUGHT UNDER THE PAY-AS-YOU-GO-BEFORE-YOU-KNOW PLAN—ITS MECHANICS AND HOW IT WILL WORK

For the doctor, the lawyer, the statesman, with other occupation besides his statesmanship; for the 2,250,000 business units in the United States and for the tens of thousands of small manufacturers there will be more bookkeeping, more bother, more guesswork, uncertainty, and confusion than they have ever known before, if we adopt the pay-as-you-go bookkeeping and tax-paying plan. Even then we shall cover only about one-half of the taxes and one-half of the taxpayers.

When the plan is in full operation on March 15 of the pay-as-you-go-year, the guessing year, all taxpayers, except farmers and corporations, would file an estimated tax return, if it can reasonably be expected that their income will exceed $1,000. The pay-as-you-guess plan comes in here. Some of the taxpayers, about one-half, would have to guess for the remaining 8½ months of the year as to expenses, possible profits, interest, or dividends, raises or reductions in wages or salaries, contributions, depreciation allowances, the various reserves that might be deductible, in fact you would have to make a guess on all the multitude of factors that go into fixing your taxable income. Then you would have to keep guessing all through the balance of the year, because if your taxable income rises or falls below the estimate, then you might need to file amended returns on June 15, September 15, and December 15, (why not monthly if you are to have a true pay-as-you-go?) and increase or decrease your installments accordingly.

To keep you out of the pay-when-you-know class, back into which all people normally endeavor to go, you had better not make any mistakes in your guesses.

One bill before Congress provides that if you do not guess right as to at least 80 percent of the total actual liability shown on the final return, then there would be assessed a penalty amounting to 6 percent of the amount by which the actual tax exceeds the estimate.

This threat has to be applied to keep people from falling back into the normal post-your-books-when-you-know-the-entries, pay-what-you-owe-when-you-know methods.

One can see what a blur of confusions, explanations, apologies, noncompliances and dissatisfaction will arise from these pay-by-guess-bookkeeping, taxpaying methods. The final and probably chief amount of these taxes will be paid on the pay-when-you-know method anyway.

After the March 15 report of the pay-when-you-know year, there comes the reviewing agent in the following year. This reviewing agent (or now agents) would check the final pay-when-you-know report. He would also have to go over the guesses of the pay-as-you-go year. There lies a possible appeal to the conference committee, when all reports and penalties may again be reviewed and assessed.

Assume that a pay-as-you-guess bill is enacted, will all taxes and all taxpayers come under it?

Decidedly no!

A. The farmer would get away with December 15 figures. In other words, he remains on a shortened, confused pay-when-you-know basis. There are between 50 and 60 million of them. They will neglect these rules. Will it make sense to file a report on December 15, and then file another one 3 months later?

B. Corporations are left on the pay-when-you-know basis. There are about 4,000 of them.

But the A and B groups—farmers and corporations—number nearly one-half of the taxpayers and pay nearly one-half of the Federal income taxes.

We are asked to stand for all this capricious system of exemptions, guesses, penalties, and "checkoffs", adding thus to the general odiousness of such income-tax imposts.

For what reason or reasons? Unquestionably the most potent one back of this movement is to get 2 years' taxes into 1, so that

the rather sordid argument may have force that the burden is too great. Hence the taxes for one of these years must be forgiven, and that in the midst of this exacting, exhausting life and death struggle, this war.

"The forego and forget." The taxes which are proposed to be rebated are now an actual asset exactly as much in existence and belonging to the Government and the people as if they were cash in the Treasury. If the Government wanted to cash in on these taxes, and the people were not being misled by promises of forgetting and foregoing for a small discount the Government could in a month or two at the outside put these $10,000,000,000 in the Treasury of the United States. Why, then, should this asset be wiped out in these days of dire National need?

Should the pay-as-you-guess or pay-before-you-know bookkeeping and taxpaying plan be adopted, the following forecast will probably prove correct.

After the sinister rebate is consummated we would in practice and soon no doubt by law slide back into the only sensible way of keeping our books and paying our taxes, the pay-when-you-know-what-you-owe way and (it is to be hoped) in four installments again.

Congress will lift the 6 percent penalty or other penalties. In the first stage it may even put taxpayers all on the former basis December 15. The individual taxpayer will farcically guess low on the pay-before-you-know March 15 year. He will make his books up and pay the bulk of his taxes when he knows what he owes.

"Check-offs" by the busy taxpayers for the Government will be dropped too.

A famous author says:

"Man stumbles and falls backward by imposing upon himself the intolerable burden of governmental paper work."

Do not substitute pay as you go by guess, leaving out half of the taxpayers and half of the taxes (corporations and farmers) nor introduce the governmental "check-off" with all its evils and, for such a bad bargain, throw in $10,000,000,000 of sound national assets to boot.

But rather pay when you know what you owe.

Be thankful for four installments.

In this time of national dire need pay all you owe.

As to the Government "check-off," trust more to the sporting spirit as well as the business honesty and sense of American taxpayers that in these days they will keep their books and pay their taxes as they should.

Mr. DOUGHTON. Mr. Speaker, I yield 1 minute to the gentleman from North Carolina [Mr. FOLGER].

Mr. FOLGER. Mr. Speaker, I realize the situation in which the chairman of the Ways and Means Committee is placed. I would go with him anywhere, but I am not in the same embarrassing situation he is. I regard this bill as it comes back by way of a conference report to the House as economically unsound and morally wrong, and I cannot support it.

The SPEAKER pro tempore (Mr. GORE). The time of the gentleman from North Carolina has expired.

Mr. KNUTSON. Mr. Speaker, I yield 5 minutes to the gentleman from Illinois [Mr. DEWEY].

Mr. DEWEY. Mr. Speaker, one of my fellow members of the Ways and Means Committee said it would be a sorry spectacle if this bill should pass. I think it would be a sorry spectacle if this Congress did not answer the demand of the American people to get on a pay-as-you-go tax basis. They are asking for that.

As we all know, there are two means of accomplishment. You can pay 2 years' taxes in 1 year. That is almost impossible. You can pay parts of 2 years in 1 year, and that is somewhat possible. It will be a great burden, no matter how it is levied, owing to the high rates of taxes that are now necessary to support our war effort.

This conference report does a good job in making the transition to a pay-as-you-go system as easy as possible. It does another thing. It also makes it possible not to have to write new rates for personal income taxes in 1943. Of course, there is no guaranty that they will not be raised, but by spreading the unforgiven 25 percent of the lower year, at least $1,225,000,000 will be raised. If that sum is added to the admitted revenue increase of $3,000,000,000, due to the increase of national income, the revenue will be $4,225,000,000 more in fiscal year 1944 than it would be if we did not pass the bill.

Mr. MORRISON of North Carolina. Will the gentleman yield?

Mr. DEWEY. I will yield in just 1 minute, if you please.

What the people want is to get on a pay-as-you-go basis. In addition, the people want to know what will be the tax rates during the ensuing year, and not fear that new rates written in the fall of 1943, will be made retroactive to January 1, 1943. This bill will make everyone current by March 15, 1945, and it will place the least burden on all. It is not giving away the Treasury. It is acting fairly with all taxpayers in proportion to the amount they have been paying in taxes.

I now yield to the gentleman from North Carolina for a question.

Mr. MORRISON of North Carolina. Can the gentleman tell us how, if we adopt this pay-as-you-go plan and then should not be satisfied with it and want to go back to paying our taxes as we always have done for the preceding year, how can we do it with no year to substitute?

Mr. DEWEY. In 1945 Congress could change to the old system if it wished to.

Mr. MORRISON of North Carolina. How?

Mr. DEWEY. I only have 5 minutes and I cannot enter into a long argument on writing a new tax bill for the gentleman. I am discussing the bill that is before us and I cannot yield any further.

Mr. MORRISON of North Carolina. Will the gentleman yield?

Mr. DEWEY. I cannot yield further. I would like to say in closing, the Ways and Means Committee has struggled for 4 months.

The accusation that there has been any favoritism shown either to large or small taxpayers is unfair and unjust. The compromise bill before us is the only means of getting on a pay-as-you-go basis and I can assure you, Mr. Speaker, that the people demand that of us and demand a current tax bill at the same time.

I hope that the House will vote for the bill brought to them by the committee of conference.

Mr. Speaker, I yeld back the balance of my time.

Mr. KNUTSON. Mr. Speaker, I yield such time as he may desire to the gentleman from New Jersey [Mr. McLEAN].

Mr. McLEAN. Mr. Speaker, I shall support the conference report. It does not accomplish all that we started out to do in making necessary improvements in our income-tax collection system, but it is a step in the right direction. It will make possible in not more than 2 years the collection of all income taxes out of current income. Meanwhile at least 75 percent of the income taxes will be collected on a pay-as-you-earn basis. The flow of income to the Treasury will not be diminished but will be greater than under present law.

The consideration of this matter has taken an unnecessarily long time. The delay has been due to the effort of the Treasury Department to obtain larger amounts of tax from persons whose taxes are already so high that, measured by the ability to pay, additional taxes could not be collected by increased rates. Had it not been for this effort, there would have been slight resistance to the suggestion for the abatement of the tax on 1 year's income. Every suggestion made for the solution of the problem recognized the necessity for some element of abatement. The difference in the several plans was only as to the amount and the classes of persons who would be affected thereby.

Because of the need to gain additional revenue and the virtual impossibility of increasing the income taxes, except from new taxpayers, the Treasury Department sought by overlapping to use what should have been an administrative measure as a revenue bill. The effort has succeeded in its purpose to the extent of the revenue which the bill will produce. The bill provides that the base for the 1943 taxes shall be the amount due for 1942 or 1943—whichever is the greater. The tax on the lesser of the two will be abated to the extent of 75 percent, and the balance will be payable over a period of 2 years. It is estimated that by these processes the flow of income to the Treasury will be increased in 1943, and will increase the amount which the taxpayers will be required to pay in 1944 and 1945. This is tantamount to an increase in income-tax rates. Such rates are approaching—if they have not already reached—all that the traffic will bear, and, therefore, there should be no consideration given in the immediate future to the increase in the rates of taxes on incomes.

I favored a simpler process. The difficulty presenting itself came as the result of an error that was made in the tax law of 1913 when the income tax was first adopted. The tax covering incomes earned in the year 1913 was made payable during the year 1914. At that time and until recently the taxpayers were few, the rates were low, and the persons liable for the tax were of a class who always had the ability to pay. With the increase in expenditures of the Federal Government, it became necessary to provide additional revenue. The number of taxpayers and the rates of tax were considerably increased. Many liable for the

tax will not have the ability to pay unless the tax can be collected out of current income. The error of 1913 has become a serious matter. The income tax of today is entirely different from that of 1913 both in the quantum of the tax and the number and type of people who have been brought into the taxpayers' fold. Old methods of collection have become obsolete. A new and modern method of collection must be applied so that payment can be made out of current income.

The case of the new taxpayer creates no difficulty, but taxpayers already on the rolls are making the payment of the tax on their previous year's income out of the income of the subsequent year and at the same time accumulating a tax liability payable in the following year. To require them to make payment of their tax on their current income out of current earnings results in the payment of 2 years' taxes in 1.

I favored the simple method of abatement of the tax on the income of 1 year and a fresh start on a modern method of collecting income taxes on a pay-as-you-earn basis. Experience has demonstrated that the date of payment of income taxes may be so far removed from the earning period that the taxpayer may have dissipated his income and be without the ability to pay on the date when the payment becomes due. The application of this principle requires that income taxes be paid out of current income.

The plan for the 100-percent application of this principle received a substantial vote in the House of Representatives on two occasions. It was recognized to some extent by the bill which passed the House. The compromise which comes from the conference committee and is now before us recognizes the principle and makes it possible to bring about the payment of income taxes on a pay-as-you-earn basis in a comparatively short time.

I am still of the opinion that the 100-percent application of the principle would have been better. It would have simplified matters for the Treasury Department, with resulting economy in administration. Much of the amount anticipated will not be collected due to the vicissitudes of life and business, and the anticipated revenue will be reduced by these losses and the cost of collection of the amount realized. There is bound to be a considerable amount of uncertainty and confusion added to the unpopularity of the tax, which always results in greater difficulty in collection.

However, I believe that the step we are about to take is in the right direction. It will ultimately correct a serious flaw in our income-tax system. It will protect the revenue for all time, and it will provide additional revenue which would otherwise have to be found by increasing taxes on personal incomes.

There will be some complaint as to the complete abatement of the taxes amounting to $50 or less. That provision merely recognizes the fact that the costs of collection would exceed the amount realized. That is merely good business, eliminating what amounts to nuisance taxes so far as the Government is concerned. The American people will applaud the provisions which will prevent any advantage to those who are making large profits out of war contracts, and the generous treatment of the tax liability of those who have left everything behind them and are now in the service of their country in the four corners of the earth.

I am satisfied that the plans outlined in the conference report afford the best solution of the difficult problem that it is possible to agree upon.

Mr. KNUTSON. Mr. Speaker, I yield such time as he may desire to the gentleman from California [Mr. GEARHART].

Mr. GEARHART. Mr. Speaker, at the outset of the debate on the so-called Ruml-Carlson plan I announced that I was opposed to any forgiveness or any compulsory doubling up.

As the conference committee bill contains both of these vices I must oppose and will, at the proper time, vote against the adoption of the conference committee's report.

Mr. KNUTSON. Mr. Speaker, I yield such time as he may desire to the gentleman from Kansas [Mr. CARLSON].

Mr. CARLSON of Kansas. Mr. Speaker, it is my hope that today—after 5 months of deliberation—the House will approve the conference report on pay-as-you-go tax legislation.

Generally speaking, no compromise can be wholly satisfactory to everyone. This conference agreement is no exception. I think it is time that we resolve some of our personal views into legislative language and give our Nation current income-tax collections. The House of Representatives and Congress must demonstrate to the people of our Nation that we can legislate.

The conference agreement that we are considering today is the final result of very divergent views on changing our method of income-tax collections. We have been traveling in the same rut for so long that it is very difficult to open up a new trail. Those of us who have been working hard to secure early approval of this legislation fully realize its problems and complexities.

There is no doubt in my mind but what the pending conference agreement will call for future revision. It is on that basis that I am giving my consent and approval to it today.

I realize the great burden that is being placed on employers for the collection of this tax. If it were not for the fact that our Nation is at war and that our personal income taxpayers have increased in number from 3,900,000 in 1940 to 44,000,000 in 1943 I would not have encouraged the enactment of this type of legislation. I do feel, however, that it is just as essential to make improvements in the collection of our income tax as it is to change rates and exemptions according to the national income and need for revenue.

When the present bill becomes a law it will completely change the method of income tax collections that has been largely in effect since 1914. It is a forward step and one that I believe must be taken. It had been my hope that Congress would approve legislation that would place personal income taxpayers on a fully current basis as of January 1, 1943, with no doubling up. Unfortunately the House did not accept my views and as a result most of our personal income taxpayers will be saddled with a 25 percent increase in their tax. They will not become current until they have paid the 25 percent increase which will be due at the rate of 12½ percent on March 15, 1944, and 12½ percent on March 15, 1945. It had been my hope we could make this transition from the present year-behind collection system to a current collection system without using the bill as a means to increase taxes. While the conference committee did not accept my proposal in whole, they did accept it in principle by the abatement of at least 75 percent of 1 year's liability for all taxpayers.

There has been much contention about the abatement or forgiveness of taxes. The word forgiveness was a cleverly coined word used to defeat pay-as-you-go tax legislation. Everyone who is familiar with taxes and studies this proposal knows there is no forgiveness of individual income taxes until the taxpayer's income declines or ceases. It is my contention that an individual's income tax should be reduced when his income declines. It is more evident that we should not collect income taxes for the preceding year from an individual after his death. The purpose of the legislation under discussion is to remove the income tax debt liability and place our income taxpayers on a current basis.

It is with some regret that I find the provision of the conference report requiring the 1943 tax to be based on the higher income of the 2 years 1942 or 1943 is not limited to those with incomes over $5,000, as provided in my bill. It is my thought that all taxpayers whose income is less than $5,000 should not have to pay on the higher income of the 2 years, but on their current 1943 liability. This was one provision of my bill that would have been of great benefit to men in the service, farmers, small businessmen, and laboring people.

The present bill by requiring the taxpayer to pay his income on the higher of 1942 or 1943 income will work a real hardship on a large number of our citizens whose income will be greatly reduced in 1943 through no fault of their own. It will be a real hardship on those farmers who reside in the flood-stricken areas of the central United States. This situation will be equally true for farmers living in areas where last year they produced the first paying crop in years and this year, because of the elements, may produce a very small crop. It will also mean a real problem for the thousands of small businessmen who had a small income in 1942 but are gradually being forced out of business in 1943. Not only will these taxpayers whose income was greatly reduced have to pay the tax on the higher year, they will in addition thereto have to pay an increase of 25 percent of the tax for the lower year spread over the 2-year period.

When this bill becomes a law the day of levying personal income taxes retroactively will be passed. No more will Congress be criticized for approving income-tax legislation retroactively to January 1 after 9 or 10 months of the year have gone by. This was the situation we found ourselves in following enactment of the 1942 Revenue Act. It was not only unfair to the individual taxpayers, but it is an out-dated manner of levying taxes.

When our individual taxpayers are on a current basis Congress can enact tax legislation changing the exemptions or rates and place them in effect with a minimum of disturbance to the taxpayer. His taxes will be paid out of current income on the basis of the income he receives, not out of current income on the basis of last year's tax liability. This feature alone is highly desirable in our income-tax law and should meet the approval of Congress and the taxpayer. As I stated earlier in my remarks, I am confident there will be many inequalities and many hardship cases develop under existing legislation.

As one Member of this Congress I want to assure the American people that when these inequities arise that it will be my desire to assist in correcting them as far as practicable and necessary in future tax legislation.

ANTIWINDFALL PROVISIONS

The conference agreement adopts the principle of the two antiwindfall provisions which were contained in my bill, but with certain modifications.

The first antiwindfall provision of my bill would have required taxpayers with over $5,000 taxable income in 1942 to pay a 1943 tax based on the higher income of the 2 years, and the tax for the lower of the 2 years would have been abated. Under the conference agreement, this provision is made applicable to all taxpayers, regardless of the size of the income, except that there are special provisions in the case of servicemen, which I will explain later. In other words, if the conference report is adopted, all taxpayers will pay a 1943 tax based on the higher of the 2 years, 1942 or 1943, and the 75 percent abatement will apply to the lower of the 2 years.

For example, if a man's tax for 1942 was $100, and his tax for 1943 was $200, this provision would not apply. He would simply be forgiven $75 of his 1942 tax, and the remaining $25 would be carried forward and paid in addition to current taxes, one-half being due and payable March 15, 1944, and one-half March 15, 1945.

On the other hand, if his tax liability for 1942 was $200, and his tax on 1943 income was $100, the final 1943 tax would be based on the higher 1942 liability. What actually happens is that the 1943 tax of $100 is increased by the difference between it and the higher 1942 tax, which means that there would be an additional liability of $100, making a total tax for 1943 of $200 instead of $100. The result is substantially the same as taxing 1942 income instead of 1943 income.

The 75 percent abatement then applies to the lower tax year, 1943, and the 25 percent carry-over is based on the 1943 tax before being increased because of the higher 1942 liability. In other words, the carry-over is 25 percent of $100, not of $200. The unabated $25 would be payable one-half on March 15, 1944, and one-half March 15, 1945.

An exception to this rule requiring the 1943 tax to be based on the higher income of the 2 years, 1942 and 1943, is made in the case of persons in the armed service. There will be no addition to their 1943 tax because of having a higher income in 1942, insofar as the 1942 income was earned income not in excess of $14,000. In other words, if a soldier had a $3,000 civilian salary in 1942, and $600 Army pay in 1943, his 1943 tax liability would be based solely on his service income, and on that amount there would of course be no tax in view of the liberal exemption for members of the armed forces. In effect, the 1942 tax liability would be completely wiped out in his case. The 75-percent abatement provision would apply to the lower income of the 2 years, which means that the 25-percent carry-over would be based on the 1943 tax, which would be zero, since in the case cited there would be no 1943 liability. As a practical matter, this relief provision for members of the armed forces will result in the abatement of 100 percent of their 1942 liability in all cases where the income was earned income not in excess of $14,000.

The second antiwindfall provision of the conference agreement is also based in principle upon the similar provision of my bill, but again substantial modifications have been made. This second antiwindfall provision is designed to prevent the 75 percent abatement provision from applying to that portion of the income of the abated year which represents swollen war profits. In other words, the intention is to limit the abatement to normal income.

Under my substitute proposal as amended on the House floor, the income of the abated year was compared with the base year 1940, and if it exceeded the base year's income by more than $5,000 the excess was subjected to the regular normal and surtax rates. In other words, the 1940 income, plus $5,000, was used as a yardstick in measuring the extent of the swollen war income in the year which would otherwise be abated. Such war profits were taxed in full, and the abatement thus limited to the normal portion of the income.

Under the conference agreement, a somewhat different method of taxing the war profit windfall is used. In the first place, instead of using the year 1940 as the base year, the conference report permits taxpayers to use the highest year of the years 1937, 1938, 1939, or 1940. Secondly, the conference agreement allows an increase of up to $20,000, instead of $5,000, before the windfall tax applies. In the third place, the conference agreement, instead of setting off the income in the base year against the income in the abated year to measure the windfall, sets off a hypothetical tax on the total of the base year's income plus $20,000 against 75 percent of the tax of the abated year. In other words, it compares tax with tax, instead of income with income. In some cases this method may have the effect of subjecting the so-called windfall to a higher rate of tax than under the method provided in my bill, but this is somewhat offset by adding $20,000 to the base year's income instead of only $5,000.

The second antiwindfall provision of the conference agreement would work out in this fashion: Assume that the taxpayer had an income of $1,000,000 in 1943, $500,000 in 1942, and $80,000 in the highest base year. On his 1943 income he would pay a tax, including net Victory tax, of approximately $900,000. His 1942 liability, based on the $500,000 income, was approximately $400,000, and being the lower of the 2 years, the 75-percent abatement would apply to this amount. Twenty-five percent of the $400,000 tax, or $100,000, would be carried forward and collected, in addition to current taxes. One half, or $50,000, would be payable March 15, 1944, and the remainder March 15, 1945. The 75-percent abatement, amounting to $300,000, is then compared with a hypothetical tax, computed at 1942 rates, on the base year's income of $80,000, plus $20,000, making a total of $100,000. The hypothetical tax on this amount would be approximately $64,000. This is the norm, or yardstick, to be used in measuring the amount of so-called windfall in the 75-percent abatement, and represents the tax on normal profits. The excess of the 75-percent abatement of $300,000 over this $64,000 is the amount of the windfall tax. Thus, the abatement would be limited to $64,000 instead of $300,000, and the $236,000 difference would be regarded as a windfall, and would be collected as a windfall tax. It may be paid in four installments, commencing March 15, 1945, with interest at 4 percent.

Mr. KNUTSON. Mr. Speaker, I yield such time as he may desire to the gentleman from New Jersey [Mr. POWERS].

Mr. POWERS. Mr. Speaker, I wish to address a question to the chairman of the Committee on Ways and Means or to any member of that committee who may be able to answer it: Under this conference report what happens to a man who has gone into the service? Let us assume his income in 1942 was $20,000 but that he is now in the service at $50 a month: Is he forgiven the tax on the lesser of the 2 years or just what happens to him and how are you providing for a solution of his tax problem?

Mr. DOUGHTON. He is forgiven the tax on the greater of the 2 years to the extent that the tax on that year's income is attributable to earned income.

Mr. POWERS. In other words, if he is making $50 a month, does he have to pay a tax on what he earned in 1942?

Mr. DOUGHTON. He is forgiven all of that part of his tax for 1942 attributable to earned income.

Mr. POWERS. Are we to understand that if he in 1942 had a tax of $1,000 to pay, but that in 1943 he made only $50 a month, he would be paying out more than he made?

Mr. DOUGHTON. He would not have to pay the $1,000 if the income on which the tax was levied was earned income.

Mr. POWERS. In other words, under this bill he would be paying more tax in 1943 than his total earnings.

Mr. DOUGHTON. No; nothing like that.

Mr. POWERS. If a man made $20,000 in 1942 and made $600 in 1943 he would be paying more tax in 1943 than the money he made.

Mr. DOUGHTON. His 1942 tax would be forgiven to the extent it resulted from earned income. If his income for 1943 was only $600, he would probably have no tax to pay.

Mr. KNUTSON. Mr. Speaker, I yield such time as he may desire to the gentleman from Kansas [Mr. REES].

Mr. REES of Kansas. Mr. Speaker, this bill does not suit me. It contains too much forgiveness and abatement in the higher incomes to suit me. I do feel the taxpayers of this country should be permitted to go on a current basis if they want to do so.

I am supporting the conference report because of the assurance of the committee that this legislation will provide additional revenue for the year to the extent of between three and four billion dollars and the further assurance that large profits created by reason of war contracts will not escape taxation and that such profits are protected by the windfall provisions of the bill.

I have always held to the opinion, as I do now, that this is not a time when taxes, especially on larger incomes, should be forgiven, reduced, or abated. It ought to be clearly understood that this is not a tax bill and that the primary reason for such legislation is to permit taxpayers to go on a current or pay-as-you-go plan or basis. In fact, that is the only real excuse for its consideration. I think it is extremely unfortunate that the great Ways and Means Committee of the House should have been required to spend so much of its time and energy in giving consideration to the matter of pay-as-you-go legislation instead of giving consideration to the question of meeting the ever-increasing obligations of our Government created by the war effort.

According to figures that have been submitted, we are going to spend about $80,000,000,000 this year and $144,000,000,000 next year. Under present circumstances our legislation will provide for raising about one-third of the amount we are spending. Somehow, somewhere, consideration is going to have to be given pretty soon to the problem of meeting the payment of at least a greater portion of this mounting debt. So I say the question of more importance in my judgment is the problem of raising further revenue to meet the obligations that are being created every day. The average American citizen has just about as much tax burden as he can carry, and the question of finding a new source of taxation is going to be a more difficult problem for this Congress than any Congress has had to meet in our history. Nevertheless, the Ways and Means Committee has the responsibility of presenting a plan as to how this dilemma is to be solved. This is a responsibility the Ways and Means Committee and this Congress must assume in the very near future.

Mr. KNUTSON. Mr. Speaker, I yield the balance of my time to the gentleman from Ohio [Mr. JENKINS].

Mr. JENKINS. Mr. Speaker, it is a very unfortunate situation that confronts us today. We do not have enough time to give this important matter proper consideration. The rules controlling conferences and the reports of conferees do not admit of proper consideration and I am in favor of amending them. I think they should be amended, and I have openly favored this for years. Here we come in today about to finish up an important matter that we have worked on for months and a matter that the country has been thinking about for months. Groups in the country have been tremendously interested in it for months; yet we are called upon to dispose of it finally in 1 short hour—30 minutes on each side. In the case before us no speaker has an adequate chance to explain the differences that the conference committee has made in these bills. As you probably realize, a conference committee has wide latitude. The fact of the matter is, as I have already stated, the conference committee has too much latitude, I think. As you know, the House passed a new bill, the Senate passed a different bill; the conference committee considers both bills and it brings out a bill that is different from either. It is a situation that ought to be remedied, but I do not know how we can do it. There is not much we can do about it today. We must act on what is before us.

Let us consider for a minute the parliamentary situation that we are going to find facing us in a few minutes. We are going to be called upon to vote. On what? We are going to vote on whether or not you shall accept this conference report. Suppose you do not accept it? What will be the result? Or, let me put it the other way: Suppose you do accept it. If you accept it by a majority vote, then we are through with this troublesome question. We shall have passed it, and it then goes to the Senate and, when it is considered and if they pass it, will then be up to the White House. What the President may do with it I cannot say and have not the temerity or, some might think, the audacity to even prophesy. But something is going to be done. If we do not vote for it, if we vote it down, we shall find ourselves exactly where we started with this difference: Somebody can make a motion to recede and concur or somebody can make a motion to instruct the conferees and send this conference report back with instructions.

What good will that do? The country is demanding action. In fact, the country is tired of our failure to function. Mr. Speaker, it would appear to me that the only thing that we can do, the only sensible thing we can do, is to adopt this conference report.

What is the matter with the conference report? One of the Members, speaking briefly this afternoon, said, "It is the Ruml plan over and over," and he is against the conference report, because he thinks it is the Ruml plan. Another favors it because he thinks it is not the Ruml plan. It is not the Ruml plan at all, and it cannot be truthfully said that it is the Ruml plan. The only feature of it that is a part of the original Ruml plan is the withholding at the source feature. Let us see what kind of a plan it is. What does it do? Let us just consider it fairly and lay aside any political considerations. Let us see what it does and determine whether or not it is a rich man's bill, as has been suggested.

Here is the first important feature: It provides that the taxpayer must pay on whichever is the larger, the 1942 or 1943 income. He has got to pay on the larger one of those 2 years, and that will be, in most cases, 1943, but if 1942 is larger he will be compelled to take 1942. Everybody gets the same consideration. There is no preference to the rich man as against the poor man there.

Let us take the next step. The next step is absolutely a step for the poor man. Let me figure with you for just a minute. Every man whose tax is less than $50 is forgiven his 1942 tax. Of course he pays his 1943 tax. We are all going to pay our 1943 tax if our 1943 income is higher than our 1942 income. If 1943 is lower, then the contrary, if we elect to do so. But assuming we are going to pay 1943, let us then consider how much of the 1942 tax will be forgiven.

When a taxpayer's tax is found to be $50 or lower, it is forgiven him entirely. He, therefore, gets a 100-percent reduction. That is fair to everybody in that group. There is no grab about that. Everybody gets the same treatment.

Now, suppose his tax is more than $50. Then he gets a reduction of 75 percent, and that applies to everybody from the $50 man up to the million-dollar man. They all get a 75-percent reduction. How did that come into this conference report? It came into it because the Democratic Senators in conference from the beginning steadfastly maintained that they must have a law that will play straight across the board, a 75-percent reduction to everybody straight across the board. And I want to appeal to you on the Democratic side as to whether that has not an appeal as being fair. It is a total 100-percent reduction to the man with a tax under $50 and a 75-percent reduction to everybody above that.

But, Mr. Speaker, there is another provision in this bill that stops the rich man. What is it? It is the windfall provision. Nobody has discussed that with you yet this afternoon.

What is the windfall provision? Let us suppose a man makes a million dollars in 1943 and makes a half-million dollars in 1942. He must pay 1943 in full. He is entitled to a 75 percent forgiveness across the board as all other taxpayers but he does not actually get all that 75-percent reduction. He is subjected to a windfall tax if in fact he has had a windfall. This is determined by searching his income for the years 1937, 1938, 1939, and 1940. If it appears that his income in the highest of these 4 years, plus $20,000, is

less than the forgiven portion of his 1942 income, he must pay a windfall tax. For instance, suppose in the above case that man who had an income of $1,000,000 in 1943 and $500,000 in 1942, only had an income of $50,000 in 1937, 1938, and 1939 and an income of $75,000 in 1940 there would be a wide margin of many thousands of dollars between his 1940 income and his 1942 income which would be subject to the regular income tax. I cannot here give you the details of this setup, but it is sufficient to say that the windfall taxes will bring many millions of additional taxes into the Treasury and that these millions will all come from the rich or heavy incomes.

Now, here we are. We take the little man and we give him a $50 credit and we take the big man and every other man and we give him 75 percent but if he made a large amount of profit in 1942 he has to pay on that inordinate income.

Mr. DINGELL. Will the gentleman yield?

Mr. JENKINS. The gentleman cannot dispute that. No; I cannot yield, as my time is very limited.

Mr. DINGELL. No, he pays it over 2 years.

Mr. FORAND. Will the gentleman yield? I dispute what the gentleman says.

Mr. JENKINS. I did not yield to the gentleman. The gentleman from Massachusetts a few moments ago said this bill was the same as the Ruml plan. Why should I yield to the gentleman to make a statement such as that when the gentleman knows that is not true.

Mr. FORAND. If the gentleman will give me a chance I will prove it.

Mr. JENKINS. No; the gentleman cannot prove it, and why persist in making such an unfounded claim? If he can prove it, he should do so in his own remarks.

Mr. Speaker, I am not entirely pleased with this report. I never was very much for the original Ruml plan. In fact the original Ruml plan was never considered on the floor of the House for his plan was not in legislative form. I favored the Carlson plan, which took some of the basic Ruml ideas and built up a very complete plan; the people were for the Carlson plan and I favored it. I have never been very much for a withholding tax that only withholds from certain groups. I am not in favor of a withholding tax that withholds from the working man unless we make it current and forgive him a portion if not all of the 1942 tax. To withhold and double up taxes at the same time is too much of a burden to the working man and to almost all of our other classes of citizens.

The SPEAKER. The time of the gentleman has expired.

Mr. DOUGHTON. Mr. Speaker, I yield the remaining time to the gentleman from Virginia [Mr. ROBERTSON].

Mr. ROBERTSON. Mr. Speaker, the conference report on which we will vote today fully meets every dictionary definition of the term "compromise." According to the dictionary, a compromise is "a settlement by which each party concedes or gives up something"; or it is "a combination of two opposite systems, made by sacrifice on the part of each." It necessarily follows that no compromise is ever fully satisfactory to any of the conflicting parties. The most that can usually be said of a compromise is that the compromise settlement is better than no settlement at all. And that is the most I can say in favor of this conference report.

When the tax bill was sent to conference and the Speaker had named the managers on the part of the House, and the President of the Senate those on the part of the Senate, I fully realized that in that entire body of 14 legislators there was not a single one who had previously said the bill passed by the House was his first choice. On the part of the Senate conferees there was only one who was even willing to accept the House bill. However, every Democrat of the House conferees loyally voted for the House bill on the three or four occasions it was offered in conference.

With a full realization of the problem confronting the House conferees and feeling that a compromise would be better than no bill at all, I addressed the following letter to the gentleman from North Carolina, Chairman DOUGHTON, on the day before the conferees met:

DEAR MR. CHAIRMAN: I send this letter to confirm what I have personally told you, namely, that I intend to support the conference report you bring back to the House on the pending tax bill. I am far more interested in seeing collection at the source of at least the basic tax liability commenced by July 1 than I am in seeing the forgiveness plan suggested by me written into law.

The withholding plan in the Senate bill is an improvement over that in the House plan and, therefore, I hope that will be adopted. In the House on yesterday I gave some of the reasons why I did not think the forgiveness plan of the Senate bill should be adopted. However, I am convinced that no conference report that does not provide some method of making a substantial number of taxpayers current within a reasonable time will be adopted by either the House or Senate. A program to make taxpayers current will not reach the desired goal if postponed until after the war. We naturally hope the war will not last more than 2 years longer.

On numerous occasions, in the committee and elsewhere, I have expressed the view that while increases in income taxes were unavoidable I did not think those increases should be made retroactive. That was my principal objection to all plans requiring a doubling up since one-half of the current calendar year will be gone before the new bill can become effective. One virtue of the bill passed by the House was that it required no doubling up, leaving open the question of increased rates for a subsequent bill to be applied to 1944 income. The House bill automatically makes 90 percent of the taxpayers current in 1943 and to all intent and purposes 96 percent, as the maximum increase on the net income of $5,000 of a married man with no dependents would be only 1.1 percent. Three hundred and thirteen Members of the House have voted for that plan and 27 Members of the Senate. There were 4 Members of the Senate paired for it.

There are two valid objections to the House bill. First, it forgives, after making allowance for the abatement of taxes to those in military service, something over $7,000,000,000 of 1942 liability, but the alternative to that, if we are to make taxpayers current, is a doubling up that amounts to a retroactive increase in rates. The second objection is that from a dollar standpoint it confers a greater benefit upon 90 percent of the taxpayers than upon the remaining 10 percent. The alternative to that is to confer a greater benefit in dollars upon the 10 percent than upon the remaining 90 percent. The alleged inequalities of treatment in the House bill is the lesser of the two inequalities. The President will accept the House bill and he may not accept the Senate bill. The House bill will be acceptable to 96 percent of the taxpayers. The percentage of opposition in the Senate to the Senate bill was greater than the percentage of opposition in the House to the House bill.

A conference report differing from any plan heretofore proposed is apt to engender considerable debate in both House and Senate. But, as I first indicated, you can count on my support of the conference action.

I quote this letter at this time for two reasons: In the first place, I wish the official record to show I have never wavered in the personal belief that the plan I first proposed to the Ways and Means Committee and which was finally adopted by the House was the best solution of a difficult problem. Secondly, I quote it to indicate my previous promise to accept the conference report made at a time when I did not know what the report would be. When I make a promise I carry it out when it is in my power to do so.

No one realized better than the distinguished chairman of the Ways and Means Committee that in breaking the deadlock and making a tax bill possible he was agreeing to a compromise of "two opposite systems, made by sacrifice on the part of each." He sacrifices his opposition to the windfalls inherent in the Ruml plan because this conference report retains about 75 percent of them, in return for the inauguration by July 1 of collection of the basic tax liability against wages and salaries at the source, and for the advantages to accrue from speeding up for the fiscal year of 1944 the collection of income-tax liability by the sum of between two and three billion dollars. It was not an easy decision for him to make, but in making it he was 100 percent sincere in the belief that the action then taken was for the best interests of the country. I predict that when the roll is called on this conference report a majority on both sides of the aisle will not only pay tribute to that sincerity, but likewise to the wisdom of the decision made.

In voting for the conference report I will at least have the personal satisfaction that the 20-percent-withholding plan I proposed to the Ways and Means Committee will be written into law, and likewise that the supporters of the Ruml plan in both House and Senate were forced to make major concessions on the subject of windfalls by reason of the fight made in the House to limit the waiver of 1942 tax liability to the corresponding number of tax units to be collected at the source.

The SPEAKER. The time of the gentleman has expired.

The question is on agreeing to the conference report.

The question was taken; and the Speaker being in doubt, the House proceeded to divide.

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

Mr. MARTIN of Massachusetts. Mr. Speaker, a parliamentary inquiry.

The SPEAKER. The gentleman will state it.

Mr. MARTIN of Massachusetts. Is the gentleman permitted to ask for the yeas and nays during the time the vote is in progress?

Mr. RANKIN. Yes.

The SPEAKER. The Chair thinks not.

The House divided; and there were—ayes 159, noes 68.

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

The yeas and nays were ordered.

The question was taken; and there were—yeas 257, nays 114, answered "present" 1, not voting 60, as follows:

[Roll No. 87]

YEAS—257

Allen, La.	Fellows	Lewis, Ohio
Anderson, Calif.	Fenton	Luce
Anderson,	Fish	Ludlow
N. Mex.	Fisher	McCormack
Andresen,	Fogarty	McGregor
August H.	Gallagher	McKenzie
Andrews	Gamble	McLean
Angell	Gathings	McWilliams
Arends	Gavagan	Maas
Arnold	Gavin	Madden
Auchincloss	Gerlach	Magnuson
Baldwin, Md.	Gilchrist	Maloney
Barrett	Gillette	Martin, Iowa
Barry	Gillie	Martin, Mass.
Bates, Ky.	Goodwin	Mason
Bates, Mass.	Gordon	May
Beall	Graham	Merritt
Bender	Grant, Ind.	Michener
Bennett, Mich.	Green	Miller, Mo.
Bennett, Mo.	Griffiths	Miller, Nebr.
Bishop	Gross	Miller, Pa.
Blackney	Gwynne	Mills
Bland	Hale	Monkiewicz
Bloom	Hall,	Morrison, La.
Bolton	Edwin Arthur	Mott
Boykin	Hall,	Mruk
Bradley, Mich.	Leonard W.	Mundt
Brehm	Halleck	Murray, Wis.
Brooks	Hancock	Newsome
Brown, Ohio	Harness, Ind.	Nichols
Buffett	Harris, Ark.	Norman
Bulwinkle	Hays	Norton
Burch, Va.	Hébert	O'Brien, Ill.
Burchill, N. Y.	Heffernan	O'Hara
Busbey	Hendricks	O'Neal
Butler	Hess	O'Toole
Byrne	Hill	Peterson, Fla.
Canfield	Hinshaw	Pfeifer
Carlson, Kans.	Hoch	Philbin
Carson, Ohio	Hoeven	Phillips
Carter	Holmes, Mass.	Ploeser
Case	Holmes, Wash.	Plumley
Celler	Horan	Poulson
Chenoweth	Howell	Powers
Chiperfield	Jarman	Pracht
Church	Jeffrey	Price
Clason	Jenkins	Priest
Clevenger	Jennings	Rabaut
Cole, Mo.	Jensen	Ramspeck
Cole, N. Y.	Johnson,	Reece, Tenn.
Cravens	Anton J.	Reed, Ill.
Cullen	Johnson,	Reed, N. Y.
Cunningham	Calvin D.	Rees, Kans.
Curley	Johnson, Ward	Rizley
Curtis	Jones	Robertson
Davis	Jonkman	Robsion, Ky.
Day	Judd	Rockwell
Dewey	Kean	Rodgers, Pa.
Dirksen	Kearney	Rogers, Calif.
Ditter	Keefe	Rogers, Mass.
Dondero	Kennedy	Rohrbough
Doughton	Keogh	Rolph
Douglas	Kilday	Rowan
Drewry	Kinzer	Rowe
Eaton	Kleberg	Satterfield
Elliott	Knutson	Schiffler
Ellis	LaFollette	Schuetz
Ellison, Md.	Lane	Schwabe
Elmer	Lanham	Shafer
Elston, Ohio	Larcade	Sheppard
Engel	Lea	Short
Fay	LeFevre	Simpson, Ill.
Simpson, Pa.	Sundstrom	Ward
Slaughter	Taber	Weaver
Smith, Maine	Talbot	Wene
Smith, Ohio	Talle	Wheat
Smith, Va.	Taylor	Whelchel, Ga.
Smith, W. Va.	Thomas, N. J.	White
Smith, Wis.	Thomason	Wigglesworth
Somers, N. Y.	Tibbott	Willey
Springer	Towe	Winter
Stanley	Troutman	Wolcott
Starnes, Ala.	Vinson, Ga.	Wolfenden, Pa.
Stearns, N. H.	Voorhis, Calif.	Wolverton, N. J.
Stefan	Vorys, Ohio	Woodruff, Mich.
Stevenson	Vursell	Wright
Stockman	Wadsworth	Zimmerman
Sullivan	Walter	

NAYS—114

Abernethy	Gore	Morrison, N. C.
Andersen,	Gorski	Murdock
H. Carl	Gossett	Murphy
Barden	Gregory	Murray, Tenn.
Beckworth	Hare	Myers
Boren	Harless, Ariz.	Norrell
Bradley, Pa.	Hart	O'Brien, Mich.
Brown, Ga.	Heidinger	O'Connor
Bryson	Holifield	O'Konski
Buckley	Hull	Outland
Burdick	Izac	Pace
Burgin	Jackson	Patman
Camp	Johnson, Ind.	Patton
Cannon, Mo.	Johnson,	Peterson, Ga.
Clark	J. Leroy	Pittenger
Coffee	Johnson,	Poage
Colmer	Luther A.	Rankin
Cooley	Johnson,	Richards
Cooper	Lyndon B.	Rivers
Cox	Johnson, Okla.	Robinson, Utah
Creal	Kee	Sabath
Crosser	Kefauver	Sasscer
D'Alesandro	Kelley	Sauthoff
Dawson	Kirwan	Scanlon
Delaney	Klein	Snyder
Dickstein	Kunkel	Sparkman
Dingell	Lemke	Spence
Disney	Lesinski	Steagall
Durham	Lynch	Stewart
Dworshak	McCord	Sumner, Ill.
Eberharter	McGehee	Tarver
Feighan	McGranery	Vincent, Ky.
Fitzpatrick	McMurray	Wasielewski
Forand	Mahon	Weiss
Ford	Manasco	West
Fulbright	Mansfield,	Whitten
Fulmer	Mont.	Whittington
Furlong	Mansfield, Tex.	Wickersham
Gearhart	Marcantonio	Winstead
Gibson	Monroney	

ANSWERED "PRESENT"—1

Folger

NOT VOTING—60

Allen, Ill.	Gifford	Miller, Conn.
Baldwin, N. Y.	Granger	O'Brien, N. Y.
Bell	Grant, Ala.	O'Leary
Bonner	Guyer	Ramey
Cannon, Fla.	Hagen	Randolph
Capozzoli	Harris, Va.	Russell
Chapman	Hartley	Sadowski
Cochran	Herter	Scott
Compton	Hobbs	Sheridan
Costello	Hoffman	Sikes
Courtney	Hope	Sumners, Tex.
Crawford	Kerr	Thomas, Tex.
Culkin	Kilburn	Tolan
Dies	King	Treadway
Dilweg	Lambertson	Van Zandt
Domengeaux	Landis	Weichel, Ohio
Ellsworth	LeCompte	Welch
Fernandez	McCowen	Wilson
Flannagan	McMillan	Woodrum, Va.
Gale	Merrow	Worley

So the conference report was agreed to.

The Clerk announced the following pairs:

On this vote:

Mr. Treadway for, with Mr. Miller of Connecticut against.

Mr. Chapman for, with Mr. Sadowski against.

Mr. Harris of Virginia for, with Mr. Bonner against.

Mr. Baldwin of New York for, with Mr. Dilweg against.

Mr. Kerr for, with Mr. Folger against.

Mr. Compton for, with Mr. Flannagan against.

Until further notice:

General pairs:

Mr. Hobbs with Mr. Lambertson.
Mr. Capozzoli with Mr. Ramey.
Mr. King with Mr. McCowen.
Mr. Cochran with Mr. Gifford.
Mr. Woodrum of Virginia with Mr. Ellsworth.
Mr. Russell with Mr. O'Brien of New York.
Mr. Sikes with Mr. Hartley.
Mr. Bell with Mr. Guyer.
Mr. Costello with Mr. Allen of Illinois.
Mr. McMillan with Mr. Wilson.
Mr. Sumners of Texas with Mr. Hope.
Mr. Cannon of Florida with Mr. Culkin.
Mr. Grant of Alabama with Mr. Kilburn.
Mr. Thomas of Texas with Mr. Hoffman.
Mr. Courtney with Mr. Welch.
Mr. Granger with Mr. Herter.
Mr. Tolan with Mr. Landis.
Mr. Fernandez with Mr. LeCompte.
Mr. Worley with Mr. Weichel of Ohio.
Mr. Dies with Mr. Scott.
Mr. Domengeaux with Mr. Van Zandt.
Mr. Hagen with Mr. Merrow.

Mr. FOLGER. Mr. Speaker, I have a pair with the gentleman from North Carolina, Mr. KERR, who, if present, would have voted "yea." I voted "nay." I withdraw my vote and vote "present."

Mr. HOBBS. Mr. Speaker, I desire to vote "nay."

The SPEAKER. Was the gentleman in the hall and listening, but failed to hear his name called?

Mr. HOBBS. No, Mr. Speaker.

The SPEAKER. The gentleman does not qualify.

The result of the vote was announced as above recorded.

A motion to reconsider was laid on the table.

Mr. THOMAS of Texas. Mr. Speaker, during the roll call just completed I was called from the floor for only a few minutes by two of my constituents. When I returned I was unable to qualify. Had I been able to qualify I would have voted "aye."

EXTENSION OF REMARKS

Mrs. NORTON. Mr. Speaker, I ask unanimous consent to extend my own remarks in the RECORD and include therein an address by President William Green, of the American Federation of Labor.

The SPEAKER. Is there objection?

There was no objection.

CONTRIBUTIONS OF WOMANHOOD

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

The SPEAKER. Is there objection?

There was no objection.

Mr. COLMER. Mr. Speaker, in this time of stress, when manpower is needed and every nerve and resource of the Nation is being put to the test, it is indeed gratifying to realize the wonderful contributions that the womanhood of the country is making toward our war effort.

Today in the city of Washington there is being entertained a young lady, Miss Vera Anderson, of Pascagoula, Miss., who is the champion woman welder of the world. As an employee of the Ingalls Shipbuilding Corporation of my home

town of Pascagoula, Miss., Miss Anderson in competition with a representative of the Kaiser Shipbuilding Corporation of the west coast won this coveted honor. She is a splendid type of young American womanhood. In addition to her skill and patriotism, she is charming, graceful, and attractive.

I am sure that I speak the sentiment of this body when I say that the Congress of the United States joins with me in justifiable pride in the opportunity to welcome this fine young woman to the Capital City of the Nation. She is emblematical of the thousands of other splendid women who are contributing so much toward the ultimate goal with which we are all concerned—namely, an early and victorious conclusion of this war. Moreover, I am confident that the whole Congress joins with me when I say to you, Miss Anderson: We felicitate you, we salute you on behalf of a grateful American people for your efforts to that end.

EXTENSION OF REMARKS

Mr. DOUGHTON. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days in which to extend their remarks in the RECORD on the tax bill.

The SPEAKER. Is there objection?

There was no objection.

ACQUISITION AND CONVERSION FOR CONSTRUCTION OF NAVAL AUXILIARY VESSELS

Mr. VINSON of Georgia. Mr. Speaker, I ask unanimous consent to take from the Speaker's table the bill (H. R. 1563) authorizing the acquisition and conversion or construction of certain auxiliary vessels for the United States Navy, and for other purposes, with Senate amendments thereto, disagree to all Senate amendments, and ask for a conference.

The Clerk read the title of the bill.

The SPEAKER. Is there objection to the request of the gentleman from Georgia? [After a pause.] The Chair hears none and appoints the following conferees: Messrs. DREWRY, MAGNUSON, and MAAS.

NAVAL TRUST FUNDS AND ACCOUNTING PROCEDURE

Mr. VINSON of Georgia. Mr. Speaker, I ask unanimous consent to take from the Speaker's table the bill (H. R. 2584) to abolish certain naval trust funds and deposits thereto, and to simplify naval accounting procedure, and for other purposes, with Senate amendments thereto, disagree to the Senate amendments, and ask for a conference with the Senate.

The Clerk read the title of the bill.

The SPEAKER. Is there objection to the request of the gentleman from Georgia? [After a pause.] The Chair hears none, and appoints the following conferees: Messrs. VINSON of Georgia, DREWRY, and MAAS.

EXTENSION OF REMARKS

Mr. KENNEDY. Mr. Speaker, the other day I was granted permission to extend my remarks in the RECORD. I have been informed by the Government Printing Office that the extension exceeds the usual limit and will cost 112.50. I ask unanimous consent that the remarks may be printed in the RECORD under those circumstances.

The SPEAKER. Is there objection?

There was no objection.

Mr. KENNEDY. Mr. Speaker, I also ask unanimous consent to extend my own remarks in the RECORD and include therein a radio address delivered by me on May 30.

The SPEAKER. Is there objection?

There was no objection.

Mr. WASIELEWSKI. Mr. Speaker, I ask unanimous consent to extend my own remarks in the RECORD and include therein an editorial from the Milwaukee Journal.

The SPEAKER. Is there objection?

There was no objection.

Mr. WASIELEWSKI. Mr. Speaker, I also ask unanimous consent to extend my remarks in the RECORD and include an editorial from the Christian Science Monitor.

The SPEAKER. Is there objection?

There was no objection.

LEAVE OF ABSENCE

By unanimous consent, leave of absence was granted to Mr. BELL (at the request of Mr. SLAUGHTER), for 3 weeks, on account of official business.

EXTENSION OF REMARKS

Mr. FULBRIGHT. Mr. Speaker, I ask unanimous consent to extend my own remarks in the RECORD and include therein an editorial from the Boston Post of May 26.

The SPEAKER. Is there objection?

There was no objection.

UNITED NATIONS FOOD CONFERENCE

Mr. SMITH of Ohio. Mr. Speaker, I ask unanimous consent to address the House for 1 minute.

The SPEAKER. Is there objection?

There was no objection.

Mr. SMITH of Ohio. Mr. Speaker, no doubt the American farmers will be intensely interested to learn that they are to be the first group to be liquidated under the grandiose scheme that is being concocted by the so-called food conference at Hot Springs to make our Nation over into a totalitarian state and to put it under the heel of a world dictatorship.

According to newspaper reports, the blueprint-drawing section of the new world order, which is headed by Alexey D. Krutikov, chairman of the Soviet delegation to the conference, has advanced what amounts to a proposal to abolish individual ownership of farms and to set up collectivization of farming as it now exists in Russia.

EXTENSION OF REMARKS

(Mr. SAUTHOFF asked and was given permission to extend his own remarks in the RECORD.)

Mr. ANGELL. Mr. Speaker, I ask unanimous consent to extend my own remarks at this point in the RECORD and include therein certain excerpts.

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

There was no objection.

WE PROTEST

Mr. ANGELL. Mr. Speaker, my attention has been called to an alleged procedure or practice in the War Department in the issuance of certificates of disability for discharge, where pressure has been brought upon servicemen to sign affidavits or make admissions, without full knowledge or information, that they are suffering from disabilities alleged to exist prior to their induction into the Army, as an inducement to secure certain benefits. Such allegations or admissions may be without any foundation of truth based on the facts. If this practice has been indulged in, it is reprehensible and should be stamped out at once.

In accordance with consent heretofore given, I include as a part of my remarks an editorial appearing in the Disabled American Veterans' Semi-Monthly of its issue of April 29, entitled "We Protest," in which this practice is discussed and which is worthy of consideration by the Members of the Congress:

WE PROTEST

Through actual contact with soldiers or their parents, and through correspondence received from wide sections of the country, our attention has been called to a situation existing in the Army which we hope will be immediately corrected. We cannot believe that the condition is the result of general orders or that the commanding general knows anything about it.

We are referring to the policy of certain Army officials seeking to obtain false statements and affidavits from soldiers or the parents of soldiers who are about to be discharged because of mental or physical conditions which in the opinion of the medical officers, render them unfit for military service. The requests are unlawful in themselves. The methods used in obtaining these false statements are reprehensible and can serve no good purpose.

For example, we have in our possession a communication sent to the mother of a soldier advising her that her son was hospitalized and suffering from a severe mental disability. It further requested that she sign the enclosed affidavit to the effect that she knew of his mental condition prior to his entrance into the service and that she would assume complete responsibility over him if he were released and sent home to her. The mother had not seen the son in 11 months and was unaware that he ever suffered from any nervous or mental disability. He had not been ill at any time prior to his entrance into the service, except for childhood maladies. Yet, almost hysterical upon learning that her son was seriously ill, she was ready to sign anything in order to protect and aid him. She was counseled to make no false affidavit regarding her knowledge of her son's condition, to advise the Army officials of the facts and to insist that they properly care for him. As a result, the Army reconsidered and recorded the condition as "incurred in line of duty." The man was discharged and transferred to a mental institution of the Veterans' Administration as should have been done at the first.

Another instance called to our attention involved a soldier who was threatened with dishonorable discharge unless he signed a statement to the effect that he knew the heart condition (for which he was to be discharged) existed prior to his enlistment several months before. The fact in this case disclosed that the man had never sought or received medical attention for any disability

prior to his enlistment, and nobody was more surprised than he to discover that his heart was bad. He was greatly upset that his Army career was to end so abruptly as he was slated for officers' training and had every hope of "making good." He has refused to sign the false statement but what we want to know is why he was threatened and bulldozed in an effort to make him sign it. Space prevents us from relating similar incidents. We do not object to the Army discharging a man who is found to be unfit for the duties of a soldier. What we do object to is the crude method whereby certain Army officials attempt to falsify a man's service record in an effort, apparently, to protect the Government from future claims for benefits.

We know, and the public knows, that many men are going to break under the stress and strain of intensive training—necessary intensive training. There is nothing for the Army to apologize about and there is no need for them to maintain a policy whereby they endeavor to charge the breakdown of these men to inadequate personalities or to conditions which existed prior to enlistment. The responsibility is not the Army's; the responsibility is the Government's. The Veterans' Administration is authorized and qualified to subsequently determine whether or not the conditions which rendered the man unfit for the duties of a soldier were incurred in line of duty or existed prior to enlistment.

It is no more disgraceful for a man to break in training or in combat than it is for a student flyer to crash before he has earned his wings. Frankly, we do not like the methods being used by some military units which have been endeavoring to secure affidavits from ignorant and frightened parents to the effect that they know of and are aware of their son's condition and are willing to accept the responsibility of his care even though they have not seen him in months and where the facts indicate that the man has never been seriously ill prior to his entrance into military service.

Why should the military assume the right to break the law of the land in an effort to secure false affidavits through duress or fear when such methods have not only been frowned upon but have resulted in severe punishment when indulged in by citizens who make up this Government? We only hope and pray that the situation or the method used is not general and that the general staff of the Army is unaware of the situation and will act immediately to correct it in all phases. As servicemen, with some knowledge of the military forces of the United States, we accept the right of the military to discharge a man with the comment that in the opinion of the authorities who ordered the discharge the condition existed prior to enlistment, but we emphatically protest the actions of a few individuals who, in their enthusiasm, feel that they are entitled to use despicable methods in an effort to falsify official records to justify their actions. If this policy continues and becomes general, the service records and their contents will become valueless because of the opinion that will be formed that where the record is adverse to the soldier, it was obtained through fraud or duress.

This protest must not be taken as an effort to retard the war effort. Rather we feel that the bitterness engendered by the methods the Army is now using is doing real injury to the service and breaking down that confidence in the military which is absolutely necessary if we are to continue as a united people, bent upon our main objective—the winning of the war.

The entire problem will be solved when the Army and the Government adopt the policy that when a man has been examined and accepted into the military service he is considered to be in sound mental and physical condition except for those conditions noted by the medical examiners and made of record at the time of his acceptance. It is the only equitable solution. It is the American way.

Mr. Speaker, being deeply concerned over this alleged practice of the War Department in prejudging the cases of such discharged servicemen, I wrote to the Secretary of War asking to be advised as to the facts with reference to this alleged practice. Following is a copy of my letter to the Secretary, and his reply:

MAY 21, 1943.

Hon. HENRY L. STIMSON,
Secretary of War, Washington, D. C.

DEAR SIR: Mr. Herman E. Lafky, commander, Department of Oregon, Veterans of Foreign Wars of the United States, has called to my attention a practice which he states exists in the War Department, of discharging disabled servicemen with foreign combat service, on the basis of alleged preexisting disabilities, and requiring them to prejudge and prejudice their case by signing releases of all disabilities before receiving consideration for present disabilities.

I will appreciate it if you will advise me if such a policy does exist, and the reason therefor.

Yours truly,

HOMER D. ANGELL,
Member of Congress.

WAR DEPARTMENT,
Washington, D. C., May 26, 1943.

Hon. HOMER D. ANGELL,
House of Representatives.

MY DEAR MR. ANGELL: This acknowledges receipt of your letter of May 21, 1943, addressed to the Secretary of War, concerning disability discharges from the Army, which question was brought to your attention by Mr. Herman E. Lafky, commander, Department of Oregon, Veterans of Foreign Wars of the United States.

Army regulations provide that a certificate of disability for discharge will state whether such disability was incurred in line of duty or not in line of duty, together with the facts upon which a decision is based; whether the enlisted man declined treatment for the relief of the disability when the same was directed; whether disability was due to his own misconduct or whether a preexisting disability, injury, or disease was or was not aggravated in line of duty by active military service, together with the nature of duty causing aggravation.

All individuals subject to disability discharge are examined by a board of officers who give consideration to the interests of the Government and of the enlisted man equally and impartially. Questions of doubt which cannot be decided factually are resolved in favor of the enlisted man. Whether the disability becomes apparent inside or outside the continental United States has no bearing on the decision as to the preexistence of the disability.

Pensions are paid by the United States where it is determined that disability resulted from personal injury or disease contracted in line of duty or for aggravation of a preexisting injury or disease contracted or suffered in line of duty when such disability was incurred in or aggravated by active military service, unless the result of the individual's own misconduct.

On March 17, 1943, Public Law 10 (78th Cong.) was enacted, amending Veterans Regulations No. 10, granting hospitalization, domiciliary care, and burial benefits to inviduals honorably discharged for non-service-connected disability.

I trust the above information is sufficient to clarify this subject for your constituent.

Sincerely yours,

JOHN W. MARTYN,
Administrative Assistant.

Mr. Speaker, I am not fully convinced that the practice as outlined by the Secretary of War is such as to preserve the rights of servicemen who are not only endangering their lives and subjecting themselves to critical disabilities but in many cases are making the supreme sacrifice in defense of our country. I agree with the editorial above quoted that when our Government accepts these men for service they subject them to critical and exhaustive examinations to determine their physical and mental condition, and such examinations should be binding upon the Government. Certainly in the stress and strain of this all-out war these men when becoming disabled in line of duty should not be required to prejudge and prejudice their cases by admissions or affidavits or examinations made by Government officers under war conditions where it is difficult to ascertain the truth as to whether existing disabilities arising during service were due in any part to preexisting conditions. Many of these men who are subjected to the great strain of mental and physical endurance in the icy barren waste lands of Attu or the swamps of Guadalcanal are unable to withstand the enormous demands upon them and as a result become hospital cases. Is it fair to these disabled servicemen for our Government under these conditions to require them to certify to a record which may be entirely false and which ultimately will deprive them of just benefits to which they are entitled from our Government?

Mr. Speaker, when the war ends, and God grant it may be soon, upward of 10,000,000 of the young manhood of our Nation will be returning to their homes. The first question that will present itself to them is, What will be their opportunity in their homeland to which they offered their lives to defend? Will they find remunerative employments open to them where they may again enter into the responsibilities of citizenship in a free world? These post-war problems require the consideration of every one of us, particularly Members of the Congress, who are charged with the responsibility of enacting the necessary legislation to make possible the reabsorption of these servicemen from a war economy into civilian pursuits in a world at peace. We must not only be certain that the men who return disabled and broken in body and spirit will be cared for with every consideration possible, but we also must make certain that the able-bodied will not be turned loose in a world which offers them no hope for continued self-respecting employment. It may well be that for a year or a year and a half after peace comes that our Government will find it necessary to continue the servicemen on the Government pay roll pending the time that avenues of employment open to them.

EXTENSION OF REMARKS

Mr. BROWN of Ohio. Mr. Speaker, I ask unanimous consent to extend my own remarks in the RECORD, and include therein a letter written by Mr. Raymond B. Howard, of the National Editorial Association, to Elmer Davis, of the Office of War Information.

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

There was no objection.

Mr. MASON. Mr. Speaker, I ask unanimous consent to extend my own remarks in the RECORD and include therein a short editorial.

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

There was no objection.

Mr. SCHIFFLER. Mr. Speaker, I ask unanimous consent to extend my own remarks in the RECORD and include therein an editorial.

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

There was no objection.

Mr. PRIEST. Mr. Speaker, I ask unanimous consent to extend my own remarks in the RECORD and include therein a magazine article on the subject of inflation, written by my colleague the gentleman from Tennessee [Mr. GORE.]

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

There was no objection.

Mr. WHITE. Mr. Speaker, I ask unanimous consent to extend my own remarks in the RECORD and include therein a table on seigniorage as it appears on page 78 of the Bulletin of the United States Treasury. I should like to have it printed in the form in which it appears in the Treasury Bulletin, if that is possible under the rules.

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

There was no objection.

HON. HATTON W. SUMNERS

Mr. HOBBS. 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 Alabama?

There was no objection.

Mr. HOBBS. Mr. Speaker, today Columbia University is honoring herself, this House, the Volunteer and Lone Star States, and the distinguished chairman of our Committee on the Judiciary by conferring on the gentleman from Texas, HATTON WILLIAM SUMNERS, the honorary degree of doctor of laws. He is certainly one of the most beloved and esteemed Members that has ever graced this floor. He is friend of all—the foe, the friendless. We, his friends, rejoice that new honor has come to him. He deserves such high recognition. May Columbia University and the other great universities of the land continue to live upon the plane which this action evidences. Here honorary degrees are conferred based on a predicate of scholarship whether proven in academic institutions or in the school of life—with or without supporting diplomas, save the degree of real achievement. To the gentleman from Texas, HATTON W. SUMNERS, no honor could come which would be more deserved or more welcome. His colleagues in Congress are more than delighted by this recognition of his signal service to the cause of letters and law.

PERMISSION TO ADDRESS THE HOUSE

Mr. MURPHY. Mr. Speaker, I have a special order to address the House today for 25 minutes. I ask unanimous consent to transfer this time to tomorrow, to follow any special orders heretofore entered.

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

There was no objection.

EXTENSION OF REMARKS

Mr. KEFAUVER. Mr. Speaker, I ask unanimous consent to extend my own remarks in the RECORD and include therein an editorial.

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

There was no objection.

Mr. BENNETT of Missouri. Mr. Speaker, I ask unanimous consent to extend my own remarks in the RECORD and include therein an address I delivered over the radio on May 30, and also to extend my own remarks and include therein an article relating to veterans' legislation.

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

There was no objection.

Mr. VORYS of Ohio. Mr. Speaker, I ask unanimous consent to extend my own remarks in the RECORD and include therein a letter I have written.

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

There was no objection.

Mr. MILLER of Missouri. Mr. Speaker, I ask unanimous consent to extend my own remarks in the RECORD and include therein a copy of a new Federal elections law which I am introducing today, and also a statement by the Honorable Arthur J. Freund, chairman of the criminal law council of the American Bar Association.

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

There was no objection.

PERMISSION TO ADDRESS THE HOUSE

Mr. REES of Kansas. Mr. Speaker, I ask unanimous consent that on tomorrow, following any special orders heretofore entered, I may be permitted to address the House for 20 minutes.

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

There was no objection.

EXTENSION OF REMARKS

Mr. WOODRUFF of Michigan. Mr. Speaker, I ask unanimous consent to extend my own remarks in the RECORD on two subjects—in one, to include an article by George Dixon; in the other an editorial from the New York Journal-American.

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

There was no objection.

Mr. CARLSON of Kansas. Mr. Speaker, I ask unanimous consent to extend my own remarks in the RECORD and include therein a telegram.

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

There was no objection.

Mr. EDWIN ARTHUR HALL. Mr. Speaker, I ask unanimous consent to extend my own remarks in the RECORD and include therein a recent radio address.

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

There was no objection.

LEAVE TO ADDRESS THE HOUSE

Mr. AUCHINCLOSS. Mr. Speaker, I ask unanimous consent that on Thursday next, after the conclusion of business and any other special orders, I be permitted to address the House for 25 minutes.

The SPEAKER. Is there objection?

There was no objection.

ROLL-BACK PRICES

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

The SPEAKER. Is there objection?

There was no objection.

[Mr. MILLER of Nebraska addressed the House. His remarks appear in the Appendix.]

EXTENSION OF REMARKS

Mr. MILLER of Nebraska. Mr. Speaker, I ask unanimous consent to extend my remarks in the RECORD and include a letter written this day to Mr. James F. Byrnes, and Mr. Prentiss Brown, in the Appendix of the RECORD.

The SPEAKER. Is there objection?

There was no objection.

LAUNCHING OF THE STEAMSHIP "WILLIAM TYLER PAGE"

Mr. STEFAN. Mr. Speaker, I ask unanimous consent to proceeed for 1 minute and extend my remarks in the RECORD.

The SPEAKER. Is there objection?

There was no objection?

Mr. STEFAN. Mr. Speaker, I have the honor to report to the Membership of the House that it was my privilege to be a member of the official party at the launching of the liberty ship which was named in honor of our late friend, the Honorable William Tyler Page. The launching took place at noon, May 31, at the Bethlehem Fairfield Shipyards near Baltimore, Md. It was one of the most impressive sights that I have ever witnessed, and I have returned inspired by the first-hand knowledge of the tremendously important and effective part that private enterprise and labor are playing in the winning of this global war. It was my privilege to talk to Vice President Willis of the great Bethlehem organization whose genius and initiative are making it possible for us to build 10,000-ton ships in less than a month's time. The *William Tyler Page* is the one hundred and forty-fourth Liberty ship completed in these yards. I also talked to many of the workmen who

indicated to me and other members of our party their determination that ships will be delivered to our Government on time.

It was a great inspiration, Mr. Speaker, to see great shipbuilding officials such as Mr. Willis and others working in close harmony with thousands and thousands of skilled workmen who are building ships with incredible speed.

The inspiration to name this ship for the late William Tyler Page came from our former House employee, John O. Snyder, who was a friend of William Tyler Page for 42 years. The resolution suggested by Mr. Snyder was introduced by our colleague the gentleman from New York, the Honorable JOSEPH L. PFEIFER. With the assistance of the gentleman from Virginia, Hon. OTIS BLAND, chairman of the Committee on the Merchant Marine, and with the assistance of the Maritime Commission, the name for this ship was sent to the Bethlehem-Fairfield organization at Baltimore.

Miss Joanne Cronin, granddaughter of William Tyler Page, sponsored the ship. She is the daughter of Capt. and Mrs. Joseph C. Cronin, of Memphis, Tenn., where Captain Cronin is the commandant of the naval air station. Among those who were in the official party were relatives and very close friends of the late William Tyler Page. They included the Honorable Chauncey Reed, of Illinois; John C. Page, John Andrews, James P. Griffin, employees of the House of Representatives; Will P. Kennedy, of the Washington Evening Star; Mr. and Mrs. Harry Pierce and daughter Patricia, of Collingswood, N. J. Mrs. Pierce is a daughter of William Tyler Page. John Page is the son of William Tyler Page. Also in the party were Mrs. Bertha Taylor Voorhorst, of the American's Creed Association, and Miss Antoinette Hart, secretary to Congressman PFEIFER. We are deeply indebted to Mr. and Mrs. J. W. Willis for their unusual hospitality and assistance in giving the official party full information regarding the building of the *William Tyler Page*. Mr. Willis is the vice president and general manager of the Bethlehem-Fairfield shipyards where these great Liberty ships are being constructed.

The official party was escorted to the shipyards by officials and employees of the company and there found a gallant ship of over 10,000 tons ready to be launched. We were thrilled, Mr. Speaker, as we faced that ship with the full name *William Tyler Page* painted on its prow. As the noon-day whistle blew, thousands of workmen joined us in singing the Star-Spangled Banner and in reciting the American's Creed, and as the beautiful little granddaughter of the great patriot for whom the ship was named, burst the bottle of champagne against the prow of the ship, it slid down the ways majestically amidst the cheers of thousands of American men and women, amidst the screaming of whistles and the waving of innumerable flags.

The launching of the *William Tyler Page* was one of the most inspiring sights I have ever witnessed, and as I stood there watching this beautiful ship touch the water for the first time, I felt that on board would remain the spirit of William Tyler Page, the author of the American's Creed, a gentleman who was born in the shadows of the home of Barbara Fritchie "in the land made rich with corn" and in whose veins ran the blood of the cavaliers of Virginia, a man who has been the adviser of hundreds of Representatives of the people and a man who served the greatest deliberative body in the world—the House of Representatives—for 60 years.

Mr. Speaker, we had the privilege of talking with the gentleman who will be captain of the *William Tyler Page*, with the chief engineer, and with some of the members who will compose the crew which, in a few days, will sail the sea on the new Liberty ship *William Tyler Page*. From the lips of the builders, from the lips of the crew, and from the lips of many workmen, we learned that in these great shipyards the service of William Tyler Page was well known and that his spirit not only will remain alive as long as the *William Tyler Page* sails the seas for victory, but forever will be part of the spirit behind the men who build ships that go down to the sea and the essence of the spirit of the real heart of America.

EXTENSION OF REMARKS

Mr. MUNDT. Mr. Speaker, I ask unanimous consent to extend my remarks and include therein an article entitled "New Approach to Lasting Peace," written by Herbert Hoover and Hugh Gibson, appearing in the current number of Collier's Weekly.

The SPEAKER. Is there objection?

There was no objection.

Mr. COFFEE. Mr. Speaker, I ask unanimous consent to extend my remarks in the RECORD.

The SPEAKER. Is there objection?

There was no objection.

TRANSPORTATION—KEY TO VICTORY

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

The SPEAKER. Is there objection?

There was no objection.

Mr. COFFEE. Mr. Speaker, my attention has frequently been called to a potential weakness in our transportation system. It is well known that the link of transportation from farm and factory to firing line is essential to the winning of the war. That transportation system consists of railroads, ships, airplanes, and trucks and trailers on the highways. It is this latter that has the earmarks of potential weakness.

Close to 5,000,000 trucks and trailers normally operate over the highways in the United States. Our usual, pre-war, annual additions of new truck and trailer equipment have been roughly 10 percent on the average—more in the case of common carriers and less for those privately operated.

With the enlarged use of all forms of transportation, due to the war effort, the trucks and trailers have and are being operated longer hours and with greater loads. Quite naturally these trucks and trailers are wearing out far faster than ever before.

What is being done to replace this equipment as it wears out? Virtually nothing. And therein you have the makings of a break-down in highway transportation—a break-down that in turn will affect adversely all other forms of transportation as well as the war effort and the civilian population.

Over a year ago the War Production Board practically halted the manufacture of trucks and trailers. Some few units have been permitted but all told it would not account for but a small percent of normal needs. There were a number of trucks and trailers on hand at the time manufacture was stopped. But taking all these in the so-called pool plus those manufactured we have put into service in the last 16 months less than one-half a normal year's addition to our highway transport system. By July 1 there will be no more light trucks left in the pool, and by August 1 there will be none of any type left.

No contribution to the war and civilian effort can be more important than a healthy transportation system. And we face a break-down in an important link unless action is taken promptly.

It is quite likely that the manufacturers of trucks and trailers are so busy with other war orders that they, like the manufacturers of agricultural implements, do not care whether they manufacture their regular line or not.

Potential post-war backlog of sales is not half as important as a continuous, smooth, functioning highway transportation system throughout the war. The so-called backlog of sales that is growing for post-war rehabilitation is but an indication of how far highway transportation has already broken down. From the April 2 issue of the Wall Street Journal I quote the following:

> During the past 15 months a total of 630,000 potential civilian truck sales have accumulated for peacetime business, according to F. F. Staniford, sales manager of Mack Trucks, Inc. Basing his figures on an average of 44,500 truck sales per month during the years 1937 to 1941, inclusive, Mr. Staniford subtracted the civilian truck sales made during 1942 to arrive at his total. Roughly, 6 out of every 100 normal truck requests have been met in the past year, and this ratio is expected to hold for the duration of the war.
>
> This means, according to the Mack sales manager's figures, that at the end of 1943 a backlog of well over a million potential truck sales will have accumulated. Every additional month of war adds 42,000 to this figure.

If the above figures are correct then our efficient highway transportation system of trucks and trailers, that existed prior to the war, is disintegrating or going out of business at the rate of about 1 percent a month. Think of it—our vital highway transportation system going out of business at the rate of 1 percent a month. Yet despite this curtailment in operating units, the trucks and trailers are expected to carry more and

more goods. There are more products of the factory, mine, forest, and farm to be transported. A diminishing transportation system cannot transport an increased quantity over the highways. Either the products will not be hauled or other transport mediums, already overburdened, will suffer.

New trucks and trailers do not come from a spigot. You cannot draw off at will the quantity you desire. America found this out with reference to agricultural implements. It takes time to convert plants back to the manufacture of trucks and trailers—time to get the maerial allocated and time to physically manufacture them. Even if it were decided this very day to provide for an enlarged program of truck and trailer manufacture, it would perhaps be late this fall before any came off the assembly line.

One can easily understand the action of the War Production Board on the outbreak of the war in cutting out the manufacture of trucks and trailers. At that time the rubber situation looked pretty bleak. But so far as essential transport is concerned, the rubber problem has been solved. Rubber can no longer be a reason for allowing our highway transportation system to go to pieces.

The thing that is difficult to understand is why the War Production Board and the Office of Defense Transportation now sit idly by and permit our highway transport system to disintegrate. These bodies are equally responsible for the forthcoming break-down in highway transportation—a break-down that is certain to come if action is delayed longer. Do we have material for Shipshaw and similar projects outside the country when our domestic highway transportation system is going to ruin? If we do it is time the American people were given all the facts.

EXTENSION OF REMARKS

Mr. ROBSION of Kentucky. Mr. Speaker, I ask unanimous consent to extend my remarks on the tax bill.

The SPEAKER. Is there objection?

There was no objection.

Mr. FEIGHAN. Mr. Speaker, I ask unanimous consent to revise and extend my remarks and include three articles appearing in the Cleveland Press on the dates May 19, 20, and 21.

The SPEAKER. Is there objection?

There was no objection.

Mr. HOLIFIELD. Mr. Speaker, I ask unanimous consent that my colleague the gentleman from California [Mr. KING] be permitted to extend his remarks and include an editorial from the Englewood Daily News.

The SPEAKER. Is there objection?

There was no objection.

Mr. MURDOCK. Mr. Speaker, I ask unanimous consent to extend my own remarks.

The SPEAKER. Is there objection?

There was no objection.

PERSONAL EXPLANATION

Mr. RAMSPECK. Mr. Speaker, I ask unanimous consent to proceed for half a minute.

The SPEAKER. Is there objection?

There was no objection.

Mr. RAMSPECK. Mr. Speaker, the gentleman from West Virginia [Mr. RANDOLPH] has asked me to announce that he was delayed in reaching the House today because of bad weather, which grounded the plane in which he was traveling. Had he been present he would have voted for the tax conference report.

EXTENSION OF REMARKS

Mr. KENNEDY. Mr. Speaker, I ask unanimous consent to extend my own remarks in the RECORD and include a recent article appearing in the New York Journal of Commerce by Mr. Basil Harris, a former official of the Treasury Department.

The SPEAKER. Is there objection?

There was no objection.

(By unanimous consent, Mr. BURDICK was granted permission to revise and extend his remarks.)

Mr. CHENOWETH. Mr. Speaker, I ask unanimous consent to extend my remarks and include therein a resolution.

The SPEAKER pro tempore (Mr. HARRIS of Arkansas). Without objection, it is so ordered.

There was no objection.

The SPEAKER pro tempore. Under previous order of the House, the gentleman from North Dakota [Mr. BURDICK] is recognized for 15 minutes.

OUTLAWING STRIKES

Mr. BURDICK. Mr. Speaker, I hope the House preserves its good judgment on labor legislation. Any bill making strikes unlawful, instead of strengthening our war effort, will throw this country into such a turmoil that we shall have little time to give to the war effort.

If we have no precedents in this country, surely we will not shut our eyes to history—especially recent history. England has been wise enough to make no law outlawing strikes. She has had more damaging strikes than we have, but still she refused to pass an anti-strike law. Why? First, England is convinced that saying a thing is wrong by law doesn't carry any power unless such a law is supported by public opinion. We have tried that with prohibition. We declared by law that it was unlawful to sell intoxicating liquors. Instead of stopping drinking it only made the matter worse. When such a law was passed many people who never drank before started in for the first time. The law was not respected. Finally, convictions could not be obtained, and the experiment had the tendency to weaken respect for all laws.

Then, too, England had spread before her view the events in France when the French Government repealed all labor laws. The resentment in France was so intense that she fell an easy victim to a military machine that could not have prevailed if the French people had been united in spirit and in purpose.

In the United States events have proven that those who belong to organized labor unions are just the same kind of people as the rest of us are. They have their sons in the armed forces; their boys are being shot up on many battlefields. Is there anyone in this House who contends that these people are not as patriotic as the best of any other class of citizen?

We have had no perceptible stoppage of production on account of labor troubles. Ninety-eight percent of those employed in our war effort have done nothing but work in our common defense. This, in spite of the fact that every year accidents claim thousands of lives and result in 2,000,000 injuries. And in spite of the fact that no matter what their wages have been, the cost of food, clothing, and housing has gone up faster than the rise in wages. Untold thousands of families engaged in war production have barely been able to keep driving ahead. Their struggles have not been told by this Congress nor have we investigated the conditions in which they live. No, thousands have made no complaint, but have done their best.

Shall we now, because there has been trouble in some quarters, say that the whole of organized labor shall be condemned? We already have laws on the statute books to meet extreme emergencies. The power to execute the laws has been lodged with the President. He has exercised the power wisely and is not seeking any more laws on the subject. Recent events show that the President has been patient but firm.

Organized labor has had a struggle—covering long weary years—to arrive at a measure of protection. The Congress, since 1934, has not failed to give to labor the protection it deserved. Now, at one fell swoop, shall we repeal all we have done and force labor back to the dark days of industrial slavery in the name of the war effort? We are playing with dynamite when we attempt such a move. Suppose we pass this law and 10,000 men strike because the wages they receive will not supply themselves, their wives, and children with sufficient food, clothing, and shelter? All will be criminals. All will be tried, and under the Constitution, each one has the right to be confronted with the witness against him. We shall have 10,000 trials. If found guilty, 10,000 will be sent to jail and the breadwinners who dig in the darkness of the underground will be taken away from families which will overnight become destitute. Ten thousand strikers is a small body. Suppose we have a strike of 50,000. We shall have 50,000 trials and, if convicted, 50,000 of the same breadwinners will be sent to jail. Suppose we have a strike involving 200,000 workers. Do we want 200,000 trials and do we want to lock up 200,000 workers and leave their families objects of charity?

To simply state this situation is to prove how utterly inane such a move would be.

What else will this bill do? It slaps 14,000,000 loyal citizens in the face. It says to them, "Watch your step or to jail you go." Ninety-eight percent of these people have done nothing but work just like the rest of us in our common effort to give our boys all the protection

possible. Can anyone on this floor say a miner is not willing to protect his son? The passage of this bill, instead of harmonizing and increasing our common purpose to drive out the enemy, will cause disunion and destruction and will build in this country such a dissatisfaction with our Government that there will be no united and determined purpose which we must have to win this war. We may have the best guns and the best war equipment in the world, but that is not enough in this struggle. We must have the heart to fight, the purpose to defend a great country that guarantees to all the right of life, liberty, and the pursuit of happiness. Love of our country is the strongest bulwark of its defense.

Many people in this country have always been against organized labor and war offers them the opportunity they have waited for—to crush labor and set it back half a century. Those who would do this do not think—those who want to do this have not stopped to consider that if labor can be crushed, it is only one more easy step to crush all individual effort in this great land. Capital and labor must work together if we are to maintain our system of government, and those of us who still believe in individual effort have done our best to maintain friendly relations between capital and labor. With the passage of this bill, I predict the nationalization of all enterprises in the United States. Those who desire to perpetuate individual effort are doing the most to destroy it. Those who take advantage of every opportunity to pounce upon labor are doing more to sovietize this Nation than all the Communist speakers in the world.

My admonition to this House is to keep its head. Say to the world that in the United States a democracy can remain united, a democracy can protect both capital and labor, and that a democracy united and aroused cannot be defeated by any power or combination of powers on earth.

Strikes are caused by several influences, among the more important of which are:

The increased cost of living that has mounted faster than the increase in wages.

Increased profits of employers which are out of proportion to the total wage cost brought about by wartime production.

We are engaged in a great experiment in the United States today. Many people in the world today do not believe that a democracy like ours which supports private capital can function at full capacity in time of stress. This is no time to change systems. We have the capitalistic system now and we have a war now and our duty to our country is to make the present system work. So far as legislation can go to bring about a mutual and cooperative relation between capital and labor, that legislation should be forthcoming. But when labor has only one right—the right to strike in order to bring about justice to labor, we should decline to take away that right.

I am firm in the belief that if wages were based on the amount of production that labor was capable of turning out, there would be very little trouble between capital and labor. The more production, the more profits to the employer, and if we add another factor—more wages in that event—we shall have solved much of the difficulty.

If the laborer knew that all of the profits were going to his Government, there would be no incentive to strike, but since we have the individual profit system in this country and must make it work now, we could contribute to a better understanding between capital and labor if both were to receive equal benefits from the highest production possible. I believe contracts with labor should be drawn on that principle.

We should be in closer touch with the food, housing, and clothing problems of labor. Men who work with their hands need substantial food—need meat and lots of it. We should see that no O. P. A. order and coupon points prescribed by that agency should interfere with the flow of meat products to the men who labor. We should remember that from January 1941 to March 1943 food prices increased 40.5 percent and during the same period the cost of clothing increased 26.7 percent. We should know more about the housing conditions of labor, and when it is obvious that the wage received cannot possibly cover the necessary expense of labor, we should not hesitate to satisfy the demands of labor on that score.

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

Mr. BURDICK. I yield.

Mr. MURDOCK. I want to confirm what the gentleman has said about the miners not having sufficient meat. That is the report I get from the mining camps in my State. I noticed a headline today which reads: 530,000 miners on strike. Does the gentleman know whether the bill we will have before us in a few days applies only to those who have contracts?

Mr. BURDICK. I could not answer the gentleman because I have not seen the bill.

Mr. MURDOCK. If that is the case, the passage of such a law would not apply to the soft-coal miners at all.

Mr. BURDICK. The gentleman is right.

Mr. Speaker, when we have determined the cause of strikes, we will be able to settle the warfare between capital and labor. No one can make me believe, from all the evidence available now, that the United Mine Workers desire to interrupt our war effort. There is some cause back of these strikes that has not been presented to us. No one can make me believe that John L. Lewis wants to stifle our war effort and that he is not a patriotic citizen. He, like other leaders, cannot always control his membership—but at the same time he is fully aware of the cause lying back of strikes, and will not desert his members—if convinced they are right in their demands. Congress is not informed on these matters—at least there is insufficient information to warrant this Congress going in roughshod and making it a criminal offense for any laborer to strike.

If this Congress can keep its head as well as the President has in this labor trouble, our production will go forward and we can convince the world that capital and labor can work together—that the result of our common efforts will demonstrate the solidarity of the people of the United States.

Our war production thus far has not only astonished the world but ourselves as well. Manufacturers, laborers, and those directing our war effort are to be enthusiastically thanked by the American people. We are doing the job—our planes and ships are coming off the production line in never-ending streams. Our men are being trained to man these engines of war in a remarkably short period of time—yet they have demonstrated on the battle front that they have the highest ability and the best machines in the world today.

There is also in the United States today a unanimity in the war effort that has taken the heart out of our enemies. We have made mistakes and will make some more, but on the whole our war effort has already made itself felt in every corner of the earth. Less incrimination, less inclination to class every one who disagrees with us, as foreign snipers and traitors, less inclination to find fault with those directing our war effort, will do more to bring forth the utmost war effort than anything else this Congress can do. Politics should be entirely out of our discussions. It is not important that we win the next election but it is important that we win the war.

Mr. Speaker, I yield back the balance of my time.

OFFICE OF PRICE ADMINISTRATION

Mr. AUGUST H. ANDRESEN. Mr. Speaker, I ask unanimous consent to address the House for 1 minute.

The SPEAKER pro tempore. Is there objection?

There was no objection.

Mr. AUGUST H. ANDRESEN. Mr. Speaker, I think the Members of the House should congratulate Mr. Prentiss Brown for accepting the resignation of Dr. James K. Galbraith, Chief Price Specialist, and his deputy, which was submitted to him and accepted yesterday. Dr. Galbraith has been one of the stumbling blocks to the successful administration of the price-control law. I do not know if Dr. Galbraith is more than a puppet in his position in the O. P. A., but I am inclined to believe that he has been used as a tool by someone higher up. I have been trying to figure out who the superman could be in the administration, to give all of the directions in this new scheme of remaking our American economy and our way of life. I know the President is busy in the war effort. I know he has certain associates like Harry Hopkins, who resides in the White House, but the thought occurs to me that it might be a man by the name of Benjamin Cohen, formerly of the team of Corcoran and Cohen, that dictated most of the policies during the early days of the New Deal. I think we ought to investigate Benjamin Cohen and see what he is doing to change our system of free

enterprise and way of life. For the time being I am grateful that Dr. Galbraith is no longer in the Government service.

The SPEAKER pro tempore. The time of the gentleman from Minnesota has expired.

SPECIAL ORDER

The SPEAKER pro tempore. Under previous order of the House, the gentleman from Michigan [Mr. JONKMAN] is recognized for 30 minutes.

Mr. JONKMAN. Mr. Speaker, on Monday May 17 last, the gentleman from Texas [Mr. PATMAN] made a speech on the floor of the House in which he attacked my remarks in support of H. R. 2698 to repeal the Renegotiation Act.

The gentleman began by ascribing to me a lack of perspective when he said:

First the gentleman from Michigan evidently overlooked the fact that any company doing less than $100,000 worth of business each year is exempt from renegotiation, and the suggestion has been made to Congress that this be increased to $500,000.

And then the gentleman from Texas claimed that this exemption removes almost all small business from the scope of the law. Now if the gentleman will consult my remarks, he will find on page 4322 of the RECORD that I did not overlook this provision, but did refer to it and said—

But this affects—exempts—only a little outer fringe.

Then in the next breath the gentleman confirms the truth and soundness of my statement aforesaid when he goes on to say:

Moreover if he had looked closely—

I wonder if the gentleman thought he saw a mote in my eye—

at the figures on the companies which have been cleared by the Price Adjustment Boards, he would have seen that many small businesses have not been required by the Boards to renegotiate their contracts because their profits were not excessive. The Navy Department for example has cleared without renegotiation 240 companies holding a total of $500,000,000 of contracts, that is, small companies.

May I assure him that it is not the gentleman from Michigan who failed to look closely, but instead the gentleman from Texas. If he will refer to my speech, page 4319 of the RECORD, he will find that I devote considerable attention to this exemption of a half a billion from renegotiation. And if the gentleman had looked closely and had done a little thinking, he would have noticed that $500,000,000 for 240 companies averages more than two million each. And the gentleman says, "That is, small companies." So according to the gentleman's own argument, exemption of five hundred thousand will not exempt any contractor, and my claim that it would affect only the outer fringe was conservative and sound, and it still stands. And I repeat, if it is a question of perspective, it shows that it is the perspective of the gentleman from Texas that is faulty, not mine. I prefer to think that the gentleman, who is an experienced, able and very active Member of this House, has so many matters on his mind, that like some others, he has not given this matter of renegotiation of contracts sufficient thought. But at all events, in his thoughtlessness in this phase of the argument, he has fallen on his own sword.

This should also dispose of his next argument that repeal is the masquerade of big business behind the name of small business. Such an attempt to confuse the issue and avoid the merits of the discussion by injecting a prejudice against big business, is an admission of lack of valid and meritorious arguments against the repeal. No one, and I least of all, wants to see any business, big or little, make excessive profits out of the war. I made this statement clearly in my remarks and insisted that there must be machinery to prevent undue Government loss. I expressly affirmed that the renegotiation law, at its inception and in the absence of maladministration, fulfilled a drastic need; but with the enactment of the 90-percent-excess-profits-tax law, it has become unnecessary. But I make bold to say that even if there were a few scoundrels who would make inordinate profits out of war and misery, they should be reached by other measures than one which hamstrings our war production and war effort, casts an intolerable and un-American burden on all industry, and threatens to destroy our economy, and with it jobs for our 10,000,000 soldiers and the other millions of war workers when we turn from war to peace. The burdens of this Renegotiation Act far, far outweigh the benefits.

The gentleman denies my statement that administration of the renegotiation law would require a great bureaucracy, and states that at the present it is composed of a little less than one thousand persons in the Army and Navy boards alone. However, according to the Truman committee, as of March 20 last, only one-half of 1 percent of the war contracts had been renegotiated. Estimates have been made that at that rate it will take 330 years with the present staff, to renegotiate the contracts as of that time, not to mention contracts subsequent to that date. I think we can agree that renegotiation of contracts should be completed in 5 years, and would therefore take 66 times the present staff, running into a personnel of over 60,000 in the various boards. We might, therefore, paraphrase the words of the gentleman from Massachusetts [Mr. GIFFORD], "Hush, hush, price adjustment boards, hush your lonesome cry. Your number will be legion bye and bye."

To my claim that renegotiation is a serious and vital interference with war production and takes up too much of the time of the contractor's organization, the gentleman responds with only one case which he says took 50 days and during this time "some of the company's officials had to spend about 3 days on the matter." He does not say what officials spent about 3 days, nor does he state how much time other officials of that corporation had to lose from war production on renegotiation. I have received or read hundreds of letters and excerpts from letters stating that it is not only a tremendous interference with the war production of the contractors, but many of them emphasize not only the actual loss of production of weapons, but probable consequential losses. For instance, one writes that renegotiation prevented the production of 100 gun mounts for ships, and while it is speculative, asks how many ships and cargoes were lost for want of the guns which could not be placed on the ships without these gun mounts. Furthermore, it is well known that business counsel agencies advise war contractors as follows:

The contractor who knows his business, fares best before renegotiation boards. Production managers who can explain the history and operations of the company, make the best advocates. (See Appendix of the CONGRESSIONAL RECORD, p. A2288.)

These facts, together with the most favorable though lone example that the gentleman could find, shows that for almost one-sixth of the year, the heart and brains of war production industry is pulled off its job, not to mention the claimed upheaval in all operations in the industry.

Next the gentleman attacks my statement that the law is administered without a legislative standard or formula. He admits that the only standard in its application is what seems reasonable to a bureaucratic board, regardless of whether behind that board is the complex of Hitler, Hirohito, or Harry Hopkins. It has already been admitted that the four boards have widely varying standards. This is no reflection on the boards, for they get their orders from headquarters. He suggests that I could not suggest to Congress any better formula or standard which would work. Precisely, and as I said in my remarks, because it is government by bureaucracy and not by laws; because no standard or formula can be evolved it is unworkable, and because it is unworkable and destroys private enterprise, we should junk it instead of junking private enterprise.

Following this, the gentleman attacks my claim that the renegotiation law enables the departments to by-pass Congress and secure money in the nature of appropriations, over which Congress has no control. He states that if the Congress appropriated for four bombers, and the department has asked for enough money to get six, it is not circumventing the will of Congress to get two extra bombers in this manner. This answers itself. The gentleman is careful to use bombers for his example. He knows the American people feel such a need for bombers in this emergency that they would with difficulty hesitate to beg, borrow, or steal them. I share this emotion. But supposing it is tanks which may be outmoded by antitank guns, or any other weapons which the gentleman, in a subsequent part of his address admits are being supplanted by others. Anyway, I still claim it is for Congress to authorize the two additional bombers, and to say that the money for two additional bombers should be appropriated. Instead of that the gentleman from Texas says, "The Army, by increasing the purchasing power of its appropriation,

has reduced the need for further appropriations in the future." What is this other than an admission that the departments are by-passing Congress and will spend what they wish from a tremendous fund of their own. And I still maintain that Congress should retain this prerogative instead of delegating the power of appropriations for further needs to the departments by continuing the Renegotiation Act.

The gentleman's next attack is on my argument that renegotiation settlements are not voluntary on the part of the war contractor. His answer, it seems to me, is without merit. He attacks none of the reasons which I gave as eliminating the contractor's freedom to fight, through fear of retaliatory action by the departments. He is right when he states that an appeal lies to the Secretaries of the War and Navy Departments, which I have shown in the above-named reasons, is of no practical value. But the gentleman is wrong when he states, "There is no doubt about the legal ability of the contractor to appeal to the courts." The standard contract; yes, all contracts provide that on questions of fact the contractor may appeal to the Secretary of the Department, whose decision shall be final. Inasmuch as there are practically no questions of law, but all disagreements would present questions of fact, this precludes the contractor's appeal to the courts.

In the next observation, the gentleman for once agrees with me in part that contracting officers of the Departments should seek closer prices and that pricing should improve. However, it should be obvious that the very nature of the Price Renegotiation Act precludes this. The act inherently makes close pricing not only absolutely unnecessary, but positively discourages it. Loose pricing is the surest method of insuring the greater recoveries of the Price Adjustment Bureau and of warranting its perpetuation. In fact and effect the Price Renegotiation Act is a totalitarian measure enabling the Departments to order the production of matériel at whatever prices they wish to allow at a future date. Its principle is ruinous not only to the war effort but to our whole economic system, yes, even to our political concept of constitutional government. It is no wonder that under such a concept the gentleman thinks that, having bought 2,000,000 antiaircraft shells a month last year, it would be impossible for a procurement official to fix a fair price on 40,000,000 per month in this year. I do not think that this would offer any difficulty. It might have been difficult to arrive at a fair figure on 40,000,000 for the first order, but with previous experience I see no difficulty whatsoever. This same reasoning applies to allowances for contingencies such as labor stoppages, changes in specifications, and similar elements in contracts which the gentleman thinks cannot be reasonably arrived at in making a contract. However, I do not wonder that the reasonableness of totalitarianism cannot see this. It does not have to.

The gentleman's main and final argument is that I am all wrong not only in saying that the 90 percent excess-profits tax will accomplish all that is sought to be accomplished by the Renegotiation Act, but he boldly claims that we have no 90 percent excess-profits tax. It is his further claim that we have an 80-percent tax and not a 90-percent tax. But here again it seems to me that the gentleman, by seeking to distinguish between a percentage tax and a tax rate, is muddling the situation instead of clarifying it. While he pretends it, he is adding nothing new in calling attention to the 10 percent refund to corporations when peace is declared. I had, as I said, in fairness mentioned it, but with the observation that after hostilities cease we do not know when peace will be declared, nor is there certainty that corporations can use it at will. This refund is therefore of very doubtful value.

Let me make my position clear. It is my understanding that the tax rate on corporations consists of a 40 percent normal tax on their base or normal earnings, and a 90 percent excess-profits tax on their annual earnings in excess of their basic annual earnings. It is true the law also provides that the total tax on any company shall not exceed 80 percent of its taxable income.

It must be obvious that this 80-percent clause is a protection; that refuge can be sought in it only by corporations which had a low normal, average, or basic income. According to the Bureau of Internal Revenue it is true that this is the exception and not the rule, and on last year's corporation tax, only twenty and three-tenths millions of taxes were saved by those who sought refuge in the 80-percent clause, compared to over two billions of taxes collected from corporations. In other words a corporation earning $4,000,000 last year, whose base earnings were $2,000,000, would pay 40 percent on $2,000,000 and 90 percent on the two millions of excess profits regardless of whether it is for war contracts or civilian supplies; regardless of whether it is excessive profits or merely excess profits. This corporation would pay two million six hundred thousand in taxes.

Inasmuch as under the 80-percent provision it is protected from paying more than three million two hundred thousand on the four million, it finds no relief in the 80-percent clause, and it must pay the 90 percent excess-profits tax. However, if this same company had basic earnings of $1,000,000 a year, it would pay 40 percent on this million, and 90 percent on the excess of three millions, or a total tax of three million one hundred thousand, and still it would have no occasion to avail itself of the 80-percent clause. The fact, however, that it came dangerously near to the line, makes further illustration unnecessary. It is only corporations which had an exceedingly and unusually low base earning power in peacetime, and comparatively great profits when the excess-profits tax began to operate, which can avail themselves of this protective provision. And as I said before, it is the exception rather than the rule to so great an extent that apparently corporations could save only one-tenth of 1 percent of the corporation tax by its provisions.

It seems to me that these figures make it clear that the excess-profits tax will accomplish all that we seek to accomplish by the Renegotiation Act without the vices of the latter, and that, not to mention two and a half billions, there is no such savings under the Renegotiation Act as $250,000,000, or $500,000,000. The observation of the gentleman from Texas that perhaps I consider those as small sums is refreshing coming from the other side of the aisle.

The gentleman concludes his remarks by half a dozen instances in which he claims that contractors made many times more earnings in wartime than they did in peacetime. I, of course, cannot dispute these conclusions. However, these examples mean nothing for his argument. He does not speak in terms of dollars. A corporation which operated at a loss or at a very small profit, say a dime for a 5-year average, making 15 times as much, would only make $1.50, even though it was 15 times as much as in peacetime. Furthermore, it is apparent, inasmuch as the gentleman states that these figures are based upon taxes paid in 1942, that they must apply to the year 1941 before we had the 90-percent excess-profits tax. Lastly, none of these examples contain any evidence that the excess-profits tax would not have been an ample measure to recover for the Government all excess and excessive profits that can in justice be expected from the Renegotiation Act.

I believe I have now met, analyzed, and I hope answered every objection to repeal that has been advanced by the gentleman from Texas.

Before I close it is perhaps appropriate to make the observation that the gentleman did not answer, or even discuss, my ruling reason for repeal. That was that the bureaucrats, as they will almost generally do, instead of carrying out the will of Congress in a wholesome, beneficial, and remedial purpose for the benefit of the country, proceeded at once to usurp powers not in the act which wrecked its purpose and impaired the war effort and the general welfare of the Nation.

In my remarks I quoted from the act:

> The secretary of each department is authorized and directed—

What?—

> whenever in his opinion excessive profits have been realized, or are likely to be realized, from any contract with such department * * * to require renegotiation of the contract price.

Had the bureaucrats carried out the will of Congress and confined themselves to excessive profits and contractors realizing excessive profits, many of the present vices would have been eliminated, and in the main it would have proved a wholesome measure. Such excessive profit contracts could have been detected from general sources, but specifically from the income-tax returns. In this way even the evil of the absence of a yardstick for determining what are excessive profits would have fallen on a small fragment of our war production.

But instead of confining themselves to such they immediately proceed to renegotiate all contracts, and not for excessive profits alone, but excess profits as

well. Even the 240 companies which the gentleman from Texas said did not require renegotiation I claim were renegotiated. While the term may be of somewhat ambiguous connotation, to hold the contrary would be just as inconsistent as to say that a person had not been in a holdup, because, while the robber had put him in fear at the point of a pistol he had nothing on his person of which he could be robbed.

And when I speak of bureaucrats in this discussion, I do not mean the boards and investigators. I heave heard time and again that they are fine persons, and in the main I believe them to be. But these compliments are usually accompanied by the alleged statements of such officials, "We can only do what Washington orders us to do." Nor do I mean the Army and Navy. I have been told from various independent sources that the Army and Navy are not in favor of the Renegotiation Act. Whether this be true or not, from the multiplicity of these reports, I am inclined to believe it. But the question immediately presents itself; if this is true, and they are free to carry out their convictions, why don't they confine themselves to the plain intent of the law and decimate their burden? The answer is obvious. The real bureaucrats are those who constitute the invisible forces constantly at work to wreck the social, political and economic framework of our Nation, and establish a new order. Their destructive influence on our national policy, and especially our domestic economy, is giving cause for grave concern which is becoming more and more general. It is these bureaucrats, responsible for the rubber famine, the food production failure, the O. P. A. fiasco, who are also reaching for and retaining more power over our economy and our war production through the Renegotiation Act.

It is high time that the American people as a whole become realistic in this matter. The red herring which is drawn across the trail by the argument that the act prevents war millionaires is in the face of the 90 percent excess profits tax pure propaganda.

I repeat, we must have the courage to be realistic. It is true that in the early part of our defense and war production, lack of information on the tremendous reduction of costs through mass production resulted in some instances in enormous profits. But by this time this lack of knowledge has been overcome and these excessive profits have been recaptured.

We are now in grave danger through the renegotiation act and even the 90-percent excess-profits tax, of destroying the capital necessary for reconversion and tiding over when we change to peacetime production. The former allows corporations no margin, and the latter only a margin of doubtful value for this purpose.

It has long been accepted that it takes an average of $4,000 of capital to provide machinery and other essentials for each and every job. Lately, with the advance of technology, it is said this has been stepped up to $6,000 for each job. The bulk of the billions of this capital consists of savings, or stored labor from millions of small investors. Not only are they entitled to wages—dividends—on their stored labor, but also sufficient wages—profits—to replace their worn-out machinery and property. Millions of these small investors—many of them absolutely dependent on them for the necessaries of life—are deprived of these wages for their stored labor, and to many their capacity to produce—by their stored labor—is destroyed without social security, such as unemployment compensation to tide them over.

Even though our long-haired professors and star gazers may be indifferent to this fact, and show only contempt for industry, frugality, and thrift, we have the further consideration that unless this capital to provide jobs is conserved, unless this seed-money for jobs for reconversion is allowed to these corporations, there will not be the $6,000 nor any capital in thousands of industries to provide jobs for our 10,000,000 soldiers and millions of war workers when we convert to a peace economy.

And yet this is the very calamity we are running into with reckless abandon. Instead of excessive profits, thousands of corporations are unable to pay dividends because they are feverishly conserving profits to survive the conversion period and keep their workers on the pay roll in the meantime. I have heard of even large industries who, if the war should stop and their war orders be canceled, have not sufficient reserves to pay their employees for 1 week.

It is up to the American people to preserve this country from these crackpots and bureaucrats. It took the Truman committee, in January 1942, to blow the lid off the O. P. M., with its billions of waste without results in our war production. The administration, in sheer desperation, changed its attitude, came back to capital and labor—private enterprise, if you wish—and said, "Here, you take over the job," with the result that in a year we set a world record, notwithstanding the monkey wrenches thrown into the machinery by the long-haired professors and star-gazers.

We must do the same in the rest of our domestic problems. Not go back to the weaknesses and evils in the old system, but to its virility and driving power, minus those weaknesses which after all reside in the American people themselves. We have a terrific job on our hands, not only in winning this war but in overcoming the post-war problems in our economy as well. This is the problem of the American people. We do well to heed Jefferson's inhibition, "Were we to be directed from Washington when to sow and when to reap, we should soon want bread." We are on the threshold of the fulfillment of that prophecy now. Likewise if we continue to be directed from Washington in our economy by such bureaucrats and measures as direct the Renegotiation Act, we will soon want jobs. We owe to our fighting men on the far-flung battle lines and the seven seas the duty upon their return to provide them with jobs. Repeal of the act and abolishment of the bureaus created under it, will be a long step in that direction.

EXTENSION OF REMARKS

Mr. McGRANERY. Mr. Speaker, I ask unanimous consent to extend my own remarks in the RECORD and to include an editorial from the Philadelphia Record.

The SPEAKER pro tempore. Without objection, it is so ordered.

There was no objection.

Mr. HALE. Mr. Speaker, I ask unanimous consent to extend my own remarks in the RECORD and to include therein an article by Mr. Walter Lippmann entitled "Last Days of White Elephant."

The SPEAKER pro tempore. Without objection, it is so ordered.

There was no objection.

VISITING PRESS CORRESPONDENTS FROM SOUTH AMERICA

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

The SPEAKER pro tempore. Without objection, it is so ordered.

There was no objection.

Mr. JARMAN. Mr. Speaker, the Capital of our Nation is honored today by being host to a group of representatives of the press who are on a good-will tour from our neighbors to the south—Cuba, Paraguay, and Chile. It has just been the privilege of some of us to enjoy a very delightful luncheon with these gentlemen. We found them to be as charming a group of gentlemen as it has been our pleasure to meet in a long while, and are delighted that they are here. As I said to them, we hope they will thoroughly enjoy their visit, remain long, and soon come again.

During that luncheon the suggestion was made, attributed to me but it did not originate with me, that it would be a good idea for all children in America to be required to study Spanish in grammar school and high school, and that the children of the South American countries be required to study English. While, as I say, the idea did not originate with me I consider it an excellent one and sincerely hope it may materialize.

The SPEAKER pro tempore. The time of the gentleman from Alabama has expired.

Mrs. ROGERS of Massachusetts. Mr. Speaker, I ask unanimous consent that the gentleman from Alabama [Mr. JARMAN] may proceed for 5 additional minutes.

The SPEAKER pro tempore. Without objection, it is so ordered.

There was no objection.

Mr. JARMAN. I know of no way in which peoples of different nations can come to know each other as well and be as close to each other, as comradely, as brotherly, as neighborly, as for the peoples of the different nations to speak well, even though not fluently, the language of their neighbor; so it affords me pleasure to indulge in that suggestion

and to express the hope that it may bear fruit in the years to come contributing toward a closer relationship between all 21 countries of this hemisphere, because it is in this hemisphere as we all know that the future not only of America but of the entire world lies. On the conduct of these 21 nations depends the future of the world.

Mrs. ROGERS of Massachusetts. Mr. Speaker, will the gentleman yield?

Mr. JARMAN. I gladly yield to the charming gentlewoman from Massachusetts.

Mrs. ROGERS of Massachusetts. Does not the gentleman from Alabama believe that one way to achieve solidarity in the Western Hemisphere is through the good offices of our own very fine press at home and the press of the countries represented today by these extremely cultivated, gracious, and able gentlemen?

Mr. JARMAN. The gentlewoman from Massachusetts is undoubtedly correct; there is no group of people in those countries or our own country who are in position to accomplish more toward that end than the representatives of the press.

Mrs. ROGERS of Massachusetts. If the gentleman will yield further, may I say that the press of these countries is doing exceptionally fine work in bringing about understanding and appreciation of our common hopes and problems.

Mr. JARMAN. That is certainly true. All of us appreciate their fine contribution toward the war effort and American solidarity. When these able gentlemen return to their homelands their knowledge of America will enable them to accomplish even more along that line.

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

Mr. JARMAN. I gladly yield to my friend the distinguished gentleman from Idaho.

Mr. WHITE. In furthering that great plan of solidifying our relations with the other American countries does not the gentleman believe it will be a good thing if we could have a convention, an agreement with them to standardize the moneys of the respective countries so that their gold peso and our gold dollar, their silver dollar and our silver dollar, would be standardized to a certain value which would make them pass current in both countries?

Mr. JARMAN. I regret to say I am not sufficiently familiar with money matters to know much about that but I unhesitatingly express the belief that the gentleman's thought is worthy of mature consideration. In other words, in the vernacular of the street, I am impressed with the probability that "he has something."

URGENT DEFICIENCY BILL

Mr. CANNON of Missouri. Mr. Speaker, I ask unanimous consent to have until midnight tonight to file a conference report on the bill (H. R. 2714) making appropriations to supply urgent deficiencies in certain appropriations for the fiscal year ending June 30, 1943, and for prior fiscal years, and for other purposes.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Missouri [Mr. CANNON]?

There was no objection.

EXTENSION OF REMARKS

Mr. CANNON of Missouri. Mr. Speaker, I ask unanimous consent to extend my own remarks in the RECORD and to include a statement by the gentleman from North Carolina [Mr. KERR], chairman of the Committee on Appropriations subcommittee on subversive activities of Federal employees and also to extend my own remarks in that connection.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Missouri [Mr. CANNON]?

There was no objection.

Mr. WHITE. Mr. Speaker, I ask unanimous consent to extend my own remarks in the RECORD and to include certain excerpts.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Idaho [Mr. WHITE]?

There was no objection.

PERMISSION TO ADDRESS THE HOUSE

Mr. LUDLOW. Mr. Speaker, I ask unanimous consent to address the House and to revise and extend my own remarks in the RECORD and to include the text of a resolution I have introduced and a number of letters I have received.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Indiana [Mr. LUDLOW]?

There was no objection.

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

LEAVE OF ABSENCE

Leave of absence was granted by unanimous consent, as follows:

To Mr. TALBOT, for 1 week, on account of important business.

To Mr. VAN ZANDT, for an indefinite period, on account of official business.

To Mr. ELLSWORTH (at the request of Mr. HOLMES of Washington), for June 1 and June 2, on account of official business.

To Mr. HENDRICKS, indefinitely, on account of illness.

To Mr. JOHNSON of Indiana, for the remainder of the week, on account of official business.

To Mr. HARTLEY (at the request of Mr. EATON), for 2 days, on account of important business.

ENROLLED BILL SIGNED

Mr. KLEIN, from the Committee on Enrolled Bills, reported that that committee had examined and found truly enrolled a bill of the House of the following title, which was thereupon signed by the Speaker:

H. R. 2346. An act making appropriations for the fiscal year ending June 30, 1944, for civil functions administered by the War Department, and for other purposes.

ADJOURNMENT

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

The motion was agreed to; accordingly (at 3 o'clock and 20 minutes p. m.) the House adjourned until tomorrow, Wednesday, June 2, 1943, at 12 o'clock noon.

COMMITTEE HEARINGS

COMMITTEE ON PUBLIC BUILDINGS AND GROUNDS

There will be a meeting of the committee at 10 a. m. on Wednesday, June 2, 1943, for consideration of housing bills, in room 1304, New House Office Building.

COMMITTEE ON IMMIGRATION AND NATURALIZATION

The Committee on Immigration and Naturalization will hold hearings at 10 a. m. on Wednesday, June 2, and Thursday, June 3, 1943, on bills dealing with the Chinese Exclusion Act—H. R. 1882 and H. R. 2309.

COMMITTEE ON INTERSTATE AND FOREIGN COMMERCE

There will be a meeting of the Subcommittee on Investigation of Restriction on Brand Names and Newsprint of the Committee on Interstate and Foreign Commerce at 2 p. m. o'clock, Wednesday, June 2, 1943.

Business to be considered: Resuming public hearings pursuant to House Resolution 98 by Congressman HALLECK. Food and canners' industry will be heard.

COMMITTEE ON THE CIVIL SERVICE

The Committee on the Civil Service will hold a public hearing on Thursday, June 3, 1943, at 10 o'clock a. m. (H. Res. 16), for further investigation and studies of the policies and practices relating to civilian employment in governmental departments. Room 246, Old House Office Building.

COMMITTEE ON THE JUDICIARY

Subcommittee No. 2 of the Committee on the Judiciary will conduct hearings on H. R. 2617, a bill to provide for speedy and summary notice in proceedings to condemn property for war purposes, and to accelerate the distribution of deposits and awards to the persons entitled thereto in such cases, at 10:30 a. m. on Friday, June 4, 1943, in room 346, Old House Office Building, Washington, D. C.

COMMITTEE ON FLOOD CONTROL

The Flood Control Committee will conduct hearings on flood-control reports submitted by the Chief of Engineers since the passage of the Flood Control Act of August 18, 1941, and on amendments to existing law. Flood-control projects for post-war construction will be among the most satisfactory public works, and the committee plans an adequate backlog of sound flood-control projects available for construction following the war.

1. Wednesday, June 2: General Reybold, General Robins, Colonel Goethals, other representatives of the Office of Chief of Engineers, and proponents on projects for the New England region, including the Connecticut and Merrimac Rivers, and the Middle Atlantic region, including New York, Pennsylvania, and New Jersey.

2. Thursday, June 3: General Reybold, General Robins, Colonel Goethals, other representatives of the Office of Chief of Engineers, and proponents on projects in the upper and lower Ohio River and tributaries, and on projects of the South Atlantic region, including rivers flowing into the Atlantic Ocean and

Gulf of Mexico east of the Mississippi River.

3. Friday, June 4: General Reybold, General Robins, Colonel Goethals, other representatives of the Office of Chief of Engineers, and proponents on projects along the Missouri River and tributaries and the upper Mississippi River and the Great Lakes region.

4. Tuesday, June 8: General Reybold, General Robins, Colonel Goethals, other representatives of the Office of Chief of Engineers, and proponents on projects in the lower Mississippi River and tributaries, including the Arkansas and White Rivers, and on rivers flowing into the Gulf west of the Mississippi River, and in the western Rocky Mountain region, including Texas and Colorado, and in the Pacific Northwest region, including the Willamette River and the Columbia River and tributaries.

5. Wednesday, June 9: General Reybold, General Robins, Colonel Goethals, other representatives of the Office of Chief of Engineers, and proponents on projects in the Los Angeles area and in the State of California, including the Sacramento, San Joaquin, and Kern River Valleys, and on projects in other regions and in other parts of the United States.

6. Thursday, June 10: Representatives of the Department of Agriculture and the Bureau of Reclamation, and other governmental agencies.

7. Friday, June 11: Senators and Representatives of Congress.

COMMITTEE ON THE MERCHANT MARINE AND FISHERIES

The Committee on the Merchant Marine and Fisheries will hold a public hearing on Thursday, June 10, 1943, at 10 o'clock a. m., on H. R. 2731, to facilitate the award and payment of just compensation for property requisitioned under the authority of section 902 (a) of the Merchant Marine Act, 1936, as amended, and for other purposes.

COMMITTEE ON THE JUDICIARY

Subcommittee No. 1 of the Committee on the Judiciary will conduct hearings on H. R. 2620, a bill to provide for a Delegate from the District of Columbia to the House of Representatives of the United States, and for other purposes, at 10 a. m. on Wednesday, June 16, 1943, in room 346, Old House Office Building, Washington, D. C.

EXECUTIVE COMMUNICATIONS, ETC.

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

443. A communication from the President of the United States, transmitting an estimate of appropriation for the Smaller War Plants Corporation for the fiscal year 1944, amounting to $12,006,000 (H. Doc. No. 215); to the Committee on Appropriations and ordered to be printed.

444. A communication from the President of the United States, transmitting a report on Federal contributions to States and local governmental units with respect to federally owned real estate (H. Doc. No. 216); to the Committee on the Public Lands and ordered to be printed with illustrations.

445. A letter from the Secretary of War, transmitting a draft of a proposed bill to authorize the disposition of certain property under the jurisdiction of the War Department; to the Committee on Military Affairs.

446. A letter from the Attorney General, transmitting a draft of a proposed bill to amend the law of the District of Columbia relating to the carrying of concealed weapons; to the Committee on the District of Columbia.

447. A letter from the Attorney General, transmitting a draft of a proposed bill to make it a criminal offense for certain escaped convicts to travel from one State to another; to the Committee on the Judiciary.

448. A letter from the Attorney General, transmitting the third report of the Attorney General covering the period from February 1, 1943, through May 26, 1943, pursuant to section 12 of Public Law 603, Seventy-seventh Congress, approved June 11, 1942; to the Committee on Banking and Currency.

449. A letter from the Acting Administrator, Federal Security Agency, transmitting the Third Quarterly Report of the United States Commissioner of Education on the Education and Training of Defense Workers, covering the period beginning January 1, 1943, and ending March 31, 1943; to the Committee on Expenditures in the Executive Departments.

REPORTS OF COMMITTEES ON PUBLIC BILLS AND RESOLUTIONS

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

Mr. ELLIOTT: Joint Committee on the Disposition of Executive Papers. House Report No. 511. Report on the disposition of records by sundry departments of the United States Government. Ordered to be printed.

Mr. ELLIOTT: Joint Committee on the Disposition of Executive Papers. House Report No. 512. Report on the disposition of records by sundry departments of the United States Government. Ordered to be printed.

Mr. BLAND: Committee on the Merchant Marine and Fisheries. S. 163. An act to amend section 511 of the Merchant Marine Act, 1936, as amended, relating to ship construction reserve funds, and for other purposes; with amendment (Rept. No. 513). Referred to the Committee of the Whole House on the state of the Union.

PUBLIC BILLS AND RESOLUTIONS

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

By Mr. GEARHART:

H. R. 2832. A bill to amend the Nationality Act of 1940 so as to permit naturalization proceedings to be had at places other than in the office of the clerk or in open court in the case of sick or physically disabled individuals; to the Committee on Immigration and Naturalization.

By Mr. MAGNUSON:

H. R. 2833. A bill to amend section 11 of the Naval Aviation Cadet Act of 1942; to the Committee on Naval Affairs.

By Mr. NICHOLS:

H. R. 2834. A bill to amend the laws of the District of Columbia relating to the recorder of deeds; to the Committee on the District of Columbia.

By Mr. ROBSION of Kentucky:

H. R. 2835. A bill to incorporate the General Conference of the Mountain Assembly of the Churches of God; to the Committee on the Judiciary.

By Mr. WHELCHEL of Georgia:

H. R. 2836. A bill to grant increases in compensation to substitute employees in the Postal Service, and for other purposes; to the Committee on the Post Office and Post Roads.

By Mr. FULMER:

H. R. 2837. A bill to provide for central responsibility for the production and distribution of the Nation's food by establishing a War Food Administration in the Department of Agriculture, and for other purposes; to the Committee on Agriculture.

By Mr. BLAND:

H. R. 2838. A bill to suspend during the national emergency the application of sections 3114 and 3115 of the Revised Statutes, as amended in cases of certain vessels; to the Committee on Ways and Means.

By Mr. DOUGHTON:

H. R. 2839 (by request). A bill to suspend during the present war the application of sections 3114 and 3115 of the Revised Statutes, as amended, in cases of certain vessels; to the Committee on Ways and Means.

By Mr. GIFFORD:

H. R. 2840. A bill to provide that service subsequent to July 29, 1921, in respect of the management, operation, and maintenance of the Cape Cod Canal shall be included in computing length of service for purposes of the Civil Service Retirement Act of May 29, 1930; to the Committee on the Civil Service.

By Mr. LEA:

H. R. 2841. A bill to subject Indians of the State of California to the laws of that State; to the Commitee on Indian Affairs.

By Mr. MILLER of Missouri:

H. R. 2842. A bill to enforce the rights of citizens of the United States in the nomination and election of Senators, Representatives, electors, the President, and Vice President of the United States, and in any election to amend the Constitution of the United States; to the Committee on the Judiciary.

By Mr. MURRAY of Tennessee:

H. R. 2843. A bill to provide during the present war for certain additional compensation for star-route contractors, and for other purposes; to the Committee on the Post Office and Post Roads.

By Mr. PATMAN:

H. R. 2844. A bill regulating the control over voting securities of certain financial institutions, and for other purposes; to the Committee on Banking and Currency.

By Mr. RIZLEY:

H. J. Res. 133. Joint resolution to permit additional sales of wheat for feed; to the Committee on Agriculture.

By Mr. DOUGHTON:

H. J. Res. 134. Joint resolution to continue the temporary increases in postal rates on first-class matter, and for other purposes; to the committee on Ways and Means.

By Mr. FULMER:

H. Res. 246. Resolution providing funds for the investigation authorized by House Resolution 38; to the Committee on Accounts.

MEMORIALS

Under clause 3 of rule XXII, memorials were presented and referred as follows:

By the SPEAKER: Memorial of the Legislature of the State of Illinois, memorializing the President and the Congress of the United States to prepare for the proper hospitalization and treatment for veterans for World War No. 2; to the Committee on World War Veterans' Legislation.

Also, memorial of the Legislature of the State of Alabama, memorializing the President and the Congress of the United States protesting the action of the War Production Board relative to the Pullman Standard Car Manufacturing Co. at Bessemer; to the Committee on Military Affairs.

Also, memorial of the Legislature of the State of Illinois, memorializing the President and the Congress of the United States relative to the fundamentals of the Americans

all-immigrants all programs; to the Committee on Ways and Means.

Also, memorial of the Legislature of the State of Florida, memorializing the President and the Congress of the United States that the functions of the Federal Government relating to commercial fishing and fisheries be transferred from the United States Department of the Interior and placed under the United States Department of Agriculture; to the Committee on the Merchant Marine and Fisheries.

PRIVATE BILLS AND RESOLUTIONS

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

By Mr. GIFFORD:

H. R. 2845. A bill for the relief of John J. Beaton; to the Committee on Claims.

By Mr. LEA:

H. R. 2846. A bill for the relief of Mrs. Mildred Ring; to the Committee on Claims.

By Mr. REECE of Tennessee:

H. R. 2847. A bill for the relief of the estate of Romano Emiliani; 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:

1047. By Mr. ANDREWS: Resolution adopted by the Community Service Council on the 19th of May 1943, at a meeting at Niagara Falls, N. Y., favoring enactment of House bill 1290, which would be beneficial to aliens over 50 years of age who are unable to meet the educational requirements for citizenship; to the Committee on Immigration and Naturalization.

1048. Also, resolution adopted by the Buffalo New York Baptist Association, Inc., at the one hundred and thirty-third annual session, favoring the passage of legislation which would forbid the manufacture and sale of all alcoholic liquors except for medicinal and scientific purposes; to the Committee on the Judiciary.

1049. Also, petition sent in by residents of Buffalo, N. Y., urging the same treatment for the rationing of gasoline throughout the entire United States with no discrimination against the Eastern States; to the Committee on Banking and Currency.

1050. By Mr. BROWN of Ohio: Petition of the Springfield Union, Woman's Christian Temperance Union, recommending the passage of House bill 2082, to prohibit the manufacture, sale, or transportation of alcoholic liquors in the United States, for the duration of the war; to the Committee on the Judiciary.

1051. By Mr. CUNNINGHAM: Petition of 501 citizens of Iowa, urging support of House bill 2082, introduced by Hon. JOSEPH R. BRYSON, of South Carolina, to reduce absenteeism, conserve manpower, and speed production of materials necessary for the winning of the war, by prohibiting the manufacture, sale, or transportation of alcoholic liquors in the United States for the duration of the war and until the termination of demobilization; to the Committee on the Judiciary.

1052. By Mr. GAMBLE (by request): Petition signed by the Reverend C. A. Teates and other residents in White Plains, N. Y., urging enactment of House bill 2082; to the Committee on the Judiciary.

1053. By Mr. HAYS: Petition of the Junior and Senior Chambers of Commerce of Morrilton, Ark., and of the Conway County Flood Control Association, urging consideration of flood-control legislation; to the Committee on Flood Control.

1054. Also, petition of the Arkansas Bankers Association, urging abolition of certain credit agencies; to the Committee on Banking and Currency.

1055. By Mr. HEIDINGER: Letter from Allen Murphy, of Eldorado, Ill., one of the leading businessmen of southern Illinois, protesting against the Office of Price Administration order fixing retail prices which gives advantage to chain stores, mail-order houses, and large retail stores over the small merchant; to the Committee on Banking and Currency.

1056. Also, communication from C. F. Naugle, general merchant, Harco, Ill., protesting against certain retail prices fixed by the Office of Price Administration for the small merchants; to the Committee on Banking and Currency.

1057. By Mr. JONKMAN: Petition of Rev. Ralph M. Compson and 100 other citizens of Rockford, Sparta, and Grand Rapids, Mich., recommending the enactment of House bill 2082; to the Committee on the Judiciary.

1058. By Mr. MICHENER: Petition submitted by Minnie M. Snidecor, of Ypsilanti, Mich., and signed by 30 other residents of the community, urging enactment of the Bryson bill (H. R. 2032); to the Committee on the Judiciary.

1059. By Mr. VORYS of Ohio: Petition of Hannah R. Patterson and 19 other residents of Columbus, Ohio, urging the enactment of House bill 2082; to the Committee on the Judiciary.

1060. By Mr. BRYSON: Petition of Mrs. J. L. Mims and 41 citizens of South Carolina, urging enactment of House bill 2082, a measure to reduce absenteeism, conserve manpower, and speed production of materials necessary for the winning of the war by prohibiting the manufacture, sale, or transportation of alcoholic liquors in the United States for the duration of the war; to the Committee on the Judiciary.

1061. Also, petition of W. J. Woodring and 82 citizens of Port Matilda, Pa., urging enactment of House bill 2082, a measure to reduce absenteeism, conserve manpower, and speed production of materials necessary for the winning of the war by prohibiting the manufacture, sale, or transportation of alcoholic liquors in the United States for the duration of the war; to the Committee on the Judiciary.

1062. Also, petition of 60 citizens of Hood River, Oreg., urging enactment of House bill 2082, a measure to reduce absenteeism, conserve manpower, and speed production of materials necessary for the winning of the war by prohibiting the manufacture, sale, or transportation of alcoholic liquors in the United States for the duration of the war; to the Committee on the Judiciary.

1063. Also, petition of the Riverside Baptist Church, of Miami, Fla., signed by 116 members, urging enactment of House bill 2082, a measure to reduce absenteeism, conserve manpower, and speed production of materials necessary for the winning of the war by prohibiting the manufacture, sale, or transportation of alcoholic liquors in the United States for the duration of the war; to the Committee on the Judiciary.

1064. Also, petition of Mrs. R. K. Triplett and 48 citizens of Chattanooga, Tenn., urging enactment of House bill 2082, a measure to reduce absenteeism, conserve manpower, and speed production of materials necessary for the winning of the war by prohibiting the manufacture, sale, or transportation of alcoholic liquors in the United States for the duration of the war; to the Committee on the Judiciary.

1065. Also, petition of C. A. Patterson and 40 citizens of Berwick, Pa., urging enactment of House bill 2082, a measure to reduce absenteeism, conserve manpower, and speed production of materials necessary for the winning of the war by prohibiting the manufacture, sale, or transportation of alcoholic liquors in the United States for the duration of the war; to the Committee on the Judiciary.

1066. Also, petition of L. A. Swan and the I. O. G. T. Grand Lodge of California, urging enactment of House bill 2082, a measure to reduce absenteeism, conserve manpower, and speed production of materials necessary for the winning of the war by prohibiting the manufacture, sale, or transportation of alcoholic liquors in the United States for the duration of the war; to the Committee on the Judiciary.

1067. Also, petition of 43 members of the Woman's Society of Christian Service of the Centenary Methodist Church of McComb, Miss., urging enactment of House bill 2082, a measure to reduce absenteeism, conserve manpower, and speed production of materials necessary for the winning of the war by prohibiting the manufacture, sale, or transportation of alcoholic liquors in the United States for the duration of the war; to the Committee on the Judiciary.

1068. Also, petition of 19 citizens of South Carolina sent in by the Federated Forces for Temperance and Law Enforcement, of Orangeburg, S. C., urging enactment of House bill 2082, a measure to reduce absenteeism, conserve manpower, and speed production of materials necessary for the winning of the war by prohibiting the manufacture, sale, or transportation of alcoholic liquors in the United States for the duration of the war; to the Committee on the Judiciary.

1069. Also, petition of Emily McCutchen and 40 citizens of Bakersfield, Calif., urging enactment of House bill 2082, a measure to reduce absenteeism, conserve manpower, and speed production of materials necessary for the winning of the war by prohibiting the manufacture, sale, or transportation of alcoholic liquors in the United States for the duration of the war; to the Committee on the Judiciary.

1070. Also, petition of Leon Fields and 162 citizens of Montana, urging enactment of House bill 2082, a measure to reduce absenteeism, conserve manpower, and speed production of materials necessary for the winning of the war by prohibiting the manufacture, sale, or transportation of alcoholic liquors in the United States for the duration of the war; to the Committee on the Judiciary.

1071. Also, petition of Emma King and 48 citizens of Caldwell, Idaho, urging enactment of House bill 2082, a measure to reduce absenteeism, conserve manpower, and speed production of materials necessary for the winning of the war by prohibiting the manufacture, sale, or transportation of alcoholic liquors in the United States for the duration of the war; to the Committee on the Judiciary.

1072. Also, petition of Etta Pomroy and 31 citizens of Rochester, Minn., urging enactment of House bill 2082, a measure to reduce absenteeism, conserve manpower, and speed production of materials necessary for the winning of the war by prohibiting the manufacture, sale, or transportation of alcoholic liquors in the United States for the duration of the war; to the Committee on the Judiciary.

1073. Also, petition of Jeannette Wickersham and 51 citizens of Edison, Ohio, urging enactment of House bill 2082, a measure to reduce absenteeism, conserve manpower, and speed production of materials necessary for the winning of the war by prohibiting the manufacture, sale, or transportation of alcoholic liquors in the United States for the duration of the war; to the Committee on the Judiciary.

1074. Also, petition of 87 citizens of Bremerton, Wash., urging enactment of House bill 2082, a measure to reduce absenteeism, conserve manpower, and speed production of materials necessary for the winning of the war by prohibiting the manufacture, sale, or transportation of alcoholic liquors in the United States for the duration of the war; to the Committee on the Judiciary.

1075. Also, petition of Mrs. L. B. Offutt and 88 citizens of Pennsylvania, urging enactment of House bill 2082, a measure to reduce absenteeism, conserve manpower, and speed production of materials necessary for the winning of the war by prohibiting the manufacture, sale, or transportation of alcoholic liquors in the United States for the duration of the war; to the Committee on the Judiciary.

1076. Also, petition of Ella K. Whitmore and 51 citizens of Monrovia, Calif., urging enactment of House bill 2082, a measure to reduce absenteeism, conserve manpower, and speed production of materials necessary for the winning of the war by prohibiting the manufacture, sale, or transportation of alcoholic liquors in the United States for the duration of the war; to the Committee on the Judiciary.

1077. Also, petition of Mrs. Allie Lung and seven members of the Woman's Christian Temperance Union of Holtville, Calif., urging enactment of House bill 2082, a measure to reduce absenteeism, conserve manpower, and speed production of materials necessary for the winning of the war by prohibiting the manufacture, sale, or transportation of alcoholic liquors in the United States for the duration of the war; to the Committee on the Judiciary.

1078. Also, petition of Mrs. C. W. Clift and 20 members of the Woman's Christian Temperance Union of Harlingen, Tex., urging enactment of House bill 2082, a measure to reduce absenteeism, conserve manpower, and speed production of materials necessary for the winning of the war by prohibiting the manufacture, sale, or transportation of alcoholic liquors in the United States for the duration of the war; to the Committee on the Judiciary.

1079. Also, petition of Mrs. E. B. Pease and 66 citizens of Glasgow, Mont., urging enactment of House bill 2082, a measure to reduce absenteeism, conserve manpower, and speed production of materials necessary for the winning of the war by prohibiting the manufacture, sale, or transportation of alcoholic liquors in the United States for the duration of the war; to the Committee on the Judiciary.

1080. Also, petition of M. W. Thompson and 62 citizens of Wellsboro, Pa., urging enactment of House bill 2082, a measure to reduce absenteeism, conserve manpower, and speed production of materials necessary for the winning of the war by prohibiting the manufacture, sale, or transportation of alcoholic liquors in the United States for the duration of the war; to the Committee on the Judiciary.

1081. Also, petition of Pauline Grinnell and six citizens of Harlingen, Tex., urging enactment of House bill 2082, a measure to reduce absenteeism, conserve manpower, and speed production of materials necessary for the winning of the war by prohibiting the manufacture, sale, or transportation of alcoholic liquors in the United States for the duration of the war; to the Committee on the Judiciary.

1082. Also, petition of Lillian Wenner and 20 citizens of Berwick, Pa., urging enactment of House bill 2082, a measure to reduce absenteeism, conserve manpower, and speed production of materials necessary for the winning of the war by prohibiting the manufacture, sale, or transportation of alcoholic liquors in the United States for the duration of the war; to the Committee on the Judiciary.

1083. Also, petition of Mrs. Thomas Arnold and 42 citizens of New York City, urging enactment of House bill 2082, a measure to reduce absenteeism, conserve manpower, and speed production of materials necessary for the winning of the war by prohibiting the manufacture, sale, or transportation of alcoholic liquors in the United States for the duration of the war; to the Committee on the Judiciary.

1084. Also, petition of Mrs. A. W. Barker and 40 citizens of Alhambra, Calif., urging enactment of House bill 2082, a measure to reduce absenteeism, conserve manpower, and speed production of materials necessary for the winning of the war by prohibiting the manufacture, sale, or transportation of alcoholic liquors in the United States for the duration of the war; to the Committee on the Judiciary.

1085. Also, petition of G. M. Bruce and 11 citizens of St. Paul, Minn., urging enactment of House bill 2082, a measure to reduce absenteeism, conserve manpower, and speed production of materials necessary for the winning of the war by prohibiting the manufacture, sale, or transportation of alcoholic liquors in the United States for the duration of the war; to the Committee on the Judiciary.

1086. Also, petition of F. E. Watson and 62 citizens of Portland, Oreg., urging enactment of House bill 2082, a measure to reduce absenteeism, conserve manpower, and speed production of materials necessary for the winning of the war by prohibiting the manufacture, sale, or transportation of alcoholic liquors in the United States for the duration of the war; to the Committee on the Judiciary.

1087. Also, petition of Sallie M. Heffner and 140 citizens of Palmyra, Pa., urging enactment of House bill 2082, a measure to reduce absenteeism, conserve manpower, and speed production of materials necessary for the winning of the war by prohibiting the manufacture, sale, or transportation of alcoholic liquors in the United States for the duration of the war; to the Committee on the Judiciary.

1088. Also, petition of Rev. S. S. Mumey and 70 citizens of Lewisburg, Pa., urging enactment of House bill 2082, a measure to reduce absenteeism, conserve manpower, and speed production of materials necessary for the winning of the war by prohibiting the manufacture, sale, or transportation of alcoholic liquors in the United States for the duration of the war; to the Committee on the Judiciary.

1089. Also, petition of Mrs. W. W. Jones and 61 citizens of Havre, Mont., urging enactment of House bill 2082, a measure to reduce absenteeism, conserve manpower, and speed production of materials necessary for the winning of the war by prohibiting the manufacture, sale, or transportation of alcoholic liquors in the United States for the duration of the war; to the Committee on the Judiciary.

1090. Also, petition of Mabel Babb and eight citizens of Napa, Calif., urging enactment of House bill 2082, a measure to reduce absenteeism, conserve manpower, and speed production of materials necessary for the winning of the war by prohibiting the manufacture, sale, or transportation of alcoholic liquors in the United States for the duration of the war; to the Committee on the Judiciary.

1091. Also, petition of Mrs. Frank L. Rohrer and 21 citizens of Hagerstown, Md., urging enactment of House bill 2082, a measure to reduce absenteeism, conserve manpower, and speed production of materials necessary for the winning of the war by prohibiting the manufacture, sale, or transportation of alcoholic liquors in the United States for the duration of the war; to the Committee on the Judiciary.

1092. Also, petition of Laura C. Miller and 90 citizens of Winfield, Pa., urging enactment of House bill 2082, a measure to reduce absenteeism, conserve manpower, and speed production of materials necessary for the winning of the war by prohibiting the manufacture, sale, or transportation of alcoholic liquors in the United States for the duration of the war; to the Committee on the Judiciary.

1093. Also, petition of Martha Farley and 80 citizens of New Columbia, Pa., urging enactment of House bill 2082, a measure to reduce absenteeism, conserve manpower, and speed production of materials necessary for the winning of the war by prohibiting the manufacture, sale, or transportation of alcoholic liquors in the United States for the duration of the war; to the Committee on the Judiciary.

1094. Also, petition of Charlotte Smith and 40 citizens of Winfield, Pa., urging enactment of House bill 2082, a measure to reduce absenteeism, conserve manpower, and speed production of materials necessary for the winning of the war by prohibiting the manufacture, sale, or transportation of alcoholic liquors in the United States for the duration of the war; to the Committee on the Judiciary.

1095. Also, petition of Caroline Flagg Young and 20 citizens of Rockford, Ill., urging enactment of House bill 2082, a measure to reduce absenteeism, conserve manpower, and speed production of materials necessary for the winning of the war by prohibiting the manufacture, sale, or transportation of alcoholic liquors in the United States for the duration of the war; to the Committee on the Judiciary.

1096. Also, petition of Mrs. R. R. Grant and 21 citizens of River Forest, Ill., urging enactment of House bill 2082, a measure to reduce absenteeism, conserve manpower, and speed production of materials necessary for the winning of the war by prohibiting the manufacture, sale, or transportation of alcoholic liquors in the United States for the duration of the war; to the Committee on the Judiciary.

1097. Also, petition of Eva L. Barnes and 32 citizens of Wheeler, Mich., urging enactment of House bill 2082, a measure to reduce absenteeism, conserve manpower, and speed production of materials necessary for the winning of the war by prohibiting the manufacture, sale, or transportation of alcoholic liquors in the United States for the duration of the war; to the Committee on the Judiciary.

1098. Also, petition of Nellie Emerson and 24 citizens of Staples and Minneapolis, Minn., urging enactment of House bill 2082, a measure to reduce absenteeism, conserve manpower, and speed production of materials necessary for the winning of the war by prohibiting the manufacture, sale, or transportation of alcoholic liquors in the United States for the duration of the war; to the Committee on the Judiciary.

1099. Also, petition of R. J. Van Beck and 125 citizens of Kalamazoo, Mich., urging enactment of House bill 2082, a measure to reduce absenteeism, conserve manpower, and speed production of materials necessary for the winning of the war by prohibiting the manufacture, sale, or transportation of alcoholic liquors in the United States for the duration of the war; to the Committee on the Judiciary.

1100. Also, petition of Mildred N. Bowser and 217 citizens of Mechanicsburg, Pa., urging enactment of House bill 2082, a measure to reduce absenteeism, conserve manpower, and speed production of materials necessary for the winning of the war by prohibiting the manufacture, sale, or transportation of alcoholic liquors in the United States for the duration of the war; to the Committee on the Judiciary.

1101. Also, petition of Mrs. J. G. Charles and 18 citizens of Philadelphia, Pa., urging enactment of House bill 2082, a measure to reduce absenteeism, conserve manpower, and speed production of materials necessary for the winning of the war by prohibiting the

manufacture, sale, or transportation of alcoholic liquors in the United States for the duration of the war; to the Committee on the Judiciary.

1102. Also, petition of Roy R. Gowan and 21 citizens of Woodruff, S. C., urging enactment of House bill 2082, a measure to reduce absenteeism, conserve manpower, and speed production of materials necessary for the winning of the war by prohibiting the manufacture, sale, or transportation of alcoholic liquors in the United States for the duration of the war; to the Committee on the Judiciary.

1103. Also, petition of Mrs. James Davies and 300 citizens of Madelia, Minn., urging enactment of House bill 2082, a measure to reduce absenteeism, conserve manpower, and speed production of materials necessary for the winning of the war by prohibiting the maufacture, sale, or transportation of alcoholic liquors in the United States for the duration of the war; to the Committee on the Judiciary.

1104. Also, petition of Mrs. E. E. Norris and 20 citizens of Houston, Tex., urging enactment of House bill 2082, a measure to reduce absenteeism, conserve manpower, and speed production of materials necessary for the winning of the war by prohibiting the manufacture, sale, or transportation of alcoholic liquors in the United States for the duration of the war; to the Committee on the Judiciary.

1105. Also, petition of Lillie C. Oberlin and 41 citizens of Santa Ana, Calif., urging enactment of House bill 2082, a measure to reduce absenteeism, conserve manpower, and speed production of materials necessary for the winning of the war by prohibiting the manufacture, sale, or transportation of alcoholic liquors in the United States for the duration of the war; to the Committee on the Judiciary.

1106. Also petition of Amy E. Keiser and 69 citizens of Ono, Pa., urging enactment of House bill 2082, a measure to reduce absenteeism, conserve manpower, and speed production of materials necessary for the winning of the war by prohibiting the manufacture, sale, or transportation of alcoholic liquors in the United States for the duration of the war; to the Committee on the Judiciary.

1107. Also, petition of Meda Harvey and 40 citizens of Pasadena, Calif., urging enactment of House bill 2082, a measure to reduce absenteeism, conserve manpower, and speed production of materials necessary for the winning of the war by prohibiting the manufacture, sale, or transportation of alcoholic liquors in the United States for the duration of the war; to the Committee on the Judiciary.

1108. Also, petition of Mrs. E. K. Crowell and 14 citizens of St. Paul, Minn., urging enactment of House bill 2082, a measure to reduce absenteeism, conserve manpower, and speed production of materials necessary for the winning of the war by prohibiting the manufacture, sale, or transportation of alcoholic liquors in the United States for the duration of the war; to the Committee on the Judiciary.

1109. Also, petition of Mrs. G. F. Halnerson and 122 citizens of Madison, Wis., urging enactment of House bill 2082, a measure to reduce absenteeism, conserve manpower, and speed production of materials necessary for the winning of the war by prohibiting the manufacture, sale, or transportation of alcoholic liquors in the United States for the duration of the war; to the Committee on the Judiciary.

1110. Also, petition of Edith C. Cozad and 47 citizens of Hemet, Calif., urging enactment of House bill 2082, a measure to reduce absenteeism, conserve manpower, and speed production of materials necessary for the winning of the war by prohibiting the manufacture, sale, or transportation of alcoholic liquors in the United States for the duration of the war; to the Committee on the Judiciary.

1111. Also, petition of Anna Pettit and 26 citizens of Ithaca, Mich., urging enactment of House bill 2082, a measure to reduce absenteeism, conserve manpower, and speed production of materials necessary for the winning of the war by prohibiting the manufacture, sale, or transportation of alcoholic liquors in the United States for the duration of the war; to the Committee on the Judiciary.

1112. Also, petition of Emma Landstrom and 62 citizens of Cleveland, Ohio, urging enactment of House bill 2082, a measure to reduce absenteeism, conserve manpower, and speed production of materials necessary for the winning of the war by prohibiting the manufacture, sale, or transportation of alcoholic liquors in the United States for the duration of the war: to the Committee on the Judiciary.

1113. Also, petition of Mary F. Byington and 40 citizens of Winter Haven, Fla., urging enactment of House bill 2082, a measure to reduce absenteeism, conserve manpower, and speed production of materials necessary for the winning of the war by prohibiting the manufacture, sale, or transportation of alcoholic liquors in the United States for the duration of the war; to the committee on the Judiciary.

1114. Also, petition of Esther Born and 50 citizens of Waseca, Minn., urging enactment of House bill 2082, a measure to reduce absenteeism, conserve manpower, and speed production of materials necessary for the winning of the war by prohibiting the manufacture, sale, or transportation of alcoholic liquors in the United States for the duration of the war; to the committee on the Judiciary.

1115. Also, petition of Edith Campbell and 77 citizens of State College, Pa., urging enactment of House bill 2082, a measure to reduce absenteeism, conserve manpower, and speed production of materials necessary for the winning of the war by prohibiting the manufacture, sale, or transportation of alcoholic liquors in the United States for the duration of the war; to the Committee on the Judiciary.

1116. Also, petition of Jennie Ray Thompson and 22 citizens of Los Angeles, Calif., urging enactment of House bill 2082, a measure to reduce absenteeism, conserve manpower, and speed production of materials necessary for the winning of the war by prohibiting the manufacture, sale, or transportation of alcoholic liquors in the United States for the duration of the war; to the Committee on the Judiciary.

1117. Also, petition of Louise Alger and 62 citizens of Apalachin, N. Y., urging enactment of House bill 2082, a measure to reduce absenteeism, conserve manpower, and speed production of materials necessary for the winning of the war by prohibiting the manufacture, sale, or transportation of alcoholic liquors in the United States for the duration of the war; to the Committee on the Judiciary.

1118. Also, petition of Mrs. Wilma and 19 citizens of Waseca, Minn., urging enactment of House bill 2082, a measure to reduce absenteeism, conserve manpower, and speed production of materials necessary for the winning of the war by prohibiting the manufacture, sale, or transportation of alcoholic liquors in the United States for the duration of the war; to the Committee on the Judiciary.

1119. Also, petition of Mrs. Charles H. White and 92 citizens of Williamsport, Pa., urging enactment of House bill 2082, a measure to reduce absenteeism, conserve manpower, and speed production of materials necessary for the winning of the war by prohibiting the manufacture, sale, or transportation of alcoholic liquors in the United States for the duration of the war; to the Committee on the Judiciary.

1120. Also, petition of Harvey N. Hamble and 33 citizens of El Paso, Ill., urging enactment of House bill 2082, a measure to reduce absenteeism, conserve manpower, and speed production of materials necessary for the winning of the war by prohibiting the manufacture, sale, or transportation of alcoholic liquors in the United States for the duration of the war; to the Committee on the Judiciary.

1121. Also, petition of Cora Lanning and 21 citizens of Rutland, Ohio, urging enactment of House bill 2082, a measure to reduce absenteeism, conserve manpower, and speed production of materials necessary for the winning of the war by prohibiting the manufacture, sale, or transportation of alcoholic liquors in the United States for the duration of the war; to the Committee on the Judiciary.

1122. Also, petition of Rev. Hiram O. Weaver and 15 citizens of Newmanstown, Pa., urging enactment of House bill 2082, a measure to reduce absenteeism, conserve manpower, and speed production of materials necessary for the winning of the war by prohibiting the manufacture, sale, or transportation of alcoholic liquors in the United States for the duration of the war; to the Committee on the Judiciary.

1123. Also, petition of Claude A. Kinney and 40 citizens of St. Louis, Mo., urging enactment of House bill 2082, a measure to reduce absenteeism, conserve manpower, and speed production of materials necessary for the winning of the war by prohibiting the manufacture, sale, or transportation of alcoholic liquors in the United States for the duration of the war; to the Committee on the Judiciary.

1124. Also, petition of Edna Thompson and 43 citizens of Dawson, Minn., urging enactment of House bill 2082, a measure to reduce absenteeism, conserve manpower, and speed production of materials necessary for the winning of the war by prohibiting the manufacture, sale, or transportation of alcoholic liquors in the United States for the duration of the war; to the Committee on the Judiciary.

1125. Also, petition of Hall Adams and 38 members of the Northside Baptist Church of Rock Hill, S. C., urging enactment of House bill 2082, a measure to reduce absenteeism, conserve manpower, and speed production of materials necessary for the winning of the war by prohibiting the manufacture, sale, or transportation of alcoholic liquors in the United States for the duration of the war; to the Committee on the Judiciary.

1126. Also, petition of Mrs. Frank Armstrong and 11 citizens of Champlin, Minn., urging enactment of House bill 2082, a measure to reduce absenteeism, conserve manpower, and speed production of materials necessary for the winning of the war by prohibiting the manufacture, sale, or transportation of alcoholic liquors in the United States for the duration of the war; to the Committee on the Judiciary.

1127. Also, petition of Mrs. S. L. Hurley and 19 citizens of Silver Spring, Md., urging enactment of House bill 2082, a measure to reduce absenteeism, conserve manpower, and speed production of materials necessary for the winning of the war by prohibiting the manufacture, sale, or transportation of alcoholic liquors in the United States for the duration of the war; to the Committee on the Judiciary.

1128. Also, petition of Edith Forrest and 26 citizens of Moberly, Mo., urging enactment of House bill 2082, a measure to reduce absenteeism, conserve manpower, and speed production of materials necessary for the

winning of the war by prohibiting the manufacture, sale, or transportation of alcoholic liquors in the United States for the duration of the war; to the Committee on the Judiciary.

1129. Also, petition of Mrs. H. J. Riordan and 251 citizens of Duluth, Minn., urging enactment of House bill 2082, a measure to reduce absenteeism, conserve manpower, and speed production of materials necessary for the winning of the war by prohibiting the manufacture, sale, or transportation of alcoholic liquors in the United States for the duration of the war; to the Committee on the Judiciary.

1130. Also, petition of Mrs. F. C. Helble and 111 citizens of Warren, Ohio, urging enactment of House bill 2082, a measure to reduce absenteeism, conserve manpower, and speed production of materials necessary for the winning of the war by prohibiting the manufacture, sale, or transportation of alcoholic liquors in the United States for the duration of the war; to the Committee on the Judiciary.

1131. Also, petition of Mary M. Wolfe and 37 citizens of Lewisburg, Pa., urging enactment of House bill 2082, a measure to reduce absenteeism, conserve manpower, and speed production of materials necessary for the winning of the war by prohibiting the manufacture, sale, or transportation of alcoholic liquors in the United States for the duration of the war; to the Committee on the Judiciary.

1132. Also, petition of Vertie Vible and 21 citizens of Leesburg, Ohio, urging enactment of House bill 2082, a measure to reduce absenteeism, conserve manpower, and speed production of materials necessary for the winning of the war by prohibiting the manufacture, sale, or transportation of alcoholic liquors in the United States for the duration of the war; to the Committee on the Judiciary.

1133. Also, petition of Mabel Bennett and 38 citizens of Hillsdale, Mich., urging enactment of House bill 2082, a measure to reduce absenteeism, conserve manpower, and speed production of materials necessary for the winning of the war by prohibiting the manufacture, sale, or transportation of alcoholic liquors in the United States for the duration of the war; to the Committee on the Judiciary.

1134. Also, petition of Mary Shawbaker and 46 citizens of Monrovia, Md., urging enactment of House bill 2082, a measure to reduce absenteeism, conserve manpower, and speed production of materials necessary for the winning of the war by prohibiting the manufacture, sale, or transportation of alcoholic liquors in the United States for the duration of the war; to the Committee on the Judiciary.

1135. Also, petition of G. F. Smith and 46 citizens of Woodsboro, Md., urging enactment of House bill 2082, a measure to reduce absenteeism, conserve manpower, and speed production of materials necessary for the winning of the war by prohibiting the manufacture, sale, or transportation of alcoholic liquors in the United States for the duration of the war; to the Committee on the Judiciary.

1136. Also, petition of 92 citizens of Montrose, Pa., urging enactment of House bill 2082, a measure to reduce absenteeism, conserve manpower, and speed production of materials necessary for the winning of the war by prohibiting the manufacture, sale, or transportation of alcoholic liquors in the United States for the duration of the war; to the Committee on the Judiciary.

1137. Also, petition of Mrs. Ambrose C. Brown and 68 citizens of Tionesta, Pa., urging enactment of House bill 2082, a measure to reduce absenteeism, conserve manpower, and speed production of materials necessary for the winning of the war by prohibiting the manufacture, sale, or transportation of alcoholic liquors in the United States for the duration of the war; to the Committee on the Judiciary.

1138. Also, petition of Rev. Edward A. Durham and eight citizens of Goffstown, N. H., urging enactment of House bill 2082, a measure to reduce absenteeism, conserve manpower, and speed production of materials necessary for the winning of the war by prohibiting the manufacture, sale, or transportation of alcoholic liquors in the United States for the duration of the war; to the Committee on the Judiciary.

1139. Also, petition of Tennie Crain and 20 citizens of Gorham, Ill., urging enactment of House bill 2082, a measure to reduce absenteeism, conserve manpower, and speed production of materials necessary for the winning of the war by prohibiting the manufacture, sale, or transportation of alcoholic liquors in the United States for the duration of the war; to the Committee on the Judiciary.

1140. Also, petition of Jennie Friend and 20 citizens of Meridian, Idaho, urging enactment of House bill 2082, a measure to reduce absenteeism, conserve manpower, and speed production of materials necessary for the winning of the war by prohibiting the manufacture, sale, or transportation of alcoholic liquors in the United States for the duration of the war; to the Committee on the Judiciary.

1141. Also, petition of Mrs. Oscar Hall and 19 citizens of Rockford, Ill., urging enactment of House bill 2082, a measure to reduce absenteeism, conserve manpower, and speed production of materials necessary for the winning of the war by prohibiting the manufacture, sale, or transportation of alcoholic liquors in the United States for the duration of the war; to the Committee on the Judiciary.

1142. Also, petition of Stella M. Douglas and 20 citizens of Brunswick, Maine, urging enactment of House bill 2082, a measure to reduce absenteeism, conserve manpower, and speed production of materials necessary for the winning of the war by prohibiting the manufacture, sale, or transportation of alcoholic liquors in the United States for the duration of the war; to the Committee on the Judiciary.

1143. Also, petition of Mrs. S. R. E. Addy and 40 members of the Woman's Christian Temperance Union of the counties of Aiken, Saluda, Edgefield, McCormick, and Lexington, S. C., urging enactment of House bill 2082, a measure to reduce absenteeism, conserve manpower, and speed production of materials necessary for the winning of the war by prohibiting the manufacture, sale, or transportation of alcoholic liquors in the United States for the duration of the war; to the Committee on the Judiciary.

1144. Also, petition of Minnie V. Pursell and 31 citizens of Bremerton, Wash., urging enactment of House bill 2082, a measure to reduce absenteeism, conserve manpower, and speed production of materials necessary for the winning of the war by prohibiting the manufacture, sale, or transportation of alcoholic liquors in the United States for the duration of the war; to the Committee on the Judiciary.

1145. Also, petition of E. F. Pursell and 44 citizens of Bremerton, Wash., urging enactment of House bill 2082, a measure to reduce absenteeism, conserve manpower, and speed production of materials necessary for the winning of the war by prohibiting the manufacture, sale, or transportation of alcoholic liquors in the United States for the duration of the war; to the Committee on the Judiciary.

1146. Also, petition of Mrs. E. P. Roberts and 61 citizens of Albuquerque, N. Mex., urging enactment of House bill 2082, a measure to reduce absenteeism, conserve manpower, and speed production of materials necessary for the winning of the war by prohibiting the manufacture, sale, or transportation of alcoholic liquors in the United States for the duration of the war; to the Committee on the Judiciary.

1147. Also, petition of Mrs. A. D. Haight and 13 citizens of Robbinsdale, Minn., urging enactment of House bill 2082, a measure to reduce absenteeism, conserve manpower, and speed production of materials necessary for the winning of the war by prohibiting the manufacture, sale, or transportation of alcoholic liquors in the United States for the duration of the war; to the Committee on the Judiciary.

1148. Also, petition of Clara Ross and 8 citizens of Columbiaville, Mich., urging enactment of House bill 2082, a measure to reduce absenteeism, conserve manpower, and speed production of materials necessary for the winning of the war by prohibiting the manufacture, sale, or transportation of alcoholic liquors in the United States for the duration of the war; to the Committee on the Judiciary.

1149. Also, petition of Rev. Charles G. Cole and 61 members of the Methodist Church of Havre, Mont., urging enactment of House bill 2082, a measure to reduce absenteeism, conserve manpower, and speed production of materials necessary for the winning of the war by prohibiting the manufacture, sale, or transportation of alcoholic liquors in the United States for the duration of the war; to the Committee on the Judiciary.

1150. Also, petition of Hollis C. Stevenson and 35 citizens of Plattsburg, N. Y., urging enactment of House bill 2082, a measure to reduce absenteeism, conserve manpower, and speed production of materials necessary for the winning of the war by prohibiting the manufacture, sale, or transportation of alcoholic liquors in the United States for the duration of the war; to the Committee on the Judiciary.

1151. Also, petition of Mrs. Festus Curry and 12 citizens of Gray Court, S. C., urging enactment of House bill 2082, a measure to reduce absenteeism, conserve manpower, and speed production of materials necessary for the winning of the war by prohibiting the manufacture, sale, or transportation of alcoholic liquors in the United States for the duration of the war; to the Committee on the Judiciary.

1152. Also, petition of Catherine C. Robinson and 50 citizens of New York City, urging enactment of House bill 2082, a measure to reduce absenteeism, conserve manpower, and speed production of materials necessary for the winning of the war by prohibiting the manufacturing, sale, or transportation of alcoholic liquors in the United States for the duration of the war; to the Committee on the Judiciary.

1153. Also, petition of Rev. Paul Williscraft and 19 citizens of Glasgow, Mont., urging enactment of House bill 2082, a measure to reduce absenteeism, conserve manpower, and speed production of materials necessary for the winning of the war by prohibiting the manufacture, sale, or transportation of alcoholic liquors in the United States for the duration of the war; to the Committee on the Judiciary.

1154. Also, petition of the Baldwin Woman's Christian Temperance Union of Los Angeles, Calif., urging enactment of H. R. 2082, a measure to reduce absenteeism, conserve manpower, and speed production of materials necessary for the winning of the war by prohibiting the manufacture, sale, or transportation of alcoholic liquors in the United States for the duration of the war; to the Committee on the Judiciary.

1155. Also, petition of Harmon W. Jones and 22 citizens of Centralia, Wash., urging enactment of House bill 2082, a measure to reduce absenteeism, conserve manpower, and speed production of materials necessary for

the winning of the war by prohibiting the manufacture, sale, or transportation of alcoholic liquors in the United States for the duration of the war; to the Committee on the Judiciary.

1156. Also, petition of Mrs. James Peterson and the Women's Christian Temperance Union of Kansas City, Mo., urging enactment of House bill 2082, a measure to reduce absenteeism, conserve manpower, and speed production of materials necessary for the winning of the war by prohibiting the manufacture, sale, or transportation of alcoholic liquors in the United States for the duration of the war; to the Committee on the Judiciary.

1157. Also, petition of Susan B. Simpson and 20 citizens of Torrance, Pa., urging enactment of House bill 2082, a measure to reduce absenteeism, conserve manpower, and speed production of materials necessary for the winning of the war by prohibiting the manufacture, sale, or transportation of alcoholic liquors in the United States for the duration of the war; to the Committee on the Judiciary.

1158. Also, petition of Rev. S. H. Jones and 20 citizen of Seward, Nebr., urging enactment of House bill 2082, a measure to reduce absenteeism, conserve manpower, and speed production of materials necessary for the winning of the war by prohibiting the manufacture, sale, or transportation of alcoholic liquors in the United States for the duration of the war; to the Committee on the Judiciary.

1159. Also, petition of Ammy Pancvast and 55 citizens of Ashland, Nebr., urging enactment of House bill 2082, a measure to reduce absenteeism, conserve manpower, and speed production of materials necessary for the winning of the war by prohibiting the manufacture, sale, or transportation of alcoholic liquors in the United States for the duration of the war; to the Committee on the Judiciary.

1160. Also, petition of Mrs. T. D. Van Arnam and 20 citizens of Milaca, Minn., urging enactment of House bill 2082, a measure to reduce absenteeism, conserve manpower, and speed production of materials necessary for the winning of the war by prohibiting the manufacture, sale, or transportation of alcoholic liquors in the United States for the duration of the war; to the Committee on the Judiciary.

1161. Also, petition of Mrs. T. W. Baker and 31 citizens of Lupelo, Miss., urging enactment of House bill 2082, a measure to reduce absenteeism, conserve manpower, and speed production of materials necessary for the winning of the war by prohibiting the manufacture, sale, or transportation of alcoholic liquors in the United States for the duration of the war; to the Committee on the Judiciary.

1162. Also, petition of Mattie Miller and 57 citizens of Hartsville, S. C., urging enactment of House bill 2082, a measure to reduce absenteeism, conserve manpower, and speed production of materials necessary for the winning of the war by prohibiting the manufacture, sale, or transportation of alcoholic liquors in the United States for the duration of the war; to the Committee on the Judiciary.

1163. Also, petition of Mrs. R. B. Gillaim and 12 members of the Ladies' Bible Class of the First Baptist Church of Union, S. C., urging enactment of House bill 2082, a measure to reduce absenteeism, conserve manpower, and speed production of materials necessary for the winning of the war by prohibiting the manufacture, sale, or transportation of alcoholic liquors in the United States for the duration of the war; to the Committee on the Judiciary.

1164. Also, petition of Paul W. Moss and 22 citizens of Rockfield, Ky., urging enactment of House bill 2082, a measure to reduce absenteeism, conserve manpower, and speed production of materials necessary for the winning of the war by prohibiting the manufacture, sale, or transportation of alcoholic liquors in the United States for the duration of the war; to the Committee on the Judiciary.

1165. Also, petition of the Men's Brotherhood Class of the Tionesta Methodist Church of Tionesta, Pa., urging enactment of House bill 2082, a measure to reduce absenteeism, conserve manpower, and speed production of materials necessary for the winning of the war by prohibiting the manufacture, sale, or transportation of alcoholic liquors in the United States for the duration of the war; to the Committee on the Judiciary.

1166. Also, petition of Frank D. Thomson and 26 citizens of Claremont, Calif., urging enactment of House bill 2082, a measure to reduce absenteeism, conserve manpower, and speed production of materials necessary for the winning of the war by prohibiting the manufacture, sale, or transportation of alcoholic liquors in the United States for the duration of the war; to the Committee on the Judiciary.

1167. Also, petition of Mrs. C. C. Chamness, Sr., and 10 citizens of Blenheim, S. C., urging enactment of House bill 2082, a measure to reduce absenteeism, conserve manpower, and speed production of materials necessary for the winning of the war by prohibiting the manufacture, sale, or transportation of alcoholic liquors in the United States for the duration of the war; to the Committee on the Judiciary.

1168. Also, petition of the Youth Temperance Council of Bowman, S. C., urging enactment of House bill 2082, a measure to reduce absenteeism, conserve manpower, and speed production of materials necessary for the winning of the war by prohibiting the manufacture, sale, or transportation of alcoholic liquors in the United States for the duration of the war; to the Committee on the Judiciary.

1169. Also, petition of Bessie A. Buckley and 83 citizens of Vandergrift, Pa., urging enactment of House bill 2082, a measure to reduce absenteeism, conserve manpower, and speed production of materials necessary for the winning of the war by prohibiting the manufacture, sale, or transportation of alcoholic liquors in the United States for the duration of the war; to the Committee on the Judiciary.

1170. Also, petition of Mrs. E. W. Gibbs and 19 citizens of Hood River, Oreg., urging enactment of House bill 2082, a measure to reduce absenteeism, conserve manpower, and speed production of materials necessary for the winning of the war by prohibiting the manufacture, sale, or transportation of alcoholic liquors in the United States for the duration of the war; to the Committee on the Judiciary.

1171. Also, petition of M. L. Calvert and 20 citizens of Lenore, Idaho, urging enactment of House bill 2082, a measure to reduce absenteeism, conserve manpower, and speed production of materials necessary for the winning of the war by prohibiting the manufacture, sale, or transportation of alcoholic liquors in the United States for the duration of the war; to the Committee on the Judiciary.

1172. Also, petition of Mrs. R. C. Gore and 12 citizens of Paducah, Ky., urging enactment of House bill 2082, a measure to reduce absenteeism, conserve manpower, and speed production of materials necessary for the winning of the war by prohibiting the manufacture, sale, or transportation of alcoholic liquors in the United States for the duration of the war; to the Committee on the Judiciary.

1173. Also, petition of Opal Hurt and 62 citizens of Lindsay, Calif., urging enactment of House bill 2082, a measure to reduce absenteeism, conserve manpower, and speed production of materials necessary for the winning of the war by prohibiting the manufacture, sale, or transportation of alcoholic liquors in the United States for the duration of the war; to the Committee on the Judiciary.

1174. Also, petition of Mrs. F. R. Coburn and 21 citizens of Edmondston, Md., urging enactment of House bill 2082, a measure to reduce absenteeism, conserve manpower, and speed production of materials necessary for the winning of the war by prohibiting the manufacture, sale, or transportation of alcoholic liquors in the United States for the duration of the war; to the Committee on the Judiciary.

1175. Also, petition of Mrs. W. E. Leaver and 21 citizens of Cincinnati, Ohio, urging enactment of House bill 2082, a measure to reduce absenteeism, conserve manpower, and speed production of materials necessary for the winning of the war by prohibiting the manufacture, sale, or transportation of alcoholic liquors in the United States for the duration of the war; to the Committee on the Judiciary.

1176. Also, petition of Miss Birdie Richter and 55 citizens of Piedmont, Mo., urging enactment of House bill 2082, a measure to reduce absenteeism, conserve manpower, and speed production of materials necessary for the winning of the war by prohibiting the manufacture, sale, or transportation of alcoholic liquors in the United States for the duration of the war; to the Committee on the Judiciary.

1177. Also, petition of R. D. Hoy and 36 citizens of El Centro, Calif., urging enactment of House bill 2082, a measure to reduce absenteeism, conserve manpower, and speed production of materials necessary for the winning of the war by prohibiting the manufacture, sale, or transportation of alcoholic liquors in the United States for the duration of the war; to the Committee on the Judiciary.

1178. Also, petition of Mrs. F. E. Hubbard and 22 citizens of Minneapolis, Minn., urging enactment of House bill 2082, a measure to reduce absenteeism, conserve manpower, and speed production of materials necessary for the winning of the war by prohibiting the manufacture, sale, or transportation of alcoholic liquors in the United States for the duration of the war; to the Committee on the Judiciary.

1179. Also, petition of Mrs. E. B. Smith and 133 citizens of Fort Pierce, Fla., urging enactment of House bill 2082, a measure to reduce absenteeism, conserve manpower, and speed production of materials necessary for the winning of the war by prohibiting the manufacture, sale, or transportation of alcoholic liquors in the United States for the duration of the war; to the Committee on the Judiciary.

1180. Also, petition of Blanche Lockwood and 16 citizens of Santa Monica, Calif., urging enactment of House bill 2082, a measure to reduce absenteeism, conserve manpower, and speed production of materials necessary for the winning of the war by prohibiting the manufacture, sale, or transportation of alcoholic liquors in the United States for the duration of the war; to the Committee on the Judiciary.

1181. Also, petition of Mrs. E. C. Rowe and 40 citizens of North Platte, Nebr., urging enactment of House bill 2082, a measure to reduce absenteeism, conserve manpower, and speed production of materials necessary for the winning of the war by prohibiting the manufacture, sale, or transportation of alcoholic liquors in the United States for the duration of the war; to the Committee on the Judiciary.

1182. Also, petition of Rev. M. A. Simmons and 51 members of the Southside Church of the Nazarene of Miami, Fla., urging enactment of House bill 2082, a measure to reduce absenteeism, conserve manpower, and speed production of materials necessary for

the winning of the war by prohibiting the manufacture, sale, or transportation of alcoholic liquors in the United States for the duration of the war; to the Committee on the Judiciary.

1183. Also, petition of Mrs. Clinton Weber and 29 citizens of Hutchinson, Kans., urging enactment of House bill 2082, a measure to reduce absenteeism, conserve manpower, and speed production of materials necessary for the winning of the war by prohibiting the manufacture, sale, or transportation of alcoholic liquors in the United States for the duration of the war; to the Committee on the Judiciary.

1184. Also, petition of Rebecca S. Cowgill and 50 citizens of Pasadena, Calif., urging enactment of House bill 2082, a measure to reduce absenteeism, conserve manpower, and speed production of materials necessary for the winning of the war by prohibiting the manufacture, sale, or transportation of alcoholic liquors in the United States for the duration of the war; to the Committee on the Judiciary.

1185. Also, petition of Fannie E. Northfield and 15 citizens of Minneapolis, Minn., urging enactment of House bill 2082, a measure to reduce absenteeism, conserve manpower, and speed production of materials necessary for the winning of the war by prohibiting the manufacture, sale, or transportation of alcoholic liquors in the United States for the duration of the war; to the Committee on the Judiciary.

1186. Also, petition of Margaret Utt and 20 citizens of Tustin, Calif., urging enactment of House bill 2082, a measure to reduce absenteeism, conserve manpower, and speed production of materials necessary for the winning of the war by prohibiting the manufacture, sale, or transportation of alcoholic liquors in the United States for the duration of the war; to the Committee on the Judiciary.

1187. Also, petition of T. E. Blair and C. R. Hollis and 51 citizens of Gattman, Miss., urging enactment of House bill 2082, a measure to reduce absenteeism, conserve manpower, and speed production of materials necessary for the winning of the war by prohibiting the manufacture, sale, or transportation of alcoholic liquors in the United States for the duration of the war; to the Committee on the Judiciary.

1188. Also, petition of Rev. J. N. Tinsley and 60 citizens of Miami, Fla., urging enactment of House bill 2082, a measure to reduce absenteeism, conserve manpower, and speed production of materials necessary for the winning of the war by prohibiting the manufacture, sale, or transportation of alcoholic liquors in the United States for the duration of the war; to the Committee on the Judiciary.

1189. Also, petition of Sarah Engle and 40 citizens of New Berlin, Pa., urging enactment of House bill 2082, a measure to reduce absenteeism, conserve manpower, and speed production of materials necessary for the winning of the war by prohibiting the manufacture, sale, or transportation of alcoholic liquors in the United States for the duration of the war; to the Committee on the Judiciary.

1190. Also, petition of Harry F. Watson and 110 citizens of Philadelphia, Pa., urging enactment of House bill 2082, a measure to reduce absenteeism, conserve manpower, and speed production of materials necessary for the winning of the war by prohibiting the manufacture, sale, or transportation of alcoholic liquors in the United States for the duration of the war; to the Committee on the Judiciary.

1191. Also, petition of Marie Harris and 20 citizens of Mansfield, Ohio, urging enactment of House bill 2082, a measure to reduce absenteeism, conserve manpower, and speed production of materials necessary for the winning of the war by prohibiting the manufacture, sale, or transportation of alcoholic liquors in the United States for the duration of the war; to the Committee on the Judiciary.

1192. Also, petition of 55 citizens of Bow, Wash., urging enactment of House bill 2082, a measure to reduce absenteeism, conserve manpower, and speed production of materials necessary for the winning of the war by prohibiting the manufacture, sale, or transportation of alcoholic liquors in the United States for the duration of the war; to the Committee on the Judiciary.

1193. Also, petition of Bertha M. Swank and 36 citizens of Melba, Idaho, urging enactment of House bill 2082, a measure to reduce absenteeism, conserve manpower, and speed production of materials necessary for the winning of the war by prohibiting the manufacture, sale, or transportation of alcoholic liquors in the United States for the duration of the war; to the Committee on the Judiciary.

1194. Also, petition of W. J. Hughes and 60 citizens of Alliance, Ohio, urging enactment of House bill 2082, a measure to reduce absenteeism, conserve manpower, and speed production of materials necessary for the winning of the war by prohibiting the manufacture, sale, or transportation of alcoholic liquors in the United States for the duration of the war; to the Committee on the Judiciary.

1195. Also, petition of Elizabeth R. Hackett and 112 citizens of Phoeniz, Ariz., urging enactment of House bill 2082, a measure to reduce absenteeism, conserve manpower, and speed production of materials necessary for the winning of the war by prohibiting the manufacture, sale, or transportation of alcoholic liquors in the United States for the duration of the war; to the Committee on the Judiciary.

1196. Also, petition of Myrta S. Hopkins and 50 citizens of East Aurora, N. Y., urging enactment of House bill 2082, a measure to reduce absenteeism, conserve manpower, and speed production of materials necessary for the winning of the war by prohibiting the manufacture, sale, or transportation of alcoholic liquors in the United States for the duration of the war; to the Committee on the Judiciary.

1197. Also, petition of James M. Wise and 167 citizens of Rockford, Ill., urging enactment of House bill 2082, a measure to reduce absenteeism, conserve manpower, and speed production of materials necessary for the winning of the war by prohibiting the manufacture, sale, or transportation of alcoholic liquors in the United States for the duration of the war; to the Committee on the Judiciary.

1198. Also, petition of Sadie C. Reynolds and 39 citizens of Hughson, Calif., urging enactment of House bill 2082, a measure to reduce absenteeism, conserve manpower, and speed production of materials necessary for the winning of the war by prohibiting the manufacture, sale, or transportation of alcoholic liquors in the United States for the duration of the war; to the Committee on the Judiciary.

1199 Also, petition of Emma L. Stevenson and 111 citizens of Bremerton, Wash., urging enactment of House bill 2082, a measure to reduce absenteeism, conserve manpower, and speed production of materials necessary for the winning of the war by prohibiting the manufacture, sale, or transportation of alcoholic liquors in the United States for the duration of the war; to the Committee on the Judiciary.

1200. Also, petition of Anna G. Pride and 69 citizens of Madison, Wis., urging enactment of House bill 2082, a measure to reduce absenteeism, conserve manpower, and speed production of materials necessary for the winning of the war by prohibiting the manufacture, sale, or transportation of alcoholic liquors in the United States for the duration of the war; to the Committee on the Judiciary.

1201 Also, petition of Ruth Hawk and 51 citizens of New Plymouth, Ohio, urging enactment of House bill 2082, a measure to reduce absenteeism, conserve manpower, and speed production of materials necessary for the winning of the war by prohibiting the manufacture, sale, or transportation of alcoholic liquors in the United States for the duration of the war; to the Committee on the Judiciary.

1202. Also, petition of A. F. Miller and 21 citizens of Winona, Minn., urging enactment of House bill 2082, a measure to reduce absenteeism, conserve manpower, and speed production of materials necessary for the winning of the war by prohibiting the manufacture, sale, or transportation of alcoholic liquors in the United States for the duration of the war; to the Committee on the Judiciary.

1203. Also, petition of 39 citizens of Middletown, Ind., urging enactment of House bill 2082, a measure to reduce absenteeism, conserve manpower, and speed production of materials necessary for the winning of the war by prohibiting the manufacture, sale, or transportation of alcoholic liquors in the United States for the duration of the war; to the Committee on the Judiciary.

1204. Also, petition of Mrs. R. R. Haight and 471 citizens of Corunna, Mich., urging enactment of House bill 2082, a measure to reduce absenteeism, conserve manpower, and speed production of materials necessary for the winning of the war by prohibiting the manufacture, sale, or transportation of alcoholic liquors in the United States for the duration of the war; to the Committee on the Judiciary.

1205. Also, petition of Mrs. L. S. Henderson and 20 members of the Woman's Christian Temperance Union of Clinton, S. C., urging enactment of House bill 2082, a measure to reduce absenteeism, conserve manpower, and speed production of materials necessary for the winning of the war prohibiting the manufacture, sale, or transportation of alcoholic liquors in the United States for the duration of the war; to the Committee on the Judiciary.

1206. Also, petition of 144 members of the First Baptist Church of Miami, Fla., urging enactment of House bill 2082, a measure to reduce absenteeism, conserve manpower, and speed production of materials necessary for the winning of the war by prohibiting the manufacture, sale, or transportation of alcoholic liquors in the United States for the duration of the war; to the Committee on the Judiciary.

1207. Also, petition of 50 citizens of Victoria, Ark., sent to Congressman BROOKS HAYS, urging enactment of House bill 2082, a measure to reduce absenteeism, conserve manpower, and speed production of materials, necessary for the winning of the war by prohibiting the manufacture, sale, or transportation of alcoholic liquors in the United States for the duration of the war; to the Committee on the Judiciary.

1208. Also, petition of Mrs. Emmert and 72 citizens of Danville, Ill., urging enactment of House bill 2082, a measure to reduce absenteeism, conserve manpower, and speed production of materials necessary for the winning of the war by prohibiting the manufacture, sale, or transportation of alcoholic liquors in the United States for the duration of the war; to the Committee on the Judiciary.

1209. Also, petition of the Richland Woman's Christian Temperance Union, of Richland, Mo., signed by 75 citizens, urging enactment of House bill 2082, a measure to reduce absenteeism, conserve manpower, and speed production of materials necessary for the winning of the war by prohibiting the manufacture, sale, or transportation of alcoholic

liquors in the United States for the duration of the war; to the Committee on the Judiciary.

1210. Also, petition signed by 91 members of the Central Baptist Church, of Miami, Fla., urging enactment of House bill 2082, a measure to reduce absenteeism, conserve manpower, and speed production of materials necessary for the winning of the war by prohibiting the manufacture, sale, or transportation of alcoholic liquors in the United States for the duration of the war; to the Committee on the Judiciary.

1211. Also, petition of Mrs. Frank Henschel and 17 citizens of Princeton, Minn., urging enactment of House bill 2082, a measure to reduce absenteeism, conserve manpower, and speed production of materials necessary for the winning of the war by prohibiting the manufacture, sale, or transportation of alcoholic liquors in the United States for the duration of the war; to the Committee on the Judiciary.

1212. Also, petition of Anna Manly Wray and 34 citizens of Union Star, Mo., urging enactment of House bill 2082, a measure to reduce absenteeism, conserve manpower, and speed production of materials necessary for the winning of the war by prohibiting the manufacture, sale, or transportation of alcoholic liquors in the United States for the duration of the war; to the Committee on the Judiciary.

1213. Also, petition of Ruth Stahr and 49 citizens of Ketchikan, Alaska, urging enactment of House bill 2082, a measure to reduce absenteeism, conserve manpower, and speed production of materials necessary for the winning of the war by prohibiting the manufacture, sale, or transportation of alcoholic liquors in the United States for the duration of the war; to the Committee on the Judiciary.

1214. Also, petition of the Grace Methodist Church of Miami, Fla., urging enactment of House bill 2082, a measure to reduce absenteeism, conserve manpower, and speed production of materials necessary for the winning of the war by prohibiting the manufacture, sale, or transportation of alcoholic liquors in the United States for the duration of the war; to the Committee on the Judiciary.

1215. Also, petition of Mrs. J. A. LeMay and 62 citizens of Prescott, Ariz., urging enactment of House bill 2082, a measure to reduce absenteeism, conserve manpower, and speed production of materials necessary for the winning of the war by prohibiting the manufacture, sale, or transportation of alcoholic liquors in the United States for the duration of the war; to the Committee on the Judiciary.

1216. Also, petition of Rev. C. E. Wonderley and 188 citizens of Pen Argyl, Pa., urging enactment of House bill 2082, a measure to reduce absenteeism, conserve manpower, and speed production of materials necessary for the winning of the war by prohibiting the manufacture, sale, or transportation of alcoholic liquors in the United States for the duration of the war; to the Committee on the Judiciary.

1217. Also, petition of Margaret P. McClure and 97 citizens of New Wilmington, Pa., urging enactment of House bill 2082, a measure to reduce absenteeism, conserve manpower, and speed production of materials necessary for the winning of the war by prohibiting the manufacture, sale, or transportation of alcoholic liquors in the United States for the duration of the war; to the Committee on the Judiciary.

1218. Also, petition of Mrs. Homer R. Blanch and eight citizens of Annville, Pa., urging enactment of House bill 2082, a measure to reduce absenteeism, conserve manpower, and speed production of materials necessary for the winning of the war by prohibiting the manufacture, sale, or transportation of alcoholic liquors in the United States for the duration of the war; to the Committee on the Judiciary.

1219. By Mr. GREEN: Petition of Mr. and Mrs. Frank Reese and others of Tampa, Fla., favoring passage of the Bryson bill, House bill 2082; to the Committee on the Judiciary.

1220. By the SPEAKER: Petition of the president, League for the Development of California's Mineral Springs, San Francisco, Calif., petitioning consideration of their resolution with reference to Mineral Springs areas as desirable sites for military hospitals; to the Committee on Military Affairs.

1221. Also, petition of the Commission of the City of Ironwood, Mich., petitioning consideration of their resolution with reference to the continuation of the National Youth Administration; to the Committee on Appropriations.

SENATE

WEDNESDAY, JUNE 2, 1943

(Legislative day of Monday, May 24, 1943)

The Senate met at 11 o'clock a. m., on the expiration of the recess.

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

Almighty God, under the canopy of Thy grace and goodness we bow in adoration and thanksgiving, for hitherto Thou hast blessed us and we have found Thee faithful unto all Thy promises.

We pray that our President and Vice President and all Thy servants whom Thou hast called to positions of leadership in the life of our Republic may be graciously equipped for every task.

Grant that in these days, which are so significant in judgment and responsibility for all of us, we may find our refuge and strength in the reality of Thy wisdom and power.

May the blessings, which Thou dost bestow upon us, become contributions with which we shall seek to minister unto needy humanity and be dedicated to the dawning of that day when righteousness shall be triumphant and peace shall be enthroned in the hearts of men and of nations.

To Thy name, through Christ, our Lord, we ascribe the praise. Amen.

THE JOURNAL

On request of Mr. HILL, and by unanimous consent, the reading of the Journal of the proceedings of the calendar day Tuesday, June 1, 1943, was dispensed with, and the Journal was approved.

MESSAGES FROM THE PRESIDENT

Messages in writing from the President of the United States submitting nominations were communicated to the Senate by Mr. Miller, one of his secretaries.

EXECUTIVE COMMUNICATIONS, ETC.

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

PERSONNEL OF THE LAND FORCES

A confidential letter from the Secretary of War, reporting, pursuant to law, in relation to the personnel of the land forces in active training and service under the provisions of law on April 30, 1943; to the Committee on Military Affairs.

SUSPENSION OF THE DEPORTATION OF CERTAIN PERSONS

A letter from the Attorney General, reporting, pursuant to law, all of the facts and pertinent provisions of law in the cases of 867 individuals whose deportation has been suspended for more than 6 months under authority vested in the Attorney General, together with a statement of the reason for such suspension (with an accompanying report); to the Committee on Immigration.

EDUCATION AND TRAINING OF DEFENSE WORKERS

A letter from the Acting Administrator of the Federal Security Agency, transmitting, pursuant to law, the third quarterly report of the United States Commissioner of Education on the education and training of defense workers, covering the period January 1 to March 31, 1943 (with an accompanying report); to the Committee on Education and Labor.

ADDITIONAL REPORT OF WAR LABOR BOARD ON WAGE STABILIZATION

A letter from the Chairman of the National War Labor Board, transmitting, pursuant to Senate Resolution 130 (submitted by Mr. BYRD and agreed to April 9, 1943), the second monthly report on wage stabilization covering the month of April 1943 (with an accompanying report); ordered to lie on the table.

PETITIONS AND MEMORIALS

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

By Mr. VANDENBERG:

A resolution of the Huron County (Mich.) Farm Bureau, favoring a study of conditions surrounding the production of beans with a view to increasing the supporting price guaranteed thereon; to the Committee on Agriculture and Forestry.

A resolution of the Board of Supervisors of Dickinson County, Mich., favoring the enactment of legislation authorizing Federal aid for snow removal programs of the various counties in Michigan in what is commonly known as the Snow Belt; to the Committee on Agriculture and Forestry.

A resolution of the Midwest Humane Conference favoring amendment of the 28-hour law regulating the interstate transportation of livestock so as to apply the law to truck as well as rail shipments; the enactment of legislation and adoption of regulations pertaining to the proper handling, loading, and unloading of livestock whether shipped by rail or truck, and also the adjustment of priority regulations so as to make available calf-feeding equipment such as pails and nipples, etc., for the feeding of baby calves; to the Committee on Agriculture and Forestry.

A resolution adopted by the annual meeting of the Michigan Home Economic Association assembled at Lansing, Mich., favoring the enactment of legislation to provide day care of children in wartime, school lunches, grade labeling of the 1943 pack of canned fruit and vegetables, and nutrition research, and also the enforcement of pure food and drug laws; to the Committee on Education and Labor.

Resolutions by Local Unions No. 182, of Lansing; No. 564, of Vassar; and No. 644, of Muskegon, all of the United Automobile Workers—American Federation of Labor—in the State of Michigan, favoring the adoption of measures to compensate war workers who have 100-percent attendance records by paying a premium of 5 percent of their total month's earnings in defense bonds and stamps; to the Committee on Education and Labor.