United States of America

Congressional Record

PROCEEDINGS AND DEBATES OF THE 78th CONGRESS, SECOND SESSION

SENATE

WEDNESDAY, MARCH 22, 1944

(Legislative day of Monday, February 7, 1944)

The Senate met at 12 o'clock meridian, on the expiration of the recess.

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

Father of our spirits, Thou hast ordained that not in cushioned seats of safety but in danger and stern conflict shall we find our strength and our triumph. Steel our hearts to endure hardness as soldiers of the common good. As with enraptured eyes we watch once more springtime touch barren wastes to loveliness and bushes bloom in flame, may the stirrings of a spiritual springtime bring refreshment and renewal, beauty for ashes, oil of joy for sadness, faith for fear, and hope for despair. Peering into the uncertain tomorrows we see as but through a glass darkly, but where sight fails faith walks unafraid, even through the valley of the shadows, knowing that in that future goodness, justice, and truth will abide, and that in them is the wealth of our life and the spring of all existence.

In these desperate days we pray that Thou wilt meet us each where lies our deepest and most personal need. Send us forth to our work today saying of Thee, as Thy servants have said across all the changing centuries, "He restoreth my soul." We ask it in the dear Redeemer's name. Amen.

THE JOURNAL

On request of Mr. BARKLEY, and by unanimous consent, the reading of the Journal of the proceedings of the calendar day Tuesday, March 21, 1944, was dispensed with, and the Journal was approved.

MESSAGE FROM THE PRESIDENT—APPROVAL OF BILLS

A message in writing from the President of the United States was communicated to the Senate by Mr. Miller, one of his secretaries, and he announced that the President had approved and signed the following acts:

On March 20, 1944:

S. 393. An act for the relief of William Kovatis; and

S. 1589. An act for the relief of C. Guy Evans, Garland Mineral Springs, Index, Wash.

On March 21, 1944:

S. 617. An act for the relief of Homer C. Chapman.

MESSAGE FROM THE HOUSE

A message from the House of Representatives, by Mr. Maurer, one of its reading clerks, announced that the House had passed the bill (S. 250) to promote sustained-yield forest management in order thereby (a) to stabilize communities, forest industries, employment, and taxable forest wealth; (b) to assure a continuous and ample supply of forest products; and (c) to secure the benefits of forests in regulation of water supply and stream flow, prevention of soil erosion, amelioration of climate, and preservation of wildlife, with amendments, in which it requested the concurrence of the Senate.

The message also announced that the House had agreed to the report of the committee of conference on the disagreeing votes of the two Houses on the amendments of the Senate to the bill (H. R. 324) to place postmasters at fourth-class post offices on an annual-salary basis, and fix their rate of pay; and provide allowances for rent, fuel, light, and equipment, and fix the rates thereof.

The message further announced that the House had passed the following bills, in which it requested the concurrence of the Senate:

H. R. 1232. An act for the relief of Roscoe McKinley Meadows; and

H. R. 1962. An act for the relief of Daniel D. O'Connell and Almon B. Stewart.

ENROLLED BILLS SIGNED

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

S. 1349. An act to authorize the Secretary of the Navy to convey to the city of New York certain lands within the Brooklyn Navy Yard in the city of New York;

S. 1410. An act to amend section 4 of the act approved June 13, 1940;

S. 1428. An act to amend the provision of the act authorizing payment of 6 months' death gratuity to widow, child, or dependent relative of officers, enlisted men, or nurses of the Navy or Marine Corps, and for other purposes;

S. 1635. An act to eliminate a pay discrimination against the teacher of music at the United States Military Academy;

S. 1653. An act to provide titles for heads of staff departments of the United States Marine Corps, and for other purposes;

H. R. 324. An act to place postmasters at fourth-class post offices on an annual-salary basis and fix their rate of pay; and provide allowances for rent, fuel, light, and equipment, and fix the rates thereof; and

H. R. 2836. An act to grant increases in compensation to substitute employees in the Postal Service, and for other purposes.

CENTENNIAL OF FIRST TELEGRAPH MESSAGE

The VICE PRESIDENT, under the terms of House Concurrent Resolution 72, appointed Mr. WHEELER, Mr. BARKLEY, Mr. WHITE, Mr. WAGNER, and Mr. AUSTIN members on the part of the Senate of the Joint Committee to Commemorate the Centennial of the Telegraph on May 24, 1944.

EXECUTIVE COMMUNICATIONS, ETC.

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

ORDINANCES OF PUERTO RICAN PUBLIC SERVICE COMMISSION: MANUFACTURE AND PROCESSING OF RAW SUGAR

A letter from the Acting Secretary of the Interior, transmitting, pursuant to law, a certified copy of each of the various ordinances enacted by the Public Service Commission of Puerto Rico, granting to the sugar companies and mills listed therein the right to engage in the manufacture and processing of raw sugar (with accompanying papers); to the Committee on Territories and Insular Affairs.

PERSONNEL REQUIREMENTS

Letters from the Administrator of the Office of Price Administration, the Administrator of the National Gallery of Art, and the Secretary of the National Advisory Committee for Aeronautics, transmitting, pursuant to law, estimates of personnel requirements for the quarter ending June 30, 1944 (with accompanying papers); to the Committee on Civil Service.

AMENDMENT OF CIVIL SERVICE CLASSIFICATION ACT

A letter from the President of the United States Civil Service Commission, recommending that legislation be enacted to amend section 3 of the Classification Act of 1923, as amended, so as to further amend said section 3 by inserting at the end thereof a subsection reading as follows: "In subdividing any grade into classes of positions, as provided in the foregoing subsection, the Civil Service Commission, whenever it deems such action warranted by the nature of the duties and responsibilities of a class of positions in comparison with other classes in the same grade, and in the interests of good administration, is authorized to establish for any such subdivision or class a minimum or a maximum pay rate, or both, each of which shall be one of the pay rates of that grade as set forth in section 13 of this act, as amended. In no event shall any rate for a class of positions fall below the minimum rate or above the maximum rate of the grade in which the class falls. Such rates shall be duly published by regulation and may be revised from time to time by the Commission. The Commission shall make a report of such actions or revisions with the reasons therefor to Congress at the end of each fiscal year."; to the Committee on Civil Service.

AUTHENTICATED U.S. GOVERNMENT INFORMATION GPO

RESOLUTIONS OF VIRGINIA LEGISLATURE

The VICE PRESIDENT laid before the Senate the following joint resolutions of the Legislature of Virginia, which were referred, as indicated:

To the Committee on Education and Labor:

House Joint Resolution 46

Resolution memorializing Congress to pass a law requiring certain able-bodied persons to work

Be it resolved by the House of Delegates of Virginia (the senate concurring), That the Congress of the United States is hereby memorialized to enact a law requiring every sane and able-bodied male person between the ages of 17 and 60 years, with certain exceptions, to work at least 40 hours in each calendar week for the duration of the present war emergency, at some gainful occupation when any such work is available at a fair and reasonable wage, regardless of whether such person is or is not financially able to support himself and his dependents without working, excepting, however, all persons serving any branch of military service of the United States, and such other persons as the Congress may deem proper; be it further

Resolved, That copies of these resolutions be transmitted, by the clerk of the house of delegates, to the presiding officers of the United States Senate and the House of Representatives, respectively, and to each member of the Virginia delegation in the Congress of the United States.

To the Committee on Military Affairs:

House Joint Resolution 45

Resolution requesting the National Congress to enact permanent legislation providing for reasonable compulsory military service by citizens of the United States

Whereas the state of military unpreparedness which existed in the United States at the cutbreak of World War No. 2, and its consequences, have demonstrated the necessity for providing against a recurrence of such conditions: Now, therefore, be it

Resolved by the House of Delegates of Virginia (the senate concurring), That the Congress of the United States be memorialized and it is hereby respectfully petitioned to enact legislation making permanent provision for reasonable compulsory military training and service by citizens of the United States of suitable age and physical condition; and be it further

Resolved, That copies of these resolutions be transmitted by the clerk of the house of delegates to the presiding officers of the United States Senate and of the House of Representatives, respectively, and to each member of the Virginia delegation in the Congress of the United States.

PROHIBITION OF LIQUOR SALES AROUND MILITARY CAMPS—PETITION

Mr. TUNNELL. Mr. President, I ask unanimous consent to present a petition sent to me by citizens of Delaware praying for the enactment of the bill (S. 860) to provide for the common defense in relation to the sale of alcoholic liquors to the members of the land and naval forces of the United States. I ask that the petition be noted and referred to the appropriate committee.

The VICE PRESIDENT. Without objection, the petition will be received and referred to the Committee on Military Affairs.

AMENDMENT OF FEDERAL FLOOD-CONTROL LAW—RESOLUTION BY VERMONT LEGISLATURE

Mr. AUSTIN. Mr. President, I ask unanimous consent to present for appropriate reference and to have printed in the RECORD a letter from the secretary of state of Vermont, together with an accompanying joint resolution of the General Assembly of the State of Vermont, endorsing the provisions of House bill 4179, pending in the Seventy-eighth Congress, and urging the endorsement thereof by other States. This relates to the protection of the domain of the several States from invasion by the Federal Government.

There being no objection, the letter and joint resolution were referred to the Committee on Commerce and ordered to be printed in the RECORD, as follows:

STATE OF VERMONT,
Montpelier, March 18, 1944.

To Vermont Members of Congress, President of the Senate, Speaker of the House of Representatives, Attorney General:

DEAR SIRS: I am glad to send you herewith a copy of Senate Joint Resolution 3, entitled "Joint resolution endorsing the provisions of H. R. 4179 pending in the Seventy-eighth Congress and urging the endorsement thereof by the other States," approved March 18, 1944.

Yours very truly,

RAWSON C. MYRICK,
Secretary of State.

Senate Joint Resolution 3

Joint resolution endorsing the provisions of H. R. 4719 pending in the Seventy-eighth Congress and urging the endorsement thereof by the other States

Whereas there has been introduced in the Congress a measure designed to recapture for the States certain rights, privileges, and prerogatives that by right belong to them; and

Whereas H. R. 4179 introduced in the Seventy-eighth Congress by the Representative from Vermont, the Honorable CHARLES A. PLUMLEY, has as its objective the amendment of Federal flood-control law so that such a result may be accomplished; and

Whereas this measure, if enacted, would reestablish the right of an individual State to have a dominant voice in the construction of flood-control projects within its borders: Now, therefore, be it

Resolved by the senate and house of representatives, That the General Assembly of the State of Vermont not only hereby endorses wholeheartedly the principles embodied in this particular legislation but as well urge the legislative bodies of Vermont's sister States to take similar action; and be it further

Resolved, That the secretary of state be and he hereby is instructed to send copies of this resolution to Vermont's congressional delegation, to the presiding officers of the legislatures and to the attorneys general of our sister States.

MORTIMER R. PROCTOR,
President of the Senate.
ASA S. BLOOMER,
Speaker of the House of Representatives.
Approved March 18, 1944.
WM. H. WILLS,
Governor.

ABSORPTION OF EXCHANGE OR COLLECTION CHARGES BY MEMBER BANKS OF FEDERAL RESERVE SYSTEM

Mr. CAPPER. Mr. President, I have received from Fred M. Bowman, secretary of the Kansas Bankers Association, an important resolution adopted by that organization expressing their opposition to the passage of the so-called Maybank bill, being the bill (S. 1642) to amend the Federal Reserve Act, as amended, to provide that the absorption of exchange and collection charges shall not be deemed the payment of interest on deposits. I am advised that this is practically the unanimous opinion of the bankers of Kansas. I ask consent that the statement and resolution sent to me by the Kansas Bankers Association be printed in the RECORD and appropriately referred.

There being no objection, the statement and resolution were referred to the Committee on Banking and Currency and ordered to be printed in the RECORD, as follows:

A group of States, both par and otherwise, believing that the Maybank bill in the Senate, which is a companion bill to the Brown measure passed by the House, would constitute a long step toward breaking down the par collection system established by the Federal Reserve bank and approved by the great majority of banks in the United States, the advisory committee felt that action should be taken at once to inform the Senators from Kansas and members of the Banking and Currency Committee in the Senate of the position of this association. Since the matter is coming before the Senate committee within 10 days, it is felt that there is not time to call a meeting of the committee on Federal legislation; and since the banks of Kansas have long demonstrated their approval of the par collection system the following resolution was unanimously passed and the secretary instructed to forward a copy of the same to each of the Senators from Kansas, the members of the Senate Committee on Banking and Currency, the five members of the House Committee on Banking and Currency who submitted a minority report to that of the full committee reporting out the bill, and to the office of the American Bankers Association with advices to the latter that our advisory committee believes that the A. B. A. should have taken an open position in opposition to the passage of this legislation, and to such other groups or committees as he feels might effectively aid in the defeat of the Maybank bill. The resolution follows:

"RESOLUTION OF THE ADVISORY COMMITTEE, KANSAS BANKERS ASSOCIATION, MARCH 16, 1944

"*Be it resolved*, That whereas the Kansas Bankers Association, consisting of 624 members, being all but 1 of the banks in Kansas, both State and National, has throughout its long history worked diligently in the interests of establishing in our State and our Nation sound and conservative banking practices; and

"Whereas we believe that the perpetuation of privately chartered banks and that the maintenance of independent banking require that all banks pay checks drawn upon them at their face value without deduction of exchange or other charges (our belief in this banking principle being illustrated by the fact that, with the exception of two small banks in our State, all banking institutions maintain this par system); and

"Whereas there is before the Senate of the United States the Maybank bill (S. 1642), being a companion of the Brown bill (H. R. 3965), which has passed in the House of Representatives, which bill by its terms would defeat the very sound provision of section 9 of the Federal Reserve Act, as amended, and regulation Q based thereon: Now, therefore, be it

"*Resolved*, That the Kansas Bankers Association, through its advisory committee, declare itself to be strongly opposed to the passage of this Maybank bill; be it further

"*Resolved*, That the secretary of this association be instructed to send a copy of this resolution to each of the Senators from the State of Kansas, urging that they, on behalf of the 623 banks of Kansas now maintaining and supporting the par collection of checks, do everything within their power to defeat the passage of this bill."

THE BOUNDARIES OF POLAND

Mr. MALONEY. Mr. President, I ask unanimous consent to present for appropriate reference and to have printed in the RECORD a letter which I have received from Dr. F. C. Tyburski, secretary of the Polish American Council, district No. 2, State of Connecticut, Bridgeport, Conn., and a resolution adopted by that council concerning the boundaries of Poland.

There being no objection, the letter and resolution were referred to the Committee on Foreign Relations and ordered to be printed in the RECORD, as follows:

POLISH AMERICAN COUNCIL,
DISTRICT NO. 2, STATE OF CONNECTICUT,
March 9, 1944.

The Honorable FRANCIS MALONEY,
United States Senate,
Washington, D. C.

DEAR SENATOR MALONEY: It is my privilege to forward to you a copy of the resolution adopted by the Polish American Council, District No. 2, of the State of Connecticut.

The problem voiced in this resolution, Mr. Senator, is of vital concern and interest to us Americans of Polish descent, and I trust that you will give it your utmost consideration and attention.

Respectfully yours,
Dr. F. C. TYBURSKI, *Secretary.*

We, the delegates to the annual meeting of the Second District of the Polish American Council, assembled at New Haven, Conn., on February 27, 1944, representing 350,000 Americans of Polish descent in the State of Connecticut, do hereby unanimously

Resolve, That we reaffirm our allegiance and loyalty to the United States of America and our trust in the leadership of our great President and Commander in Chief, Franklin Delano Roosevelt.

We subscribe without reservation to all the principles set forth in the Atlantic Charter, that Magna Carta of human liberty, and we do particularly affirm our belief that all nations, both large and small, have an unqualified right to exist free from fear of aggression by other nations and free to pursue their national existence by forms of government of their own choosing.

We believe that these principles should be adhered to without qualifications in the present dispute between Russia and Poland and that the future peace of the world is to a large extent dependent upon a proper solution of this question, entailing as it does the application of the principles of the Atlantic Charter.

We most earnestly urge the State Department to continue to refuse to recognize any conquests of territory made by force and any changes of government which are not made with the consent of the governed.

We believe that the Polish Government-in-exile in London is the sole legitimate authority empowered to speak for the people of Poland and that any attempts by Soviet Russia to discredit the Polish Government by setting up ex parte puppet regimes are in cynical disregard of the principles of self-government set forth in the Atlantic Charter.

We are firmly convinced that upon historical, moral, ethnological, and economic grounds, the eastern part of Poland, which is the basis of the present Russo-Polish dispute, belongs and should belong to the Republic of Poland and that any pretensions to this territory by Russia lack factual basis on any of the grounds enumerated.

We believe that any arguments advanced to the effect that the acquisition of this territory by Russia is necessary to her national defense against future aggression are without validity in these days of mechanized warfare and particularly in view of the major part played by air forces in present day combat; and we therefore believe that these arguments in effect would protect large nations at the expense of smaller ones.

We believe that Poland's contribution to the cause of democracy and freedom merits the appreciation of the entire civilized world, embodying as it did the first armed resistance against Nazi aggression in the face of overwhelming odds and continuing to the present day both by the activities of the armed forces of Poland and of the vast network of underground resistance. We do, therefore, hereby unanimously

Resolve, That we believe it to be the solemn duty of the United States to stand fast by the principles of the Atlantic Charter and to do everything in its power and influence to further the just claims of Poland in the present dispute with Russia; be it further

Resolved, That copies of this resolution be sent to the President of the United States, the Secretary of State, and to the Senators and Representatives of the State of Connecticut.

Dr. B. L. SMYKOWSKI, *President.*
Mrs. W. DUCH, *Vice President.*
RICHARD T. MOKRZYNSKI, *Financial Secretary.*
Rev. A. MAZURKIEWICZ, *Treasurer.*
Dr. F. C. TYBURSKI, *Secretary.*

CROP INSURANCE—RESOLUTIONS FROM WARD COUNTY, N. DAK.

Mr. LANGER. Mr. President, I ask unanimous consent to present five resolutions adopted by the county committee and district committees of Ward County (N. Dak.) Agricultural Conservation Association in annual meeting assembled in the city of Minot, N. Dak., on February 4, 1944; the Ward County (N. Dak.) Agricultural Conservation Association, at Gasman Township Hall, February 17, 1944; Ward County (N. Dak.) Agricultural Conservation Association, at Berthold, February 19, 1944; Ward County (N. Dak.) Agricultural Conservation Association, at Minot, N. Dak., February 21, 1944, and Ward County (N. Dak.) Agricultural Conservation Association, at Kenmare, February 22, 1944, and I ask that they may be appropriately referred and printed in the RECORD.

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

Be it resolved by the county committee and district committees of Ward County (N. Dak.) Agricultural Conservation Association in annual meeting assembled in the city of Minot, N. Dak., this 4th day of February 1944, That

Whereas farming is a very hazardous industry conventionally undertaken by individuals and individual families, consequently where unavoidable disaster overtakes the individual farm, the loss falls extremely heavy on the individual farmer; and

Whereas no private insurance company writes an "all risk" policy which a farmer may buy and be protected in his investment in his attempt to raise a crop; and

Whereas where private enterprise fails to provide the accommodation a people need for their welfare, then it devolves on Federal and State Governments to sponsor and put into operation the institution which private enterprise has failed to provide.

Therefore, we do petition Congress to sponsor, set up, and put into operation a Nationwide insurance corporation that will sell farmers a policy that assures him that if what he salvages of his crop, when he has practiced good husbandry, is not worth an amount equal to his expenses, he may draw on the insurance corporation to cover the deficiency, the farmer to pay for the policy a premium based on the volume salvaged of the insured crop, the premium rate to be adjusted to districts established by the insurance corporation.

C. O. LAWSON,
Chairman, Minot, N. Dak.

Be it resolved by members of Ward County (N. Dak.) Agricultural Conservation Association, assembled at Gasman Township Hall this 17th day of February 1944, That we do hereby petition the Congress of the United States of America to sponsor, set up, and put into operation a Nation-wide insurance corporation that will sell us a policy that provides that, when we have practised good husbandry, the resultant crop when salvaged is not worth an amount equal to the expense incurred we may draw on the insurance corporation to cover the deficiency.

For such a policy we would pay a premium based on the volume salvaged of the insured crop, the premium rate to be adjusted to districts established by the insurance corporation.

E. P. NICOLAISEN,
Chairman, Max, N. Dak.

Be it resolved by members of Ward County (N. Dak.) Agricultural Conservation Association, assembled at Berthold this 19th day of February 1944, That we do hereby petition the Congress of the United States of America to sponsor, set up, and put into operation a Nation-wide insurance corporation that will sell us a policy that provides that, when we have practiced good husbandry, the resultant crop when salvaged is not worth an amount equal to the expense incurred we may draw on the insurance corporation to cover the deficiency.

For such a policy we would pay a premium based on the volume salvaged of the insured crop, the premium rate to be adjusted to districts established by the insurance corporation.

VICTOR HAUGEN,
Chairman, Berthold, N. Dak.

Be it resolved by members of Ward County (N. Dak.) Agricultural Conservation Association, assembled at Minot, N. Dak., this 21st day of February 1944, That we do hereby petition the Congress of the United States of America to sponsor, set up, and put into operation a Nation-wide insurance corporation that will sell us a policy that provides that, when we have practiced good husbandry, the resultant crop when salvaged is not worth an amount equal to the expense incurred we may draw on the insurance corporation to cover the deficiency.

For such a policy we would pay a premium based on the volume salvaged of the insured crop, the premium rate to be adjusted to districts established by the insurance corporation.

GEORGE REINHOLDT,
Chairman, Sawyer, N. Dak.

Be it resolved by members of Ward County (N. Dak.) Agricultural Conservation Association, assembled at Kenmare this 22d day of February 1944, That we do hereby petition the Congress of the United States of America to sponsor, set up, and put into operation a Nation-wide insurance corporation that will sell us a policy that provides that, when we have practiced good husbandry, the resultant crop when salvaged is not worth an amount equal to the expense incurred, we may draw on the insurance corporation to cover the deficiency.

For such a policy we would pay a premium based on the volume salvaged of the insured crop, the premium rate to be adjusted to

districts established by the insurance corporation.

J. B. SCHOU,
Chairman, Kenmare, N. Dak.

PROHIBITION OF LIQUOR TRAFFIC DURING THE WAR

Mr. LANGER. Mr. President, I ask consent to present two identical petitions with different signatures sent to me by Mrs. E. G. Ranum, president of Valley City Women's Christian Temperance Union, of Valley City, N. Dak. I ask unanimous consent to have the petitions themselves printed in the RECORD, without the names attached thereto. I wish to state for the RECORD that the petitions are signed by 220 men and women, outstanding, patriotic citizens of North Dakota, most of whom I know.

There being no objection, the petitions were received, referred to the Committee on the Judiciary, and one of the petitions was ordered to be printed in the RECORD without the signatures, as follows:

To the Congress of the United States:

We, the undersigned, residents and voters of the United States, respectfully request that you give the most serious consideration to the enactment of laws for the protection of our boys and girls and for the best interest of our Nation and to speed the war effort in every manner possible. Therefore we urge—

1. The passage of laws to restrict and prohibit the sale of intoxicating liquor.

2. That no grain be used for making beverage alcohol and that all the facilities of the distilleries be used for making alcohol to be used for making explosives for munitions of war.

3. That the shipment of beer, wine, and other intoxicating liquor be absolutely prohibited.

Respectfully submitted.

REPORT OF THE FINANCE COMMITTEE

The following report of a committee was submitted:

By Mr. GEORGE, from the Committee on Finance:

H. R. 4410. An act to extend for an additional 90 days the period during which certain grains and other products to be used for livestock and poultry feed may be imported from foreign countries free of duty; with an amendment (Rept. No. 765).

BILLS AND A JOINT RESOLUTION INTRODUCED

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

By Mr. HILL (for Mr. BILBO):

S. 1802. A bill to amend section 16 of the act entitled "An act to amend the act entitled 'An act to fix and regulate the salaries of teachers, school officers, and other employees of the Board of Education of the District of Columbia,' approved June 20, 1906, as amended, and for other purposes," approved June 4, 1924; to the Committee on the District of Columbia.

By Mr. LANGER:

S. 1803. A bill to provide for the sale of surplus Army general purpose automobiles to rural mail carriers; to the Committee on Military Affairs.

By Mr MEAD:

S. 1804. A bill to extend to the custodial-service employees of the Post Office Department certain benefits applicable to postal employees; to the Committee on Post Offices and Post Roads.

By Mr. DAVIS:

S. 1805. A bill to amend the Social Security Act, as amended, to provide for recalculating the benefits payable to individuals who receive wages after they have become entitled to old-age-insurance benefits; to the Committee on Finance.

By Mr. HILL (for Mr. BILBO):

S. J. Res. 121. Joint resolution to amend an act entitled "An act to protect the lives and health and morals of women and minor workers in the District of Columbia, and to establish a Minimum Wage Board, and define its powers and duties, and to provide for the fixing of minimum wages for such workers, and for other purposes," approved September 19, 1918, as amended; to the Committee on the District of Columbia.

HOUSE BILLS REFERRED

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

H. R. 1232. An act for the relief of Roscoe McKinley Meadows; to the Committee on Naval Affairs.

H. R. 1962. An act for the relief of Daniel D. O'Connell and Almon B. Stewart; to the Committee on Claims.

FEDERAL AID FOR READJUSTMENT OF VETERANS IN CIVIL LIFE—AMENDMENT

Mr. LA FOLLETTE submitted an amendment intended to be proposed by him to the bill (S. 1767) to provide Federal Government aid for the readjustment in civilian life of returning World War No. 2 veterans, which was ordered to lie on the table and to be printed.

APPROPRIATIONS FOR EXECUTIVE AND INDEPENDENT OFFICES—AMENDMENT

Mr. BUCK submitted an amendment intended to be proposed by him to the bill (H. R. 4070) making appropriations for the Executive Office and sundry independent executive bureaus, boards, commissions, and offices, for the fiscal year ending June 30, 1945, and for other purposes, which was ordered to lie on the table and to be printed, as follows:

Amendment intended to be proposed by Mr. BUCK to the bill (H. R. 4070) making appropriations for the Executive Office and sundry independent executive bureaus, boards, commissions, and offices, for the fiscal year ending June 30, 1945, and for other purposes, viz: On page 5, between lines 4 and 5, insert the following:

"OFFICE FOR EMERGENCY MANAGEMENT

"COMMITTEE ON FAIR EMPLOYMENT PRACTICE

"Salaries and expenses: For all expenses necessary to enable the Committee on Fair Employment Practice to carry out the functions vested in it by Executive Orders 8802 and 9346, including salary of a chairman at not to exceed $10,000 per annum and 6 other members at not to exceed $25 per diem when actually engaged; travel expenses (not to exceed $16,000); expenses of witnesses in attendance at committee hearings, when necessary; printing and binding (not to exceed $12,000); purchase of newspapers and periodicals (not to exceed $125); and the temporary employment of persons, by contract or otherwise, without regard to section 3709 of the Revised Statutes and the civil-service and classification laws (not to exceed $2,250), $150,000: *Provided*, That this appropriation shall be for the remainder of the fiscal year ending June 30, 1944, and shall be immediately available."

ADDITIONAL COPIES OF MONOGRAPH 31, TEMPORARY NATIONAL ECONOMIC COMMITTEE: PATENTS AND FREE ENTERPRISE

Mr. BONE submitted the following resolution (S. Res. 274), which was referred to the Committee on Printing:

Resolved, That, in accordance with paragraph 3 of section 2 of the Printing Act approved March 1, 1907, the Committee on Patents of the Senate is hereby empowered to have printed for its use 700 additional copies of Monograph 31 of the Temporary National Economic Committee relative to patents and free enterprise.

WHAT IS GOING ON IN WASHINGTON—ADDRESS BY SENATOR WILEY

[Mr. WILEY asked and obtained leave to have printed in the RECORD an address entitled "What Is Going on in Washington," delivered by him before the Eagles, at Milwaukee, Wis., March 16, 1944, which appears in the Appendix.]

WHAT WILL OUR BOYS COME HOME TO?—ARTICLE BY SENATOR THOMAS OF UTAH

[Mr. MEAD asked and obtained leave to have printed in the RECORD an article entitled "What Will Our Boys Come Home To?", written by Senator THOMAS of Utah, and published in the February 1944 issue of the magazine Spotlight, which appears in the Appendix.]

WHAT HAS THE R. F. C. DONE FOR SMALL BUSINESS?—ADDRESS BY CHARLES B. HENDERSON

[Mr. MEAD asked and obtained leave to have printed in the RECORD an address entitled "What Has the R. F. C. Done for Small Business?", delivered by former Senator Charles B. Henderson at the dinner of the American Business Congress, at the Waldorf Astoria, New York City, March 17, 1944, which appears in the Appendix.]

SALES OF SURPLUS ARMY GOODS

Mr. WILEY. Mr. President, I was very much interested in a letter I received from the Chamber of Commerce of La Crosse, Wis., which contains notice of a sale, from which I read as follows:

AUCTION SALE—BRAND NEW ARMY GOODS

Approximately $450,000 valuation. Surplus warehouse stock acquired from Army post exchange; removed for convenience of sale and will be sold at our showrooms, 420 East Eighth Street, Los Angeles, Calif., Monday, March 20, at 10 a. m.

Then, Mr. President, it lists numerous articles of Army goods, as follows:

Two thousand shirts; 7,000 trousers, 100-percent wool, elastique, O. D. wool, serge, China pink, green, O. D., natural; 15,000 officer's caps; 15,000 undershirts; 5,000 Cooper jockey shorts; 16,000 pair socks; 200 trench coats; 600 field jackets; 600 sweaters; 60 two- and three-suiter bags; 4,500 sewing kits; 2,000 sleeping bags, 100 percent wool, zipper and button; 20,000 pairs sun glasses, goggles; 1,500 bike supporters; 1,000 furlough bags; 4,500 billfolds and wallets; 2,000 ties; 500 utility kits; 1,000 cribbage sets; 2,700 buddy and apron kits; 13,000 2-gallon water bags; 2,500 12-quart buckets; 3,500 4-quart basins; 4,500 belts.

Then in small type it says:

Money belts, tobacco pouches, shower clogs, laundry bags, toilet kits, photo folios, suitcases, duffle bags, pennants, pillow tops, post cards, etc.

Then the advertisement says:

In addition, we will offer for sale 10,000 G. I. field jackets, wool lined, zippers and buttons. Army tents, cots, pads, blankets, sheets.

The advertisement concludes as follows:

For further particulars and descriptive circular, communicate with J. J. Sugarman-Rudolph Co., commercial auctioneers and

liquidators, 415 East Ninth Street, Los Angeles, Calif.; telephone TUcker 3131.

Mr. President, the small-business man of this Nation is concerned with how the Government is going to handle its surplus goods when the war is over. But the war is not over, and already the old game that went on after the last war seems to be starting.

Mr. President, the small-business man is concerned with not only what is going to take place after the war but, when such advertisements as this appear, he is concerned with what is going on now.

This advertisement appeared in the Chicago Tribune of recent date. It was called to my attention by the Chamber of Commerce of La Crosse, Wis. The letter states—and I think the statement is very significant—

This is a good illustration of what we fear is going to happen to the merchandising business in this country if the Army is allowed to dump its surplus merchandise whenever the Procurement Division decides to liquidate any one or more projects.

Mr. President, you and I remember what happened after the last World War. The small-business men in all the communities of this country found all at once, each one of them, that they had competitors who were not in business during the war. Some group, which had bought up vast quantities of surplus Army merchandise, had rushed into all the communities of this Nation, established "army" stores, and paralyzed the business of men who had paid the taxes and borne the burden of the war. This must not happen again.

Who are the small-business men, Mr. President? We have not the figures recently, but in 1939 there were establishments of manufacturers, rated as small-business men employing a hundred or less, 168,814; wholesaling 71,681; retailing 1,614,310; service establishments 637,585; hotels 25,224; construction 200,307; places of amusement 40,351.

There were 2,758,272 small businesses, employing a personnel of 8,364,071, that did a business in 1939 of $43,600,000,000. Yet, Mr. President, since this war started, literally thousands of them have been liquidated because they could not obtain merchandise and, therefore, could not supply the wants of the citizens.

What do we find now? We find an example of blindness on the part of some one in Government who is starting the whole process over again by failing to make plans to enable these surplus Army goods to be siphoned through the worthy small-business men, but, instead, offering them at auction, so that some one can get a clutch hold and repeat the paralyzing process.

Mr. BARKLEY. Will the Senator from Wisconsin yield?

Mr. WILEY. I yield.

Mr. BARKLEY. The Senator knows, of course, that under the law as it is now the Department has to sell the surplus goods at auction. It is required to do it. It is required to advertise them.

Mr. WILEY. I am not questioning that.

Mr. BARKLEY. I understand; but the Senator is saying that the War Department should see that small business gets the surplus goods. I agree with that theory, but Congress would have to take action so that some other method of sale could be inaugurated before the War Department could guarantee who would get the surplus materials.

Mr. WILEY. I do not question that conclusion; it indicates the very purpose of my remarks, as the distinguished Senator will find if he listens to the few concluding sentences I am about to utter. I am not talking about any individual; I am talking about an inadequacy which exists and which may grow to such an extent that it will have a paralytic effect upon this great part of our economy.

I said that after the last World War the small-business man found that an outlander, an outsider, would come into his town and set himself up in business. I remember the condition in my own town. I remember outsiders opening stores, people who never paid a cent of taxes in my town, people who never sustained the schools or the churches, who had never put one dollar into paving or any other improvement in the community. They opened up stores, they bought merchandise from the Government for a song, and made 100, 200, 300, up to 500-percent profit. We saw the businessmen who had been the backbone of the community further impacted on account of the lack of vision on the part of our leadership.

I say that must not happen again. If the Army and the Navy have not brains enough to handle this matter properly, it is up to the Congress to demonstrate that it has the capacity to do so. Already, because of lack of merchandise, thousands upon thousands of small businesses have been compelled to liquidate. There are many more thousands, as we know, on the ragged edge. We know they are in that condition because they cannot obtain merchandise. If the administrative branch of Government cannot devise a plan, we should not wait; it is our function to devise a plan. I know that both Houses are considering this problem, but we must see to it that the Army and the Navy, or the procurement divisions, do not repeat past history.

There should be some way by which this much-needed merchandise could be placed in the hands of small-business men. I cannot understand why the Army is selling it now, when we are about to open a second front, the western front in Europe. I cannot comprehend why they are doing it. Why is it? I think that is a question which should be answered, and I think the appropriate committee of the Senate should get the answer. There should be some way by which this much-needed merchandise—and I repeat, I do not know why the Army is selling it now—could be siphoned into the channel of the small-business man who still has life, who is not paralyzed yet by the inadequacy of the Government in making provision to enable him to get merchandise. That is the purpose of my remarks.

It has never been my idea that the way to argue a proposition is to pick out an individual and criticize him. I am talking of principles. I am saying that it is the obligation of this distinguished body to see to it, and see to it as quickly as possible, that the thing which the Senator from Kentucky just brought to our attention does not carry us into the abyss into which we fell after the last World War.

There should be some way of getting this merchandise into the channels of the small-business man. There is a hunger for it. I remind the Senate that the notice says that the value of the merchandise to be sold is only approximately $450,000. Of course, the sale of this small amount of stock in Los Angeles might not affect the people seriously throughout the whole Nation, but if this is a symptom of what is going to follow, then we had better provide the antidote to the disease, for it is a disease, and we should provide the antidote as quickly as possible.

It might be well for the appropriate committee to ascertain why at this time, when we are about to experience a test on the western front in Europe, there is this surplus. The committee could ascertain definitely what plans are in contemplation for the period during and after the war for handling this problem, that is, what plans the executive branch of the Government has, and then the committee should devise a plan. They are studying the subject; I am glad they are, and I find no fault in that regard. I merely say that sometimes we move too slowly.

The morale of a great segment of our economy in this country is at stake. Already in one State of the Union more than 7,000 small businesses have been liquidated because they could not obtain the merchandise with which to carry on. Are we going to permit merchandise not required by the Army and the Navy during the war to be siphoned off into hands which ordinarily pay little or nothing for it? It was brought out on the floor of the Senate a week or so ago, by the distinguished Senator from Michigan [Mr. FERGUSON] that more than $1,000,000 worth of tools was sold for about $40,000. I do not know the facts of that case, but I say that that, too, is another indication of a disease. In this instance the merchandise which is to be auctioned off cost the taxpayers of this country a great deal of money. It is merchandise which the taxpayers themselves want. They would like to see it sold through the channels of the ordinary small-business man, and I say it is our function to see to it that adequate legislative steps are taken to provide that such goods shall go through the ordinary channels, in order to maintain the economic health of the community.

Many communities are sick economically. Many merchants are on the ragged edge. If the Army and the Navy have merchandise to sell, the local merchants, who have been buying bonds and paying taxes and maintaining the economic health of their communities, should be given the chance, and not some smart buyers.

Mr. President, I repeat, the morale of the small-business men of this country is at stake in this matter. If they are pushed around much more—and a great

number of them have been paralyzed—then we who fail to take action to correct the situation should be held responsible. There has been too much fumbling by incompetent brains. The Congress of the United States, which is now in the process of recapturing its constitutional position as an independent and coordinate branch of Government, must not delegate the solution of this problem to the executive branch of Government. It is our job.

THE ST. LAWRENCE PROJECT

Mr. AIKEN. Mr. President, last fall I introduced Senate bill 1385, which provides for the development of the world's greatest natural resource, the St. Lawrence River. The bill was referred to the Committee on Commerce. On March 3 of this year I received a letter from the President reading as follows:

THE WHITE HOUSE,
Washington, March 3, 1944.

Hon. GEORGE D. AIKEN,
United States Senate,
Washington, D. C.

DEAR SENATOR AIKEN: I am convinced that the time has come for a nonpartisan effort to secure congressional authorization for the St. Lawrence development in order that the project may be available for early post-war construction.

The undertaking will offer such important benefits to many States that I am sure it will provide a desirable stimulus to industrial and business activity which will assist the entire country in its reconversion to a stable peacetime economy on a continued high-production level. Many competent studies have shown that it will not hurt the railroads or ports through which foreign commerce now flows but will ultimately increase their business.

I am advising interested Federal agencies that your bill (S. 1385), modified to provide for construction as a post-war project, has my approval.

I have appreciated your consistent support of this great undertaking.

Very sincerely yours,
FRANKLIN D. ROOSEVELT.

Mr. President, the President's desire for a nonpartisan effort to secure Congressional authorization for the St. Lawrence development met a very prompt response from the forthright young Republican Governor of New York, Thomas E. Dewey, and the New York State Assembly, which unanimously, in both houses, endorsed this project. I have here a statement which has been sent to me by Senator Rhoda Fox Graves and Assemblyman Grant F. Daniels of the New York Legislature, setting forth the accomplishments of the 1944 session of the New York State Legislature with respect to the St. Lawrence project. The statement would probably require 10 minutes to read. Therefore I ask unanimous consent to have it printed at this point in the RECORD as a part of my remarks.

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

Unanimous adoption of the concurrent resolution by the senate March 15, and by the assembly March 16, strongly urging the immediate development of the St. Lawrence River as a post-war measure, helps to place the State of New York squarely on record in favor of this great public improvement.

The full weight and significance of the unanimous action taken by the legislature are best understood when it is considered that this resolution also had the vigorous backing and support of Governor Thomas E. Dewey, and the majority and minority leaders in both branches of the legislature.

By its decisive action, the legislature disposed once and for all of the propaganda widely circulated by selfish, special interests to the effect that the State of New York is indifferent to the continued waste of its rich water-power resources and to the relatively high costs for electric service from steam-power plants imposed as a burden upon millions of commercial, rural, and domestic consumers in this area.

The legislature took its unanimous action, moreover, in the light of the fact that the United States and Canada on March 19, 1941 signed an agreement to provide for full development of the International Rapids section of the St. Lawrence River, including New York's power development, as an integral part of a multiple-purpose project for the completion of the Great Lakes-St. Lawrence seaway This agreement is based on negotiations which were initiated by Presidents Coolidge and Hoover, Secretaries of State Hughes and Kellogg, and have continued under President Roosevelt and Secretary of State Hull.

The Agreement of 1941 and the six identical bills introduced in the present and the preceding Congress to confirm it, including New York's power project in the authorization, were specifically directed to the attention of the legislature before the adoption of the concurrent resolution.

On February 5, 1944, the undersigned authors of the concurrent resolution, Senator Rhoda Fox Graves and Assemblyman Grant F. Daniels, joined with Trustee George S. Reed of the power authority in a public statement warning that failure to provide for development of New York's power resources would result in serious economic dislocation and "a tremendous unemployment problem following this war." This statement, made public at Albany, continued:

"We believe that the Congress should pass the Aiken bill providing for the development of these power resources. * * * There are those in the State of New York who have joined with outsiders in objecting to the development of the St. Lawrence River for hydroelectric purposes on the ground that such hydroelectric development would actually be contrary to the best interest of the people of the State. If this argument is good, no hydroelectric development should ever be made anywhere and there should be no cheap power in the hands of the people of any State for disposition for sale. * * *

"It is high time that the State of New York take care of its own interests and immediately take steps which will result in the development of the international section of the St. Lawrence River and the completion of the seaway."

The undersigned members of the legislature, Senator Graves and Assemblyman Daniels, accordingly on February 14, 1944, introduced companion resolutions in the senate and assembly which had the full support of the friends of the St. Lawrence seaway and power project in both branches.

In the form in which they were introduced February 14, the Graves-Daniels resolutions made specific reference to the legislation pending in Congress and memorialized Congress to take prompt and favorable action. When it was called to the attention of the authors of the resolutions that an agreement had been entered into among the leaders in the legislature not to report the numerous measures then pending, memorializing Congress, they revised the resolution to omit this feature.

The time having expired under the rules for introducing a companion measure in the assembly the revised resolution was offered in the senate March 13, 1944, by Senator Graves. It was favorably reported by the committee on finance and upon the motion of Senator Graves, who recited the above facts in an address in the senate, was unanimously adopted by the senate March 15. Upon the motion of Assemblyman Daniels, who elected not to have his original measure reported with amendments from committee, the identical resolution was unanimously adopted by the assembly March 16.

The text of the resolution, as adopted by the legislature, emphasizes the urgent need for cheap power and for the development of the St. Lawrence River on behalf of more than 4,000,000 commercial, rural, and domestic consumers in this area. While the resolution does not deal directly with the navigation phase of this multiple-purpose project, it was well understood that the authors of the resolution are on record in favor of the Aiken-Pittenger bill and sought this means to advance New York's power project as provided for under the terms of the pending congressional legislation.

That this is the true intent and effect of the adoption of the resolution is further confirmed by the fact that less than half a dozen members in both branches saw fit to voice their opposition to the navigation improvement when the resolution was open to debate. Moreover, the Quinn resolution, offered in the assembly February 28, which violently attacked the St. Lawrence seaway and the pending agreement and legislation, evoked no support in either branch of the legislature and was left buried in committee.

As stated on the floor of the senate by the joint author of the concurrent resolution adopted by the legislature:

"There is another urgent reason why the Legislature of the State of New York should at this time go on record in unmistakable terms in favor of the development of our great water power resources.

"A bill (S. 1385) has been introduced in the United States Senate by Senator GEORGE D. AIKEN, of Vermont, providing for the development of the St. Lawrence River in cooperation with our neighbor and ally, the Dominion of Canada. This bill provides for construction of the power development in New York in the International Rapids section of the St. Lawrence, as a State project under State ownership and control. * * *

"The adoption of the pending resolution will serve notice that New York desires, and is determined to obtain, the full benefit of the development of its water-power resources, as a State project, under State ownership and control. In 1940, again in 1942, and in subsequent public statements, Governor Dewey has consistently gone on record in favor of the St. Lawrence project. In 1942 the completion of the project was pledged in the Democratic and American Labor Party State platforms. We should act, and act now, consistent with the redemption of these pledges, to give New York State parity in cheap power supply with other areas, to insure a place for our great water-power resources in the Nation-wide programs for post-war development now in the making, in the interest of our agriculture, our manufactures, our servicemen, and all our people."

In a public statement March 16, 1944 the author of the resolution in the assembly said:

"Passage of the resolution by both houses of the legislature means that we have successfully answered the charge of St. Lawrence project opponents that the State of New York is opposed to this great development.

"It is my belief that this action of the legislature, taken with the support and approval of Gov. Thomas E. Dewey, is the first

step toward actual construction of the project. Those of us who have fought for many years to see the day when these great undeveloped resources will be utilized for the benefit of the people are naturally enthusiastic over our success in passing this resolution. * * * At least we are on the way toward realization of our efforts to bring cheap hydroelectric power and its countless benefits to the people of the State of New York."

The authors of the concurrent resolution join in the above statement on the legislative history of this measure, for submission to Senator AIKEN, Representative PITTENGER, the National Grange, the National Seaway Council, and other supporters of the St. Lawrence project, as well as to Members of the New York delegation in Congress.

RHODA FOX GRAVES,
GRANT F. DANIELS.

Mr. AIKEN. Mr. President, I also ask unanimous consent to have printed in the RECORD the concurrent resolution adopted by the legislature of the State of New York.

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

Whereas there is an ever-increasing need in the State of New York for cheap hydroelectric power not only to attract new industries to the State but also to retain those which are already established; and

Whereas the State of New York has no cheap hydroelectric power to offer to any new industry and already the lack of this cheap power has sent countless industries elsewhere; and

Whereas the development of the water powers of the St. Lawrence River will directly benefit more than 4,000,000 small commercial users, farm homes and domestic consumers of electricity in this State, comprising the greatest potential market for low-cost electricity in the world; and

Whereas unless the State of New York indicates its willingness and desire to bring to the people the untold benefits of cheap hydroelectric power and takes effective steps to this end, this New York State power will remain the only important hydroelectric power undeveloped in the entire United States; and

Whereas the Province of Ontario, through the Chairman of the Ontario Hydroelectric Power Commission, has expressed a desire to proceed at once with the development of this power resource in cooperation with the State of New York: Now, therefore, be it

Resolved (if the senate concur), That it is the sense of the legislature of the State of New York that prompt measures should be taken to provide for development of the power resources of the St. Lawrence River with adequate provisions to safeguard the rights and interests of the people of the State of New York in these resources under the inalienable ownership of the people.

WAR PROFITS AND RESERVES—EDITORIAL FROM THE CHRISTIAN SCIENCE MONITOR

Mr. LANGER. Mr. President, I ask unanimous consent to have printed in the RECORD an editorial which appeared in the Christian Science Monitor of March 20, 1944, entitled "War Profits and Reserves."

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

WAR PROFITS AND RESERVES

The question of wartime profits of corporations continues to be of interest. The latest Truman committee report estimates undivided profits, after taxes, have reached a cumulative total of $10,000,000,000. The Department of Commerce, in February, placed the figure at upwards of $8,000,000,000.

Noting that 70 percent of the total war orders are held by 100 large corporations, the Truman committee finds only 9 of the 100 "wholly free of excessive profits in 1942."

However, Secretary of the Navy Knox, testifying before another Senate committee, said that for the big firms the rate of profit, after taxes, was only 4 percent.

The reconciliation of Secretary Knox's views with those of the Truman committee is not so difficult as might at first appear. The Secretary is talking about rates, the committee is reporting on volume. A 4-percent rate on a $200,000,000,000 2-year volume would equal the Department of Commerce's figure.

Naturally, the application of a general statement to specific instances that vary as widely as does the pattern of American war production brings up points of conflict. The Truman committee mentions a New York aircraft corporation which had average profits in its 1936–39 base period of $32,483 after taxes. In 1942 its profits before taxes had multiplied 528 times to $23,153,583, and its profits after taxes were $5,403,583, or 168 times the pre-war average. Renegotiation then entered the picture and reduced the before-tax figure by $8,000,000 and the after-tax figure by $1,600,000.

This was cited by the committee as an extreme example, and of course it is an extreme example, because it is doubtful whether this firm before the war was very much more than a research and experimental plant, whereas today it is a mass producer, its scope completely altered.

Even so, the figures tend to support the administration's contention—in which business does not wholly disagree—that excess-profits taxes and renegotiation are the only effective implements available for keeping war profits under some semblance of control.

The question next arises whether it is desirable to cut even more deeply into war profits. And that is a question involving congressional intentions toward the reserves which business seeks to accumulate for the post-war conversion.

General Motors has said it will need $150,000,000 to return it to automobile manufacture; General Electric sees need for $50,000,000; Ford, $70,000,000; Douglas Aircraft, $63,000,000, and so on.

As the problems of renegotiation become problems also of termination, this question of post-war reserves will inevitably become of the sharpest importance to many concerns. It is decidedly not too early for Congress and the administration to formulate some clear policies.

CHARGES MADE TO SOLDIERS FOR FOOD IN RAILROAD DINERS

Mr. LANGER. Mr. President, I ask unanimous consent to have printed in the RECORD a letter which I received from Pvt. Clinton R. Davies, from Camp Kohler, Calif., under date of March 13. Private Davies is a brother of Capt. Ron Davies. The letter deals with the charges made on the railroad dining cars for food furnished to men in the armed forces.

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

CAMP KOHLER, CALIF., *March 13.*

DEAR SENATOR: First I want to identify myself. I am Capt. Ron Davies' brother, but recently inducted into the Army. One of those pre-Pearl Harbor fathers, and a former Grand Forks resident.

I would like to acquaint you with a tremendous graft that the railroads generally are indulging in.

Thousands upon thousands upon thousands of meals are being served United States Army men being transferred or being shipped all over the country every day by railroad diners.

They charge the Government $1, and the enlisted man takes just what is given him. The officers, I understand, make a choice. Enlisted men are herded in (I am not talking about troop trains), fed what the diners offer, then the man in charge signs an order authorizing the Government to pay them at the rate of $1 per meal per person.

Now, I am the first to admit that a dollar is not an exorbitant price for a meal on a railroad diner.

Here is the menu served my contingent of 16 men coming from Fort Snelling to Sacramento. This meal is typical and was served on the Southern Pacific. It was prepared for hundreds of soldiers using Government meal tickets. Imagine the profits.

Mush; one roll; one muffin—no butter—a small portion of egg and potatoes; coffee.

Each soldier was handed an orange on the way out. No soldier had enough to eat. The Government paid $1 a plate for that. They serve three much better meals than that for 58 cents a day in the Army.

These enlisted men are herded in by the military police and take what they get in the diners. With the volume of traffic dining-car profits must be enormous.

Remember, the big railroads segregate the soldiers. They are so often crowded they run their trains in sections. They have two diners—one for the soldier and a first-class one for the civilian.

This is large-scale graft, Senator, practiced by railroads owned by Averill Harriman and his cohorts. It should be stopped immediately.

Either the soldier should get a decent meal, or the Government should pay less. It is rank graft.

Incidentally, I was with the Immigration and Naturalization Service in civilian life. I see you are on that committee.

At your earliest convenience check this matter. I would appreciate knowing your reaction. It is a source of great discomfort and irritation to we enlisted men.

Sincerely,

PVT. CLINTON R. DAVIES.

THE URGENT DEMAND FOR FARM MACHINERY

Mr. WHERRY. Mr. President, Allen Dowling is the editor of the Beatrice Times, of Beatrice, Nebr. Beatrice is located in Gage County, one of the finest agricultural counties in my State. I am sure the President of the Senate has visited in that town and knows something about the qualities of the products raised in Gage County, in southeast Nebraska. In the issue of the newspaper, the Beatrice Times, of day before yesterday—and the Times is one of the leading newspapers of Nebraska—Mr. Dowling states that he believes recent "farm auction lust" offers a beautiful illustration of the law of supply and demand. The article states:

A tractor was offered for sale in Gage County. Each prospective purchaser was required to put up a check for $800 to show good faith, and there were 170 of them. It meant a total offering of $136,000 for 1 tractor. The demand in money terms—

Dowling points out—

was ridiculously in excess of the supply in material terms.

That is all I want to quote from the article, but I wish to say that this incident affords a beautiful illustration of how short is the supply of farm machinery in the Middle West, which is known as the bread basket of the world. One tractor was offered for sale at auction. One hundred and seventy farmers put up $800 apiece, or a total of $136,000, to buy that tractor. Is there any doubt that in the further deliberations of the Senate we should see to it that the farmers of America obtain the machinery they require in order to produce the food which is needed not only for our own civilian population and our military but also for lease-lend purposes?

OBSERVANCE OF SUNDAY

Mr. CAPPER. Mr. President, I ask unanimous consent to have printed in the RECORD a statement by the Reverend Harry L. Bowlby, general secretary of Lord's Day Alliance of the United States, setting forth the plan approved by his organization for securing a better observance of Sunday throughout the United States.

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

OBSERVE SUNDAY

The return of the Lenten season each year emphasizes the fact that Christianity is the religion of the Republic of the United States and so declared to be by its highest judiciary, the United States Supreme Court, having on February 29, 1892, handed down an obiter dicta opinion that this country "is a Christian Nation." *The Church of the Holy Trinity* v. *The United States* (145 U. S. 227).

It is likewise an interesting fact that the Constitution of the United States, article 1, section 7, paragraph 2, has incorporated the first day of the week, Sunday, and so recognized it as a civil institution.

In view of these facts recognition of Sunday by the Postal Service of the United States would be most appropriate and eminently in order would be the stamping on all pieces of mail the words "observe Sunday" for a period of 2 weeks previous to and including Easter Sunday, to remind the people of the United States that Sunday is the national weekly rest day, the friend of the toiler, a principle embedded in the Constitution of the United States and that Christianity is the friend of every person within the Nation who believes that it is his duty to this country "to love it; to support its Constitution; to obey its laws; to respect its flag; and to defend it against all enemies."

The President of the United States has expressed himself in favor of such a purpose. It is hoped the Congress of the United States will favor and enact legislation to that desired end and do so promptly in this critical period of our Nation's history.

The Lord's Day Alliance of the United States, New York 10, N. Y., representing 22 religious bodies whose communicant membership is above 20,000,000 with upward of 10,000,000 adherents, makes this earnest appeal, and for the introduction of a bill embracing the said purpose of the movement.

HARRY L. BOWLBY,
General Secretary,
Lord's Day Alliance of the United States.

AMMUNITION HELD AS SOUVENIRS

Mr. DOWNEY. Mr. President, in several million American homes there is ammunition which has been taken there as souvenirs by members of our armed forces. That ammunition undoubtedly constitutes a threat and a danger in those homes. I have written a letter to the Secretary of War concerning that problem. I ask unanimous consent to have this letter printed in the RECORD at this point as a part of my remarks.

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

MARCH 21, 1944.

The Honorable SECRETARY OF WAR.

MY DEAR MR. SECRETARY: There has recently been brought to my attention a condition which I believe should be presented to you for your consideration and proper action.

Almost all men in our armed forces have access to ammunition in some form and many have presented to their families and friends shells and various types of explosives small enough to slip, undetected, past the search of guards and sentries, which have apparently become the favorite home-front souvenir. There is undoubtedly today an enormous quantity of just such ammunition lying about the homes of the Nation. These explosives carry a potential danger for any family possessing them, particularly for the younger children.

There recently appeared an article in one of the California newspapers concerning a half-dozen youngsters and a 20-mm. shell which an older member of the family had brought home. The children undertook to unload the shell, using nails and hammers for tools. One was killed outright and four, I believe, hospitalized with serious injuries. This is only one example of what might happen in any of countless homes throughout the Nation.

However, after being apprised of the dangers in harboring such matériel, obviously, the first impulse would be to dispose of it as speedily as possible. Unfortunately, as you know, there are few safe ways to dispose of ammunition. Few people would return this Government property to the military authorities because of possible questioning and unhappy consequences for the boy who took home a souvenir because his buddies had already made it the thing to do. The probable result, then, of this reaction would be that vacant lots, canyons, and roadsides would become most dangerous for youthful explorers.

It is my thought, therefore, that simultaneously with informing the people of the dangers of keeping such ammunition they be afforded an easy and safe method whereby they can dispose of it. May I suggest that the police and sheriff offices be employed as receiving stations for this ammunition. These law-enforcement agencies have trained personnel who could handle and transmit the ammunition to the military authorities with safety.

I believe this problem merits wide publicity, and I trust expeditious and proper action will be taken toward the elimination of this existent dangerous situation.

Sincerely,

SHERIDAN DOWNEY.

POST-WAR PROBLEMS OF MOTION-PICTURE INDUSTRY—STATEMENT BY HAROLD HOPPER

Mr. DOWNEY. Mr. President, on February 28 Harold Hopper resigned his post as Chief of the Motion Picture Section of the War Production Board, and called upon the American film industry to organize a special committee to draft plans for presenting the problems of the industry at the coming Allied peace conference. I ask unanimous consent to have printed in the RECORD at this point as a part of my remarks a news release dated February 28, 1944, containing this statement by Mr. Hopper. I think the suggestion of Mr. Hopper is most valuable, and I hope it will be acted upon. There is little I can add to Mr. Hopper's statement. I agree wholly with him in his measure of the importance of the film industry and the advisability of creating a proper industrial policy for the post-war era, so that this great American business can operate most widely and successfully both here and abroad. Mr. President, I hope the Senators will find time to read the release which I am placing in the RECORD.

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

WASHINGTON, February 27.—Declaring that 90 percent of the problems of the motion-picture and film industries related to the war have now been solved, Harold Hopper today announced his retirement as chief of the motion-picture section of the War Production Board.

In giving up the dollar-a-year post to which he was named more than a year and a half ago, Mr. Hopper said he felt free now to resume direction of his private business in Los Angeles, where he is connected with the cinema industry. Although his resignation is effective immediately, he will continue to serve the War Production Board in an advisory capacity.

The California man in relinquishing his official duties took occasion to urge upon the motion-picture industry the necessity of setting up a special committee for the purpose of presenting to the coming Allied peace table problems of the industry with respect to free access to world markets after the war.

"The film industry," he said, "should take steps now toward setting up some permanent organization to function in drafting a program for presentation at the peace conference, as well as in aiding the various Government agencies in their efforts to assist the industry through reciprocal trade agreements with Latin-American countries.

"Much valuable preliminary work can be done by the industry in both directions. Upon returning to Washington recently I was gratified to learn that certain arrangements have already been made by the State Department in furtherance of the free and unhampered distribution of American films through the operations of reciprocal trade agreements.

"But this is only one phase of the program which the industry should press for the removal of embargoes and other barriers to the free distribution of our films. The need exists for a permanent, well-organized industry committee, capable of dealing with national and international problems, particularly in relation to the peace conference and post-war conditions.

"Unless the industry lays the groundwork in advance for presenting its case it will miss a golden opportunity. The proper committee or agency should be set up now to begin preparing a program."

Mr. Hopper said the motion-picture industry is probably the greatest salesman of American goods and the democratic way of life that could possibly be devised.

"If results could be tabulated," he declared, "they would unquestionably show that the modern motion picture is not only the greatest salesman of the American way of life, but that it is daily selling everything from hairpins to steam locomotives, kitchen cabinets, bathroom fixtures, and motorcars, to say nothing of women's and men's fash-

ions, nationally and in every corner of the earth.

"Without a properly organized committee to keep the United States Government and all its agencies, as well as foreign nations, thoroughly conversant with the needs and requirements and problems of the industry, there is little hope that the motion-picture producers of the country will be given proper consideration at the peace table or in the domestic affairs of foreign nations with regard to consumer goods produced in the United States.

"It seems to me," he added, "that it is elementary that any such sales agency as this industry should take every step possible to see that its voice and influence are properly and adequately heard, both here and abroad."

In announcing that 90 percent of the war problems in film and motion-picture regulation have now been adjusted by the War Production Board, Mr. Hopper said that all of the essential needs of film by the Army and Navy and amusement had been met, and that he anticipated that sometime in 1944 there would be sufficient film production in the United States to permit unlimited sales even to amateurs and the general public. The latter point, he feels, is particularly desirable because of the urgent and insistent demand of our soldiers and sailors overseas and elsewhere for photographs of loved ones at home and familiar scenes. Such demands are growing stronger every day, he said.

Mr. Hopper said the latest evidence of the need for organization of an industry committee to function in connection with foreign problems was found in dispatches carried by the American press last week telling of an attack made on Hollywood films by Lord Brabazon in the British House of Lords.

"Lord Brabazon," he said, "was quoted as objecting to the policy which ended the freezing of the earnings of United States films in Britain, going on to say that, while such earnings were frozen, English films were allowed to be shown in the United States. He added that the moment the funds were unfrozen 'not another English film was shown in the States.'

"This statement is simply not in keeping with the facts. If allowed to go unchallenged, it might result in a revival of the freezing policy. The American industry needs some group to watch its interests in foreign developments of the kind. It is far easier to correct misunderstandings of the kind than to undo the damage after it is done."

EXECUTIVE AND INDEPENDENT OFFICES APPROPRIATIONS

The Senate resumed the consideration of the bill (H. R. 4070) making appropriations for the Executive Office and sundry indepndent executive bureaus, boards, commissions, and offices for the fiscal year ending June 30, 1945, and for other purposes.

The VICE PRESIDENT. The question is on agreeing to the committee amendment on page 51, line 17.

Mr. McKELLAR. Mr. President, yesterday the Senator from North Dakota [Mr. LANGER] asked about some rubber gloves. I told him I would have the matter looked up, and I have done so.

The Securities and Exchange Commission purchases about 30 pairs of rubber gloves per year, spending therefor between $15 and $20. The fluids used in the photostat work and the multilith work contain acids injurious to hands and it is, therefore, necessary that employees engaged on this work be provided with rubber gloves. The Comptroller General has ruled that for an agency to purchase rubber gloves there must be specific statutory authority therefor, and for this reason the appropriating language of the Securities and Exchange Commission contains the words "and purchase of rubber gloves."

Mr. LANGER. Mr. President, I am very grateful to the distinguished Senator from Tennessee for the information he has just given the Senate.

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	Robertson
Andrews	Gerry	Russell
Austin	Gillette	Shipstead
Ball	Green	Smith
Bankhead	Guffey	Stewart
Barkley	Hawkes	Taft
Bone	Hayden	Thomas, Idaho
Brewster	Hill	Thomas, Utah
Bridges	Holman	Tunnell
Brooks	La Follette	Tydings
Buck	Langer	Vandenberg
Burton	McCarran	Wagner
Bushfield	McClellan	Walsh, Mass.
Butler	McFarland	Walsh, N. J.
Byrd	McKellar	Weeks
Capper	Maloney	Wheeler
Clark, Mo.	Maybank	Wherry
Connally	Mead	White
Danaher	Millikin	Wiley
Davis	O'Mahoney	Willis
Downey	Overton	Wilson
Eastland	Radcliffe	
Ellender	Revercomb	

Mr. HILL. I announce that the Senator from Virginia [Mr. GLASS] is absent from the Senate because of illness.

The Senator from New Mexico [Mr. HATCH], the Senator from West Virginia [Mr. KILGORE], the Senator from Missouri [Mr. TRUMAN], and the Senator from Washington [Mr. WALLGREN] are absent on official business for the Special Committee to Investigate the National Defense Program.

The Senator from Indiana [Mr. JACKSON] is absent on official business.

The Senator from North Carolina [Mr. BAILEY], the Senator from Kentucky [Mr. CHANDLER], the Senator from Idaho [Mr. CLARK], the Senator from Utah [Mr. MURDOCK], the Senator from Texas [Mr. O'DANIEL], the Senator from North Carolina [Mr. REYNOLDS], and the Senator from Nevada [Mr. SCRUGHAM] are necessarily absent.

The Senator from Mississippi [Mr. BILBO], the Senator from Arkansas [Mrs. CARAWAY], the Senator from New Mexico [Mr. CHAVEZ], the Senator from Colorado [Mr. JOHNSON], the Senator from Illinois [Mr. LUCAS], the Senator from Florida [Mr. PEPPER], and the Senator from Oklahoma [Mr. THOMAS] are detained on public business.

The Senator from Montana [Mr. MURRAY] is absent on official business for the Committee on Military Affairs.

Mr. WHERRY. The Senator from Oregon [Mr. CORDON], the Senator from South Dakota [Mr. GURNEY], the Senator from Oklahoma [Mr. MOORE], the Senator from North Dakota [Mr. NYE], and the Senator from Kansas [Mr. REED] are necessarily absent.

The Senator from New Hampshire [Mr. TOBEY] is absent on public matters.

The Senator from Michigan [Mr. FERGUSON] is absent on work of the Truman committee.

The VICE PRESIDENT. Sixty-seven Senators have answered to their names. A quorum is present.

Mr. McKELLAR. Mr. President, since 1916 I have been a very diligent worker in behalf of the building of the dams on the Tennessee River. In my own estimation my work in the Congress, during the time I have been a Member of Congress, in furthering the building of the dams on the Tennessee River has been the most important work of my life. In importance to Tennessee, of course, it far surpasses anything else I have ever done; and in building up the country it has been of great value.

Mr. President, I am somewhat embarrassed by many things which have been said in this debate. During the entire time that we have been working in behalf of these dams, there has been more or less embarrassment. Naturally that is so. It is a very large project. On it the Government has expended between $750,000,000 and $800,000,000. That is quite a large sum of money. It is estimated that the receipts this year from those dams will amount approximately to $68,000,000. That is quite an item so far as the present state of our country in this war is concerned.

The committee has reported a change in the T. V. A. appropriation as passed by the House. The principal change is that instead of appropriating, as the House did, the unexpended balances of the present year's appropriation and appropriating the receipts of the T. V. A. for the coming year, and providing for a reserve of more than $8,000,000, as the House did, the Senate committee has amended the bill so as to appropriate out of the Treasury of the United States the sum of $76,000,000, and has inserted the usual clause applicable to other agencies, requiring them to pay into the Treasury their unexpended balances and their receipts, and doing away with the reserve fund of some $8,000,000 requested by Lilienthal. For several years now Lilienthal has been getting, in addition to his appropriation, a clause like the one in the House bill authorizing him to use the income of the T. V. A. in his operations. Those are the principal changes involved in the amendments affecting the Tennessee Valley Authority.

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

Mr. McKELLAR. I yield.

Mr. AUSTIN. I should like to ask whether there are other amendments which affect this question or whether it is all involved in one amendment, and will be determined by one vote?

Mr. McKELLAR. It will not, because the amendments can be divided. The principal amendment is that providing for payment into the Treasury of the receipts. The others are all subordinate to that amendment. As the Senator will see, they are all related.

Mr. President, how could it in any way cripple the Tennessee Valley Authority if we should appropriate substantially the same amount that the Authority claims it would receive under the House provision? This matter has been exaggerated far beyond its real status. The committee proposes what Congress provided in the original law, namely, that the receipts shall be paid into the Treasury of the United States, and that the Authority shall come to the Congress for its money. Is there anything unusual about that? That is what we require in the case of nearly every other similar activity. Every other business of this kind is conducted on that basis. That is what the T. V. A. has done heretofore, until its receipts amounted to as much as its expenditures.

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

Mr. McKELLAR. I yield.

Mr. HILL. I do not wish to interrupt the Senator's speech, but the Senator knows, and I tried to make plain yesterday, that I do not agree with his interpretation, or his statement with reference to the basic law. I think the language of the basic law is very clear. If the Senator will yield, I should like to read it.

Mr. McKELLAR. It was read several times yesterday. I hope the Senator will wait until I conclude before reading the law again. I think we all understand what the law is. I hope the Senator will not read it again at this time.

Mr. HILL. I shall not do so, but I wish to make it clear that I do not agree with the Senator's statement.

Mr. McKELLAR. I understand that. The Senator said so several times yesterday, and I am quite sure the Senator does not agree with what we propose to do.

Mr. HILL. Not only do I not agree with what is proposed, but I wish to emphasize that I do not agree with what the Senator says about the basic law.

Mr. McKELLAR. I understand. I think it is well understood that the Senator does not agree with me on that point.

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

Mr. McKELLAR. I yield.

Mr. WHITE. Whatever may have been the original act, and whatever interpretations may have been placed upon it in the past, is it not true at this time that the principal question which is raised is whether the receipts from the Tennessee Valley Authority shall go into a special fund in the Treasury, always at the disposal of the T. V. A., amounting, in practical effect, to the building up of a revolving fund in the Treasury? Is not that the question?

Mr. McKELLAR. The Senator has stated it very accurately.

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

Mr. McKELLAR. I yield.

Mr. HILL. I do not wish to take the Senator's time, but I do not believe the Senator from Maine has correctly stated the proposition.

Mr. McKELLAR. Will not the Senator be good enough to have it out with the Senator from Maine a little later? I shall greatly appreciate it.

Mr. HILL. I shall do so. However, let me say to the Senator from Tennessee that when I was speaking yesterday there was not a single time when he asked me to yield that I did not yield.

Mr. McKELLAR. The Senator yielded; but before I could ask a question, or even begin to ask a question, the Senator would answer it, and therefore the yielding did not amount to anything.

Mr. HILL. If the Senator will further yield, I believe that if the Senator will look at yesterday's proceedings he will find that I yielded very liberally and freely to the Senator from Tennessee.

Mr. McKELLAR. The Senator yielded; but he did not wait until I asked a question before he answered it.

Mr. President, practically all the principal dams on the Tennessee River have been completed. The notable exceptions are the dam at Gilbertsville, Ky., and the Fontana Dam. The Congress authorized the construction of the Watauga Dam and the South Holston Dam in upper east Tennessee. However, Mr. Lilienthal and his associate in the work, Mr. Krug, who had been loaned or transferred to the W. P. B., "cooked up" an arrangement by which it was to appear that the W. P. B. did not have the materials to permit these two dams to be constructed. However, in some remarkable way, it was found that the construction of the Fontana Dam, which was preferred by Mr. Lilienthal, could continue.

Mr. President, provision is made in the bill for the continuance of the work on all these dams except the two which I have named, the construction of which has been stopped by the W. P. B.

Mr. President, as I have stated, it is estimated that the income from the sale of power and fertilizer during the coming year will be nearly $70,000,000. I need not repeat that the undertaking is a large one and that the Government has more than three-quarters of a billion dollars invested in it. In my judgment, it is time for the Government to reap some of the benefits. At present the project is under the absolute domination and control of one single man, whose name is David Eli Lilienthal. At the present time Hitler has no more complete control over Germany than has Mr. Lilienthal over the dams of Tennessee.

That can hardly be better illustrated than by a letter I received Friday from a constituent, which I shall now read:

DEAR SENATOR MCKELLAR: I see where you have stated that Mr. Lilienthal had absolute power over the T. V. A.

I recall last February, a year ago, there were negotiations at Johnson City, Tenn., between Mr. Lilienthal and the East Tennessee Light & Power Co. looking toward the sale of the light and power company to the T. V. A. I was interested in getting T. V. A. power for Johnson City and in that connection we held an intercity meeting at the John Sevier Hotel in Johnson City to talk it over with Mr. Lilienthal. I asked him the plain question if he had the authority and money to buy the plant and pay the amount agreed upon. A price of $11,000,000 had been discussed. He said "Yes"; he had absolute right and power to make the purchase if and when the price was agreed upon. I also asked him if he had to consult anyone else, and he said "No."

That shows the way the T. V. A. is operated. It is operated by this one man.

Yesterday several questions arose for which I was sorry. I wish to show the Senate—and I think I can do so very quickly—the real and substantial reasons why Mr. Lilienthal should not have the power to establish a revolving fund, taking in money and pay it out as he pleases. As I have said, it is not done in other cases. Why should it be done in the case of the T. V. A.? Mr. President, I wish to invite attention to what has happened heretofore.

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

Mr. McKELLAR. I yield.

Mr. LANGER. How large a bond is this man under?

Mr. McKELLAR. He is under no bond whatever. He is an appointee.

Mr. LANGER. I know that he is an appointee, but has he put up a bond?

Mr. McKELLAR. He has put up no bond whatever. He has under his control more than three-quarters of a billion dollars of the American people's money. He is receiving $75,000,000 a year from power and from the manufacture of fertilizer, and he has control of the money without let or hindrance.

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

Mr. McKELLAR. I yield.

Mr. WHITE. Is it not also true that while he holds this office without any bond, there is no accounting or auditing by the Comptroller General's Office?

Mr. McKELLAR. There is auditing and accounting by the Comptroller General's Office. However, I wish to say that the T. V. A. officials pay very little attention to the recommendations made by the Comptroller General's Office. I had an investigation made of that matter, and I found that the last report of the General Accounting Office included a number of suggestions which were rejected by Mr. Lilienthal, who controls the T. V. A. He does not want any interference of any kind, or anyone to say him nay about anything.

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

Mr. McKELLAR. I yield.

Mr. AIKEN. I understand that the T. V. A. is audited by the General Accounting Office. I should like to ask the Senator from Tennessee if, to his knowledge, the General Accounting Office has ever reported to the Congress, as required by law, any irregularities, shortages, or misspending of funds if such conditions exist.

Mr. McKELLAR. No; it has not done so insofar as I know.

Mr. President, I shall give reasons why we should ask that these funds be not paid to Mr. Lilienthal, and that the Congress itself hold its hand on this activity.

At this point I desire to let the Senate know more particularly who this man Lilienthal is. I have an idea that Lilienthal when first appointed 8 years ago, was from Wisconsin. I had never

heard of him before, and I do not now know anything about his early history. I only know concerning his history since he has been on the T. V. A. The Authority was established in 1933. One of the first dams built by the Authority, as the older Members of the Senate will recall, was the so-called Norris Dam. In buying the property for that dam, Dr. A. E. Morgan, the then chairman of the T. V. A., made very specific charges of fraud against Lilienthal.

On March 4, 1938, Dr. Morgan gave out an interview to the New York Times in which he said it was his responsibility "to fight for certain decencies and proprieties in public life which are more important to good government than any particular Government program. The * * * marble case presents an instance of this difficulty."

In reference to the so-called marble cases there are some Senators now present who were here when the marble cases were very prominently before the country. Several gentlemen had bought up the mineral rights under the lands taken for the Norris Dam. They bought those rights for a few hundred dollars, and then, as I remember, undertook to sell them to the Authority for five or six million dollars, claiming that marble was under the whole Valley, and that they were being deprived of their right to quarry it. There was a terrible furor about the matter, as Senators will recall, and finally there was quite a division of opinion in the Authority itself. Two members of the Authority wanted to compromise and settle with the claimants. One of them was Mr. Lilienthal, and the other was Dr. H. A. Morgan. Dr. A. E. Morgan, the then chairman of the Authority, felt differently, and considerable feeling concerning the matter arose between Dr. A. E. Morgan and Mr. Lilienthal. I wish to read what Dr. Morgan and others said. By the way, I shall include in my statement a number of excerpts which I think Senators will find interesting. One is from a statement by the Senator from Michigan [Mr. VANDENBERG]. Dr. Morgan said:

> To a steadily increasing degree I have contended with an attitude of conspiracy, secretiveness, and bureaucratic manipulation * * * the public has been steadily, and I believe, purposely, led to believe that the difficulties within the Tennessee Valley Authority have been due primarily to differences as to power policy or to just another "family quarrel."

Mr. AIKEN. Mr. President——

Mr. McKELLAR. I will yield in a moment.

Mr. AIKEN. I should like to ask to which Dr. Morgan the Senator refers?

Mr. McKELLAR. I refer to Dr. Arthur E. Morgan. He continued:

> The real difficulty has been in the effort to secure honesty, openness, decency, and fairness in government.

The New York Times printed an article quoting Dr. Morgan:

> There is a practice of evasion, intrigue, and sharp strategy, with remarkable skill in alibi, and the habit of avoiding direct responsibility, which makes Machiavelli seem open and candid, * * * and man to man directness was a mask for hard-boiled, selfish intrigue.

And again:

> The marble claims, in my opinion, were an effort at deliberate bare-faced steal.

Deliberate, bare-faced—a steal!

Here is a man's associate on a commission, on a governmental authority stating that his colleague was engaged in a conspiracy, in a bare-faced steal. Has that statement ever been denied by the man to whom it was directed? If there is a Member of the Senate who has ever heard of a denial of that statement by Mr. Lilienthal, I should like to hear from him.

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

Mr. McKELLAR. I yield to the Senator from Alabama.

Mr. HILL. The Senator from Tennessee is now talking about the old marble deal?

Mr. McKELLAR. Yes; and what is needed is honesty, whether in reference to marble or anything else.

Mr. HILL. Exactly; I agree with that; honesty is first and foremost, but the Senator ought to tell the Senate that the Senate of the United States and the House of Representatives set up a joint committee, the chairman of which was the then Senator from Ohio, Senator Donahey.

Mr. McKELLAR. That is true.

Mr. HILL. And on that committee were some of the most distinguished Members of the Senate and House of Representatives. They investigated T. V. A.; they investigated the marble case to which the Senator refers, and after weeks and months of investigation, of testimony, of hearings, and of consideration that committee gave the T. V. A. a clean bill of health in the marble case. As the Senator well knows there was a feud between Dr. Arthur E. Morgan, who made all these charges against Mr. Lilienthal, but, after making these charges Dr. Morgan could not substantiate them before the special committee of the Senate and the House.

Mr. MEAD. Mr. President, may I interject a statement?

Mr. HILL. The Senator from New York was a member of that committee.

Mr. McKELLAR. I shall yield in a moment; I desire first to answer what the Senator from Alabama has said. He talks about a feud. Every friend of Mr. Lilienthal and all the newspapers talk about his feud with me. Heaven knows, I have no feud with Mr. Lilienthal. The only thing I require of Mr. Lilienthal is common honesty in the administration of the affairs of his office, and as, in great degree, I caused the Congress of the United States to erect the dams in my State and in the neighboring State of Alabama, I would be derelict in my duty if I did not bring to the attention of the Senate what I know and what I will prove before I conclude concerning these matters. This is the first one of the items, but I have several others, showing exactly what this man's conduct has been all the time. He does not deny anything. He did not deny anything in the hearings before the Donahey committee, of which the Senator from New York [Mr. MEAD] was a member. Did he come onto the stand and deny these statements?

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

Mr. McKELLAR. Will the Senator answer that question?

The PRESIDING OFFICER (Mr. DOWNEY in the chair). Does the Senator from Tennessee yield to the Senator from New York?

Mr. McKELLAR. I yield.

Mr. MEAD. He did not while I was in attendance on the committee.

Mr. McKELLAR. He did not testify at all. He merely let the charges go off as best they could, but he did not answer his colleague, and he never has answered him. It is not his method of doing business to answer charges made against him, and he has not done it.

Mr. MEAD. Mr. President——

Mr. McKELLAR. I yield to the Senator from New York.

Mr. MEAD. As a member of the committee that investigated T. V. A., I merely wanted to say, as indicated by my distinguished colleague the junior Senator from Alabama [Mr. HILL], that we visited the area of operations and went completely into all the charges. I recall very distinctly—and I should say this first—the splendid work done by the senior Senator from Tennessee in the matter of securing appropriations for the construction of the dams in the early period of the T. V. A. history. I also remember that with meticulous penetration we went into the marble deal and other deals, and in the final report, which is available to Members of the Senate, we gave the Tennessee Valley Authority a clean bill of health.

Mr. McKELLAR. I shall be very happy to show it to anybody who wants to read it, and I will guarantee that any Senator who has not already made up his mind who will take the report and study it will be obliged to come to the conclusion that this man was guilty.

The Senator from New York, my good friend who serves with me on the Committee on Appropriations, knows how this thing has been managed for years. He says that this man was given a clean bill of health. He did not even appear before the committee. Here is a man charged with stealing, charged with fraud, charged with the highest wrong, and he did not have the manhood to appear before the committee and say that he was not guilty. He did not come. He was given a clean bill of health without ever appearing.

Now, let me read further:

> Arthur E. Morgan made extensive and unequivocal charges of dishonesty and lack of integrity in public office.

Of course, if this man had gone into any claims and had paid to the claimants for a claim of a few hundred dollars a few million dollars, we all realize that there was something unusual about it.

Senator VANDENBERG said:

> It is impossible to turn aside * * * the charges of * * * Dr. Arthur E. Morgan * * * about lack of honesty in the expenditure of half a billion dollars.

I quoted Senator Norris the other day, but my attention has been called to the fact that I did not quote him sufficiently, and I shall now quote further what Senator Norris said about this matter. I do that in justice to Senator Norris, who is no longer a Member of this body. On March 8, 1938, which was about 6 years ago, Senator Norris said:

Mr. President, Dr. Arthur Morgan has spread this story all over the United States. People generally have an idea, and perhaps many Senators have an idea, that when these claimants, and Mr. Lilienthal, and the other Morgan, were about to rob the Government of millions of dollars—

This is Senator Norris speaking—

were about to rob the Government of millions of dollars, Dr. Morgan stepped in and called a halt, and saved the day.

That is what I read the other day. I have been asked to read a little farther from the same place, and I do so, as follows:

He did not do anything of that kind. I suppose he was suspicious. I think he has reached such a stage in his mentality that if he saw Lilienthal going to church he would charge him with being treasonable, because he would say, "He is trying to fool God Almighty."

Now I have read it all.

At that time the newspapers seemed to take the view that a case of fraud was involved. The Chicago Journal of Commerce, for example, stated:

Bluntly, Dr. Morgan charged that only his intervention had prevented the consummation of an agreement whereby his two colleagues would have permited * * * (the marble interest) to exploit, hold up, and defraud the Government.

Mr. President, I believe this is as far as I care to go into that phase of the matter.

I feel I should say here that Dr. H. A. Morgan, a Canadian by birth who moved to Knoxville, Tenn., many years ago and was for a time president of the State university at Knoxville; is a kindly and good man. These charges were not aimed at him primarily. They were aimed at Lilienthal. The only charge made against Dr. H. A. Morgan was that he was being misled by Lilienthal. Since that time and prior to 1939 there was an investigation made by a Senate committee and all of these matters were gone into. It does not appear that Lilienthal ever denied the charges or affirmed them but just left them where they were. The Senate committee stated the facts but apparently did not have Lilienthal before the committee. At all events, in the record that I received there was no evidence given by Lilienthal. It was not shown whether he was guilty of the charges or not, but so far as this record shows he did not deny the charges that his colleague A. E. Morgan made against him. The Senate committee simply said the charges had not been proved and let it go at that. Dr. A. E. Morgan was asked to resign for other reasons and Lilienthal was put in his place and has been in his place ever since. Lilienthal has been before our committee a great many times. Every word that Dr. Morgan said about his secretiveness, willness, lack of frankness, and lack of openness, is absolutely true. That he is a scheming, designing, and falsifying official of the Government there can be no doubt. That is the kind of a man we are dealing with. That is the kind of a man we have given $750,000,000, at the lowest estimate, of the Government's money, or property worth that, which brings in an income of at least $68,000,000 a year, and without requiring anything of him, just letting him take the receipts and run the matter to suit himself.

By the way, I have received two letters in the last day or so which show that Mr. Lilienthal recently bought a tract of land in Williamson County, Tenn., not very far from Muscle Shoals, containing phosphate rock, which can be extracted from the ground and made into fertilizer. I suppose he had an idea that the fertilizer plant at Muscle Shoals would be used for that purpose. I forget the number of acres involved, but, as I recall, it was about 800 or a thousand. Without ever saying a word to Congress, without ever asking "By your leave," without ever mentioning it or reporting it to Congress—it has not been reported yet, but came to light since this matter arose—he bought for $678,459.80 a tract of land supposed to be phosphate land, which cost the phosphate concern from which he bought it about $139,000. In other words, he bought it for over $500,000 more than the concern had paid for it. That is not a matter of policy, such as my distinguished friend from Alabama was discussing yesterday; it is a matter of just everyday action. The same is true of another tract of land, not so large, which he has recently bought in Maury County.

Mr. HILL. Will the Senator from Tennessee yield?

Mr. McKELLAR. I yield.

Mr. HILL. The Senator is talking about the phosphate lands.

Mr. McKELLAR. Yes.

Mr. HILL. I have here before me the report of the joint committee investigating the Tennessee Valley Authority, and at this point, if the Senator will yield, I think I shall read into the RECORD the names of the men who constitute this committee.

Mr. WILEY. What is the date of the report?

Mr. HILL. This report was made during the Seventy-sixth Congress, first session, by the joint committee which made the investigation in 1938. The membership of that committee was:

Vic Donahey, Senator from Ohio, chairman.

H. H. Schwartz, Senator from Wyoming.

JAMES M. MEAD, Senator from New York.

Lynn J. Frazier, Senator from North Dakota.

JAMES J. DAVIS, Senator from Pennsylvania.

Graham A. Barden, Representative from North Carolina.

R. E. THOMASON, Representative from Texas.

THOMAS A. JENKINS, Representative from Ohio.

CHARLES A. WOLVERTON, Representative from New Jersey.

Mr. President, that was the membership of the committee which made this investigation. They investigated the purchase of these phosphate lands, and let us see what they said about it, if the Senator will yield for a moment. I read from page 216 of the report of this joint committee of the two Houses of Congress. It says:

Tennessee Valley Authority phosphate land purchases.

That is the headline.

The Authority's fertilizer production requires a continuous available supply of phosphate rock or matrix. In the beginning the Authority obtained rock by contracts with individual landowners and by leasing small tracts of phosphate land. Some ore was purchased from commercial companies. These methods proved unsatisfactory. The average cost of rock having a 52 percent content of b. p. l. (bone phosphate of lime) was about $2 a ton at the mine, and an adequate tonnage could not be secured. The Authority therefore set out in 1936 to acquire phosphate lands of its own. A total of 2,986 acres have been acquired, containing estimated phosphate rock deposits of 15,065,800 tons. Purchases were made under the supervision of Dr. Harry A. Curtis, formerly head of the Authority's Department of Chemical Engineering and at present dean of the school of engineering at the University of Missouri.

I shall not read all the details, but I think this is germane——

Mr. WILEY. I understood the Senator from Tennessee referred to recent purchases.

Mr. McKELLAR. Certainly.

Mr. WILEY. The Senator from Alabama is referring to 1938.

Mr. McKELLAR. I am referring to recent purchases. I shall read the letter.

Mr. HILL. Very well.

Mr. McKELLAR. The letter reads:

On the registry books of Williamson County, Tenn., there is no evidence that the Tennessee Valley sold any properties to the Monsanto Chemical Co. There is evidence that the International Agricultural Corporation, incorporated in the State of New York, through their branch office at Columbia, Tenn., sold and transferred mineral rights in Williamson County, Tenn., to the Tennessee Valley Authority, in the name of the United States of America, for the sum of $678,459.80, which transfer is recorded in book 71, pages 319 and 324, on August 7, 1937. These properties were purchased in 1934 by the International Agricultural Corporation for the sum of $139,597.50. In this transaction you will see that the Government paid $538,862.30 more than the original amount paid by the International Agricultural Corporation.

Mr. HILL. Will the Senator yield further?

Mr. McKELLAR. I yield.

Mr. HILL. I will say the transactions to which the Senator refers are the identical transactions which the joint committee investigated.

Mr. McKELLAR. How in the name of heaven——

Mr. HILL. I can tell the Senator how in the name of heaven——

Mr. McKELLAR. Wait a moment. I hope the Senator will not follow the method he pursued yesterday. Yesterday whenever I would seek to interrupt the Senator would say "Yes; I yield," and then would proceed to interrupt me, so

I did not get any satisfaction in my attempt to ask questions of my friend. I hope he will let me make this statement.

It does appear that this purchase was made in 1937, and the joint committee may have passed on the matter, but no committee could explain how this corporation bought from a phosphate company lands for which the phosphate company had a year or two before paid $139,000, at the enormous price of $780,000, in excess of a half a million dollars more than the phosphate company itself paid.

Mr. HILL and Mr. WILEY addressed the Chair.

The PRESIDING OFFICER. Does the Senator from Tennessee yield; and if so, to whom?

Mr. McKELLAR. I yield first to the Senator from Alabama, but I hope the Senator will not read long excerpts.

Mr. HILL. Let me say to the Senator, if I may—and I do not wish to impose upon him—that he brings up this question of phosphates as if there were something terribly wrong about it.

Mr. McKELLAR. I do not think it is terribly wrong, I think it is damnably wrong, and committed by Lilienthal against this Government.

Mr. HILL. This is the point to which I wish to call the Senator's attention. Whatever may be the opinion of the Senator from Tennessee—and of course he has a right to his opinion—the committee which was created to make the investigation certainly did not find it "damnably wrong," and they went into it thoroughly.

Mr. McKELLAR. They did not excuse it.

Mr. HILL. Just a moment. I am going to read from the report.

Mr. McKELLAR. No; I object to the Senator reading in my time.

The PRESIDING OFFICER. Does the Senator from Tennessee yield?

Mr. McKELLAR. I am unwilling to have the Senator stand here and read the report of a committee which whitewashed this man Lilienthal several years ago.

Mr. HILL. Then the Senator's colleagues in the Senate and the House were guilty of a whitewashing job?

Mr. McKELLAR. Oh, no.

Mr. HILL. That is what the Senator said. Of course, if the Senator thinks these splendid Senators and Members of the House who were members of this committee merely went to work to whitewash and did whitewash the T. V. A., I do not suppose he wants to know the facts.

Mr. McKELLAR. That is a very unfair statement, but I will let it stand just as it is, if the Senator will permit me to proceed for a few moments. The Senator addressed this body yesterday afternoon for 2 or 3 hours. Will not the Senator permit me to say a word or two? Will the Senator be gracious enough, kindly enough to permit me to submit the facts in this case without undertaking to read some balderdash from some committee report of 20 years ago?

The PRESIDING OFFICER. The Senator from Tennessee indicates that he does not desire to yield further at this time.

Mr. HILL. The Senator from Alabama is not asking the Senator to yield.

Mr. McKELLAR. When the Senator has a question I shall be delighted to yield to him at any time, but I do not yield to him so he may read a book.

I now come to the second matter, and I want to read from a book, but it will not be long. I read from the Annual Report of the Tennessee Valley Authority. In other words, I am reading Mr. Lilienthal's own language. It appears on the second page of the report. He is telling what the Tennessee Valley Authority has done:

> Returned——

I am reading his own language now——

> Returned $13,148,000 of net income to the United States Treasury.

What would anyone reading that language infer? To anyone on earth who reads it it would mean that Lilienthal had, out of the net income, paid over into the Treasury as general receipts $13,148,000. Did he do it? He appeared before our committee and I asked him if he had paid it in. He said "yes." I said "When did you pay it in?" Well, he could not tell when. But, boiled down, he finally said that he had a private account and when I say "he" I mean the T. V. A., because he is the T. V. A. He said the T. V. A. had a special account in which it had put all its money. I asked him, "Was this paid to the Government?" "Oh, yes; this $13,148,000 was paid to the Government." "Well," I said, "I happen to have a statement from the Treasury saying they have received no money at all from you as general receipts."

When he was thus confronted, he said, "Well, I put that in my own account."

Mr. President, is that paying it into the Treasury? Is there any one Senator present who would for a moment contend that that was paying a part of the net receipts in to the Government of the United States? It was a blind. It is what bankers call window dressing, but it is what I call plain falsification. Mr. Lilienthal wanted to curry favor with the Congress, and he made a false statement about it, and when confronted with it he had to admit it.

I telephoned the Treasury Department and asked if they had received any such sum from the T. V. A. and I was told over the phone that they had not. I asked the Treasury to write me a letter showing that fact as they stated it. In writing the letters the Treasury got it mixed up with an account that the T. V. A. has with the Treasury. In other words, the T. V. A. uses the Treasury as a bank and has its funds put in a specific account. Of course, that fund is a special fund and is subject only to a check of the T. V. A. The two letters tried to explain this account. I thereupon summoned Mr. Daniel W. Bell, Under Secretary of the Treasury, to appear before the committee and I asked him the direct question as follows:

> Senator McKELLAR. Mr. Bell, last year the T. V. A. reported that it had paid into the Treasury of the United States $13,148,353. I want to ask you this question: Has the T. V. A. paid into the Treasury of the United States as a part of the general receipts of the Treasury $13,148,353 or any other sum during the year 1943? What I wish you to do, Mr. Bell, is to answer "yes" or "no," then you may make any explanation you wish about it.
>
> Mr. BELL. The T. V. A. did not deposit into the Treasury during the fiscal year 1943 any money that became a part of the general revenue of the Government.

It is thus seen that in making a report to the Congress of the United States Lilienthal was specifically falsifying about paying any money into the Treasury. No one on earth could read that testimony and think that Mr. Lilienthal was telling about making deposits in the T. V. A.'s special account with the Treasury. Anyone in reading it would have, of course, concluded that Lilienthal had paid into the general fund of the Treasury $13,148,353 when he had done nothing of the kind.

Is that the kind of man to whom we want to turn over the Tennessee Valley Authority? Is that the kind of a man to whom we want to turn over, without let or hindrance, an income amounting to between $68,000,000 and $70,000,000 a year? Is that what we want to do?

Mr. President, I was instrumental in having the Government put its money in the T. V. A. project. I wish to say, right here and now, at this point, that most of it was done over the lobbying of this man Lilienthal. That brings me to another point in this matter.

In 1934, after the Norris Dam had been started, and after the Wheeler Dam had been started, Dr. A. E. Morgan and Lilienthal seemed to have been together at that time—it was before Dr. Morgan called him a thief and said he was defrauding the Government—and they fixed a policy. The Senator from Alabama [Mr. HILL] says that the Congress fixes the policy. They did not allow the Congress to fix this policy. They fixed the policy of a yardstick. They said that they were not in competition with private industry, that they were not in competition with the private power companies; that all they wanted to do was to furnish a yardstick by which the power companies would know how much it would cost to make water power, and therefore fix their rates based on the cost. Senators know how many power companies would pay any attention to such a yardstick thus established by the Government. Yet they wanted to fix a yardstick, and they did not want any other dams to be built. So when the matter of the next dam came up they did not make any recommendation to the President. The President did not make any recommendation to the Congress. The House did not provide in the bill of that year for any dams.

But when the bill came to the Senate, as my distinguished friend, the Senator from Maryland [Mr. TYDINGS], will recall, for he was on the committee at the time, I offered an amendment providing for the Pickwick Landing Dam. That was the first dam provided for. We paid no attention to the yardstick. We paid

no attention to the question of recommendation. That provision was adopted by the Senate and was adopted in the House, and that dam was built. That is how the dam came to be built.

Next year they still were fighting for their yardstick, and they came to Congress. They did not recommend that any more dams be built. The President did not recommend that any more dams be built. The House did not recommend that any more dams be built. But when the matter came over to the Senate I was one of those unfortunate ones who offered an amendment to provide for building the Guntersville (Ala.) Dam, in my friend's own State, the Chickamauga Dam near Chattanooga, the Hiwassee Dam not far from Chattanooga, and the Gilbertsville Dam in the State of my distinguished friend here the Senator from Kentucky [Mr. BARKLEY].

Lilienthal and Dr. Morgan came up and lobbied against those amendments. They went around and buttonholed the various members of the Appropriations Committee and urged them not to vote for the amendments, stating that they had another policy, and they did not want those dams built; that the President had not recommended them, and the House had not recommended them and, therefore, they did not want them built. I remember that I had to say to them that they were lobbying here with the members of the committee who were passing on the matter, and they would have to get out of town or I would denounce them on the floor of the Senate for being here lobbying against the building of those dams.

We began to build three of the dams that year. We obtained oppropriations for them. The next year the Gilbertsville Dam, located in the State of my distinguished friend, the Senator from Kentucky, who is now opposing me, who is standing with Lilienthal in this matter, was begun. I got that dam built the next year. I am looking into the face of my friend, the senior Senator from Maryland [Mr. TYDINGS], who was on the committee at the time, and I am sure he will vouch for everything I say about the matter.

At any rate, the next year I got the Watts Bar Dam built, in the same way—over their protest. And the next year I got the Fort Loudoun Dam built, in the same way—over their protest. And the next year I got the Cherokee Dam, in Tennessee, built, in the same way—over their protest.

The only dam Lilienthal ever favored, so far as I have ever heard, was the one known as the Douglas Dam. The water backed up by it covered one of the most beautiful valleys in the State of Tennessee. That is the only dam Lilienthal ever favored, so far as I know.

I got the Congress of the United States, beginning in the Senate, to build those dams at great cost; and I would be untrue to every principle of right and justice if I were willing to turn the Tennessee Valley Authority over to a man who opposed those dams, who worked against them, who lobbied against them, who fought against them in every way in the world. Yet he has circulated all over Tennessee the statement that I am opposed to the Tennessee Valley Authority and to the Tennessee dams—a statement as false as the falsest statement ever made by any human being. A man who has such a small idea of truth undertakes to show to the people of my State in my absence that I am opposed to the T. V. A. when I have used the best years of my life in the building of these dams over the active lobbying of Lilienthal and his cohorts.

Dr. Morgan called him a Machiavelli. I say that he is simply a common, sneaking, infamous falsifier. I would use a harsher word if I were not here in the Senate.

I first worked for the building of those dams when I sat as a Member of the House of Representatives, in 1916.

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

Mr. McKELLAR. I yield.

Mr. CLARK of Missouri. I merely wish to bear witness, as a member of the Commerce Committee, to the fact that not only did the Senator from Tennessee sponsor and stand for the Tennessee Valley Authority, but he came before the Commerce Committee and tried to strong-arm us into setting up a Cumberland Valley Authority, too.

Mr. McKELLAR. Yes; I applied for that, but I was not so successful in that case as I was in the other cases.

However, having been successful in my efforts to have the dams built in the Tennessee Valley, I certainly do not like to be charged with being opposed to the dams by the very man who was in Washington fighting against their construction. I have fought for something affecting those dams almost every hour of the day since way back yonder in 1916.

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

Mr. McKELLAR. I yield.

Mr. BONE. Let me suggest, in view of the experience the Senator from Missouri has had in his own State with the Union Electric Co., in St. Louis, that it might have been a good idea to have had a Cumberland Valley Authority.

Mr. McKELLAR. Mr. President, since the able Senator from Washington has interrupted, I should like to say to him that the late Senator McNary, God bless his memory, came to me during one of those fights and told me he was interested in the construction of some dams in Oregon, and that he wished to have my help. If ever one man helped another, I helped the late Senator McNary in connection with those dams, both in the adjoining State and in the Senator's own State; because the Grand Coulee Dam is located in the State of the Senator from Washington [Mr. BONE], and the Bonneville Dam is in the late Senator McNary's State.

So, Mr. President, I wish to say that the statements which have been made about me in Tennessee—as to my being opposed to those dams—are malicious falsifications made by the oily, eely, designing, corrupt man who is now in charge of them.

By the way, Mr. President, someone said he was to be appointed Chairman of the Interstate Commerce Commission. God save the railroads if Lilienthal is ever appointed Chairman of that Commission.

I have been working for dams along the Tennessee River for 30 years. During that time I have had the opposition of nearly all the newspapers, all the power companies, and many of the big interests. In addition to that, whenever anything good arises concerning those dams, the credit for it is immediately claimed by others. It has been so during the entire 30 years.

I wish to give as succinctly as I can the history of the building of those dams. It will take me only a moment or two to do so. In 1915 and 1916 I was a Member of the House of Representatives. I recall distinctly that the whole world seemed to be going topsy-turvy. On every side one could hear rumblings of war. The *Lusitania* had gone down, and the whole world was talking about it. During the time when those rumblings became greater, the Honorable James Hay was chairman of the House Committee on Military Affairs. S. Hubert Dent, of Alabama, was second in seniority among the members of the committee, and I was third. E. B. Almon was a new Member of the House of Representatives from the Muscle Shoals district of Alabama, and was a fine old gentleman. The elder John H. Bankhead and Oscar W. Underwood were the two Senators from Alabama. In 1916, when President Woodrow Wilson sent for our committee and told us that the country was in grave danger and that it was absolutely necessary for us to prepare the Army for the defense of our country, we, of course, knew that the *Lusitania* had been sunk and that Germany was on the rampage. We fully entered into the matter with the President. At that time in the House the Committee on Military Affairs, presided over by Mr. Hay, of Virginia, and of which I was a member, made the appropriations for the War Department. By the way, Mr. President, I should like to call attention to the fact that that is no longer the practice. The rule was changed in 1920. However, at that time the House Committee on Military Affairs prepared the appropriation bills for the War Department, insofar as the House was concerned, after having heard the testimony. It was then that I became a vigorous, earnest, and active advocate of having the Government build a dam at Muscle Shoals.

Mr. President, the situation in respect to the building of public dams at that time was very different from what it now is. At that time the power companies reigned supreme in this country. They did not brook any interference; and a man was regarded as extreme in his views, indeed, if he believed in public ownership. If it had not been for the First World War, we could never have built the dam at Muscle Shoals.

At that time it was deemed necessary to have a full supply of nitrates, and it was believed that the best way to obtain nitrates was by the use of water power. Naturally, there were many undeveloped water-power sites in our Nation at that time. The most notable ones, except for

Muscle Shoals, were in Oregon and Washington, as I stated a moment ago to the Senator from Washington [Mr. BONE]. Senator George E. Chamberlain was a United States Senator from Oregon. When I proposed the measure in the House of Representatives, we wanted to locate the dam at Muscle Shoals; and, if I remember correctly, we provided that it be located at Muscle Shoals. Then the bill went to the Senate. When the bill went to conference, it was found that there was such a difference of view between the conferees of the two Houses as to where the dam for the manufacture of explosives in time of war should be located that it became necessary to agree to strike out of the bill all reference to location, and to have the bill provide for delegation to the President of the task of selection of the site. The President was to select whatever site he might deem most appropriate.

The bill became law on June 3, 1916. At this point I shall read section 124 of the law, which gives its full terms, and shows that our committee not only authorized the dam, but that Congress appropriated the money in the same bill for the purpose of building the dam. Section 124 reads as follows:

SEC. 124. Nitrate supply: The President of the United States is hereby authorized and empowered to make, or cause to be made, such investigation as in his judgment is necessary to determine the best, cheapest, and most available means for the production of nitrates and other products for munitions of war and useful in the manufacture of fertilizers and other useful products by water power or any other power as in his judgment is the best and cheapest to use; and is also hereby authorized and empowered to designate for the exclusive use of the United States, if in his judgment such means is best and cheapest, such site or sites, upon any navigable or nonnavigable river or rivers or upon the public lands, as in his opinion will be necessary for carrying out the purposes of this act; and is further authorized to construct, maintain, and operate, at or on any site or sites so designated, dams, locks, improvements to navigation, power houses, and other plants and equipment or other means than water power as in his judgment is the best and cheapest, necessary or convenient for the generation of electrical or other power for the production of nitrates or other products needed for munitions of war and useful in the manufacture of fertilizers and other useful products.

The President is authorized to lease, purchase, or acquire, by condemnation, gift, grant, or devise, such lands and rights-of-way as may be necessary for the construction and operation of such plants, and to take from any lands of the United States, or to purchase or acquire by condemnation materials, minerals, and processes, patented or otherwise, necessary for the construction and operation of such plants and for the manufacture of such products.

The product of such plants shall be used by the President for military and naval purposes to the extent that he may deem necessary, and any surplus which he shall determine is not required shall be sold and disposed of by him under such regulations as he may prescribe.

The President is hereby authorized and empowered to employ such officers, agents, or agencies as may in his discretion be necessary to enable him to carry out the purposes herein specified, and to authorize and require such officers, agents, or agencies to perform any and all of the duties imposed upon him by the provisions hereof.

The sum of $20,000,000 is hereby appropriated, out of any moneys in the Treasury not otherwise appropriated, available until expended, to enable the President of the United States to carry out the purposes herein provided for.

The plant or plants provided for under this act shall be constructed and operated solely by the Government and not in conjunction with any other industry or enterprise carried on by private capital.

In order to raise the money appropriated by the act and necessary to carry its provisions into effect, the Secretary of the Treasury, upon the request of the President of the United States, may issue and sell, or use for such purpose or construction hereinabove authorized, any of the bonds of the United States now available in the Treasury of the United States under the act of August 5, 1909, the act of February 4, 1910, and the act of March 2, 1911, relating to the issue of bonds for the construction of the Panama Canal, to a total amount not to exceed $20,000,000: *Provided*, That any Panama Canal bonds issued and sold or used under the provisions of this section may be made payable at such time after issue as the Secretary of the Treasury, in his discretion, may deem advisable, and fix, instead of 50 years after date of issue, as in said act of August 5, 1909, not exceeding 50 years.

That language was incorporated in an amendment which was agreed to and became a part of the bill. After the bill had been passed, Representative Hay, our chairman, and I went to see the President of the United States, Woodrow Wilson, and pled with him to choose Muscle Shoals as the site of the dam. Senator George E. Chamberlain earnestly pled with him to choose a site in Oregon. During the talk I had with President Wilson in favor of Muscle Shoals, he agreed that the dam should be built at Muscle Shoals; and it was built there.

Of course, while I was most active and vigilant in securing the location of that dam at Muscle Shoals, because I knew or hoped I knew what it would mean for the entire river, it was the action of President Wilson that started the first improvement on that river, just as I have related.

My recollection is that at that time both Senators BANKHEAD and Underwood were opposed to what was known as public ownership of power.

Mr. President, that dam was not completed when the war ended, although it was about completed. After the war, and after President Harding was elected, efforts were made by Senator Smoot, of Utah, and others, to scrap the Wilson Dam. There ensued a fight, which lasted from 1921 until 1933, over what was to be done with Muscle Shoals, as it was then called. Henry Ford made an offer for it, and his offer for it galvanized the dam as a living thing, again; and it was finally completed.

So, Mr. President, I say that when men talk about my opposition to the T. V. A., their statements to that effect are absolutely untrue. I am not opposed to the T. V. A. Heaven knows I think it is one of the greatest institutions in the world today. I am in favor of running it in the interest of the Government; I am in favor of everything connected with it, except the devious, eellike, oily machinations of this man Lilienthal. I think he ought to be dismissed. More than a year ago I told the President of the United States that he ought to be dismissed, and I thought he was going to be, but he has not been. The purpose of thi bill is to make him do the right thing with the proceeds as he collects them.

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

Mr. McKELLAR. I yield.

Mr. WILLIS. Is the dam at Muscle Shoals the same as the Norris Dam?

Mr. McKELLAR. No. The Norris Dam is on the Tennessee River at Cove Creek, not far from Knoxville. Wilson Dam was the first dam that was built. It was not built under the T. V. A. at all. It was built under the original law, which I have just read, the one which I initiated in the House of Representatives 28 years ago.

Mr. WILLIS. I thank the Senator.

Mr. BANKHEAD. Wilson Dam is at Muscle Shoals.

Mr. McKELLAR. Yes. Wheeler Dam is just above it, in Alabama.

In this connection, Mr. President, I should like to tell the Senate about another remarkable thing. I have already said that the Treasury stated that Lilienthal had never paid in a thin dime to the Government of the United States. He is talking about what he does for the Government of the United States. With the expenditure of all this money, and with an income of $70,000,000 for the T. V. A., he has not paid a thin dime to the United States. He admits that his receipts are $8,000,000 more than his expenditures, but he puts that in a reserve fund for the use of Lilienthal, not for the use of the Government. We need this money as never before. Eight million dollars would help to some extent, but Mr. Lilienthal has never paid in a red cent.

Let me call attention to another matter. There is no income tax from this privately owned property. Mr. Lilienthal does not pay any income tax to the Government from this property. The Government receives nothing from it. If it were a private company it would have to pay an income tax, but Mr. Lilienthal operates it as a private company. He has written a learned article, which I will place in the RECORD, in which he states that he is in favor of a grass-roots administration of this activity, away from Washington, away from the center of everything. It must be operated down there, he writes. It must not be operated from Washington at all. Politicians might disturb it or distress it. He says that it must be given over to his tender mercies, and he has never paid a dime to the Government of the United States.

When the T. V. A. bill was under consideration I secured an amendment requiring the T. V. A. to pay 5 percent of the gross receipts from the dams in Tennessee to the State of Tennessee in lieu of taxes, and 5 percent of the receipts from the dams in Alabama to the treasury of the State of Alabama in lieu of taxes. The State of Tennessee is today

receiving between $250,000 and $300,000 a year from that tax fund, but the United States Government is not receiving a red cent. Mr. Lilienthal is placing it to his private credit in the Treasury of the United States. Is that fair? Is that just?

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

Mr. McKELLAR. I yield.

Mr. BARKLEY. The Senator says that Mr. Lilienthal is placing the receipts from the T. V. A. to his private credit. Does the Senator contend that that money is not going into the special fund established by Congress, in which the T. V. A. is ordered by Congress to deposit that money?

Mr. McKELLAR. No. What I mean to say is that Lilienthal is the T. V. A. That money is not paid into the special fund by direction of Congress, but by reason of a recent agreement between certain Members of the House, I believe, and Lilienthal, it is required to be placed to the credit of the T. V. A., a special credit in the Treasury. The Treasury is used as a bank, in place of other banks, but Lilienthal has absolute control of the fund. Not a dime of it can be used by the Government of the United States.

Mr. BARKLEY. The Senator says that Mr. Lilienthal has control of it. There are three members of the Board. Any two of them, of course, could control the actions of the Board. When the Senator says that Mr. Lilienthal controls it, he means that Mr. Lilienthal controls the other two members of the Board. At least two of them must vote in order to adopt any kind of policy.

Mr. McKELLAR. That is true.

Mr. BARKLEY. We established the special T. V. A. fund in the Treasury. The money does not go into the general fund of the Treasury, and never has gone into the general fund of the Treasury. That is what the Senator meant when he said that the T. V. A. had not paid anything to the Government of the United States. Of course it has not. It has paid it into the special fund created by Congress.

Mr. McKELLAR. Lilienthal stated that it had been paid into the general fund. He was not telling the truth.

Mr. BARKLEY. It went into the Treasury, but it went into a special fund in the Treasury.

Mr. McKELLAR. It went to the credit of his organization in the Treasury.

I do not intend to talk about the other members of the Board. One was formerly a Senator. He is a very estimable gentleman. The other is Dr. H. A. Morgan, a very fine gentleman. However, they permit Lilienthal to control the Board, and do as he pleases. He is just as much in control of that Board, and everything that pertains to the T. V. A., the dams, and the funds, as Hitler is in control of Germany.

There is another transaction concerning which Lilienthal falsified, namely, as to the rates at which he sold electricity to two aluminum companies. One was the rate that he sold to the Aluminum Co. of America, commonly known as Alcoa, and the other was the rate at which he sold to the Reynolds Metals Co., also an aluminum company. It seems that he made the contract with Alcoa first and sold the power to that company at a very reasonable rate. I have no complaint whatsoever to make about his sale of the power to Alcoa at that rate. I am not criticizing Alcoa in the least, but I am criticizing Lilienthal about these rates. Afterward he made a 20-year contract with Alcoa on these rates, and later on he made a 20-year contract with the Reynolds Metals Co. Both aluminum companies were doing war work, both of them were reputable concerns, and yet Lilienthal, acting for the Government or claiming to act for the Government, sold electricity to the Aluminum Co. of America at a much less figure than he sold it to the Reynolds Metals Co. The evidence shows the difference in price was $7,000,000 on the 20-year contract in favor of the Aluminum Co. of America. It is true that he undertakes to dispute some of the figures. Indeed, when I asked him which company he sold to at a less price he turned me over to Mr. Wessenauer, his expert, sitting by him, and said he would answer the question, and Mr. Wessenauer promptly answered that he sold it at a less price to the Reynolds Metals Co. Fortunately for the truth, we had a letter from Lilienthal to Mr. McIntyre, of the White House, in which he admitted that he was selling it at a higher price to the Aluminum Co. of America and tried to justify it by saying, among other things, he had sold to the Reynolds Metals at a subsequent period Thus it is seen that again Lilienthal was engaging in his pastime of falsifying.

Again, Mr. Lilienthal was asked if the T. V. A. had not gone in partnership with the Aluminum Co. of America in the management and control of the Aluminum Co.'s four dams and other properties. He denied it; but, finally, on cross-examination, after weaving in and weaving out, he admitted that he had made a contract with the Aluminum Co. which constituted a working agreement between them in which mutual benefits were given and received. If that is not a partnership, I do not know what it is. Even with as broad powers as the T. V. A. has, there is no authority whatsoever for the T. V. A. to enter into a partnership with the Aluminum Co. of America.

Again, all of us old-timers remember how Senator Norris, of Nebraska, used to inveigh against the private power companies. He denounced them probably thousands of times as being in a power trust. Indeed, the only reason Senator Norris ever took an interest in the T. V. A. that I ever knew of was his opposition to the Power Trusts, and he thought there was also a good opportunity of breaking the hold that the Power Trust had on the power users of that part of our country.

Again, the record shows that I asked Lilienthal if he had not taken his place with the private Power Trusts. He answered "No," but finally admitted that he had a working agreement with various private power companies, and those mentioned were the Kentucky Power Co.; the Duke Power Co. of North Carolina; the South Carolina Power Co.; the Georgia Power Co.; the Alabama Power Co.; the Mississippi Power Co.; and the Commonwealth & Southern, which used to be presided over by the Honorable Wendell L. Willkie. In a facetious manner I asked him if he had not taken the place of Mr. Willkie in the Power Trusts.

What their agreement is can only be understood by the technical power people, and I have not had time to have the technical people tell me what sort of trust agreement Lilienthal has with the power companies.

Again the evidence discloses other practices of Mr. Lilienthal that are most reprehensible. Referring again to the reserve fund, a peculiar thing about the appropriation as it passed the House is that it not only gave Lilienthal the unexpended balance and current income of the Authority amounting to nearly $70,000,000 but it also set up a reserve fund of $8,656,298. Why should the T. V. A. have a reserve fund? If we are going to build up a reserve in each of the departments we would have to build up a reserve with the Mississippi River Commission, the various reclamation projects in the West, the various Indian Bureaus, and manifold other Government agencies of similar kinds owned by the Government; and yet, Lilienthal, having absolute control of the T. V. A., recommended it, and our good friends in the House agreed to it, no doubt, after blandishments and cajoleries and pleading of this slick, scheming rascal who is in charge of the T. V. A. at this time.

Again, Lilienthal was asked about newspaper advertising. I asked him why the T. V. A. had to advertise in the newspapers. The amount of advertising they had done in the 3½ years from July 1, 1940, until December 31, 1943, had cost $42,258.74. When he was asked about this advertising he said there was expense for legal advertising, and that is true, but it is not included in the above. He was then asked if the principal amount was not spent in 1940, and he said it was, and he said it was because of some drought that it was spent. As a matter of fact, it was spent in political advertising. At that time he was trying to defeat me for the Senate, and when he was asked about it he denied it, but, as Dr. Morgan said, he would say anything and do anything in his own interest.

I call the attention of the Senate especially to pages 384, 385, and 386 of the record. I asked him if instead of using it for the drought he had not used this money to curry favor with the newspapers in the State trying to defeat my reelection. As he always does, he denied it, and, as he always does, he tells falsehoods whenever he thinks it is necessary. He went all over my State denouncing me when my election was before the people and he spent this money perhaps at that time, and he admits he spent it at that time. There is one thing about a man, and that is that he knows when another man is against him, and he knows when another man is using improper means against him. Lilienthal had no purpose in mind other than to defeat me as Senator. It was not his money; it was the Government's money, and he ought to be

made to pay back every dollar of the $42 000 that he spent in that behalf.

Mr. President, Lilienthal claims that he is complying with the law under which he is operating. Section 26 of that law reads as follows:

Commencing July 1, 1936, the proceeds for each fiscal year derived by the Board from the sale of power or any other products manufactured by the Corporation, and from any other activities of the Corporation, including the disposition of any real or personal property, shall be paid into the Treasury of the United States at the end of each calendar year, save and except such part of such proceeds as in the opinion of the Board shall be necessary for the Corporation in the operation of dams and reservoirs, in conducting its business in generating, transmitting, and distributing electric energy and in manufacturing, selling, and distributing fertilizer and fertilizer ingredients. A continuing fund of $1,000,000 is also excepted from the requirements of this section and may be withheld by the Board to defray emergency expenses and to insure continuous operation.

That is the law. The provision in the House bill changes the law, and I want to leave the law as it is. Lilienthal has no right to violate the law. He asks the Congress to repeal a portion of this law. The Senate committee is standing by the law as originally enacted by the Congress. Lilienthal pays no attention to the law under which he is operating. If a provision suits him he stands by it, but if a provision does not suit him he ignores it and does as he pleases, as he has done in the case of the General Accounting Office of the Government. The law provides that the head office shall be at Muscle Shoals. He has violated that law and moved the head office to Knoxville, Tenn. Knoxville is the proper place for the Tennessee Valley Authority. It ought to have been there in the beginning, but at that time Muscle Shoals was the head of such power development as we had, and later, instead of coming to the Congress and asking that the Congress amend the law so that he could have his office in Knoxville, Lilienthal ignored the Congress and moved his office to Knoxville. He is now reaping the whirlwind after having sowed the wind at that time. It is a great pity, Mr. President, that the Tennessee Valley Authority has at the head of it a man who in effect actually despises the Congress. He ignores the Congress. He has contempt for it, and for every Member of it. When he thinks it will benefit him he tells a falsehood more easily than he can tell the truth. I have no doubt that he is raising the question about the general office of the Tennessee Valley Authority being moved back to Muscle Shoals for the purpose of undertaking to embarrass me. I offered an amendment in the committee to move the office to Knoxville, Tenn., so it would be legal, but his friends insisted upon voting it down.

Furthermore, Mr. Lilienthal has entered into a partnership with the Aluminum Co. of America. The evidence is as follows:

Senator McKELLAR. You are in partnership with the Aluminum Co. of America, are you not? Do you not control the power dams of the Aluminum Co. of America in the Tennessee Valley?

Mr. LILIENTHAL. No.

Senator McKELLAR. You do not control those dams?

Mr. LILIENTHAL. After the Fontana Dam has reached operating elevation the T. V. A. has received the right under a contract to direct the release and discharge of the waters in the Aluminum Co. dams on the Little Tennessee River for the purpose of increasing the total amount of power and flood control available from the whole river, if that is a partnership.

Senator McKELLAR. Do you not know that is a partnership agreement? Here is the Aluminum Co. which owns several small dams, and you own quite a number of large ones and you enter into a contract with the Aluminum Co. that you are going to control, manage, and sell the power of those smaller dams?

Do you not know that is a partnership?

Mr. LILIENTHAL. I would call it cooperation between Government and business.

Senator McKELLAR. Cooperation. All right, go ahead.

Mr. LILIENTHAL. And as a result of this cooperation more water is usefully available for the production of electricity than if the Government operated dams on one part of the river and the company on two tributaries operated theirs separately.

It seems to me that is a great accomplishment. The views of these two agencies—T. V. A. and Alcoa—are hardly the same. But physical facts show, after years of study, that if dams of the T. V. A. and the Aluminum Co. were operated jointly more power could be developed than if they were separately operated and more flood control obtained, to the benefit of both the Aluminum Co. and the public.

The contract is published in our annual report for 1942 and I am very proud of it, sir.

Senator McKELLAR. It is a partnership.

Mr. LILIENTHAL. It is beneficial to both parties, and that is an accomplishment.

Senator McKELLAR. I know the act under which you operate is very broad and includes a great many things. Will you ascertain the provision of your act which authorizes you to go into a partnership with another and private power company?

Mr. LILIENTHAL. Well, reserving the objection to the word "partnership," I am sure——

Senator McKELLAR (interposing). Cooperative working arrangement mutually of benefit to both parties.

Mr. LILIENTHAL. Cooperation is authorized expressly by the language of this original act which contemplates the interchange of power and of water so we can get the best utilization of it.

Mr. President, the idea of a Government agency, without the consent of Congress, going into a partnership with the Aluminum Co. of America. I have nothing against the Aluminum Co. of America. Its officers and agents in Tennessee are fine men, but they know quite as well as does Lilienthal how to conduct their business. There is no provision for them to go into a partnership with the T. V. A., and Lilienthal ought to be dismissed from the employ of the Government, not only because he has falsified in regard to the amount of money paid into the Treasury of the United States but about the rates he charged the Aluminum Co. of America and the Reynolds Metal Co. and about putting in discriminatory rates. He should be dismissed, not only because he has joined in a partnership with the private power companies heretofore mentioned but as well because he has entered into a partnership with the Aluminum Co. of America.

I quote from the hearings concerning the so-called interchange of power:

Senator McKELLAR. How many private companies have you got partnership agreements with to furnish power and for them to furnish you power? You have a number.

Mr. WESSENAUER. We have this sort of agreement with all companies interconnected with our system——

Senator McKELLAR. How many, the Commonwealth & Southern?

Mr. WESSENAUER. The Commonwealth & Southern.

Senator McKELLAR. The Alabama Power Co.?

Mr. WESSENAUER. The Alabama Power Co.

Senator McKELLAR. The Georgia Power Co. and the Louisville Power Co.?

Mr. WESSENAUER. That is right.

Senator McKELLAR. You are just one of the large organizations of power, are you not?

Mr. WESSENAUER. May I explain that?

Senator McKELLAR. Yes; but that is true, is it not?

Mr. WESSENAUER. We also have interconnections.

Senator McKELLAR. You have a working arrangement.

Mr. WESSENAUER. We have a working arrangement of this kind. If we have a plant which cost us 4 mills to operate and produce power, say a steam plant, let me take 5 mills, the steam plant at Nashville cost 5 mills, if one of our neighbors has power that is idle that will produce power for 3 mills, we have a plan where we can cut down our generating and save the 2 mills.

Senator McKELLAR. That is a partnership arrangement?

Mr. WESSENAUER. It is an arrangement. We have not anything to say about their business and they say nothing about ours.

Senator McKELLAR. Have you not organized a great power trust down there that makes Mr. Willkie's trust look like a "thingumajig"?

Mr. WESSENAUER. No.

Senator McKELLAR. How much power is generated in Mr. Willkie's outfit?

Mr. WESSENAUER. If the question is whether we produce more power than Commonwealth & Southern, the answer is "Yes."

Senator McKELLAR. You are joined up with the Alabama Power, the Louisville Power, the Commonwealth and Southern, the Georgia Power Co., the South Carolina Power Co., and the Duke Power Co.

Do you believe you could put all the power companies you have in the record? I wish you would get the names of all of them and put them in the record.

Mr. WESSENAUER. Yes. The schedule of interchange agreements with private power companies is presented on page 449. Such interchange agreements are expressly authorized by the following language of section 12 of the Tennessee Valley Authority Act (48 Stat. 65-66): *"And provided further,* That the Board is hereby authorized to enter into contracts with other power systems for the mutual exchange of unused excess power upon suitable terms, for the conservation of stored water, and as an emergency or breakdown relief.

I did not name all the companies, but all of them are named on page 449. There are sixteen of them.

Under the section of the law authorizing surplus power the Tennessee Valley Authority enters into a trust agreement as is shown on page 453 to page 547.

To show they are using implied authority granted in this act to exchange power with private companies the following question and answer are cited:

Senator McKELLAR. Your lines are constantly connected and the power is all in one great reservoir and you transmit it where you like to the private companies or to the public

in accordance with the contracts you make. Is that not so?

Mr. WESSENAUER. Yes, sir.

Lilienthal agreed that he was here lobbying against the dams as shown by the following testimony:

Senator MCKELLAR. But it does seem to me that after I fought here, when you were fighting against any other dam in this Tennessee Valley except three, wanting to use it as a yardstick, and when you were lobbying here against these dams, I think your attitude and your going over the State making speeches reflecting upon me, is contemptible, Mr. Lilienthal.

Mr. LILIENTHAL. Senator, you know I have not made any speeches attacking you. I have differed with you in respect to a piece of legislation. I continue to differ. I think it is an unsound piece of legislation. I tried to explain it to the people of the Valley, but what I have said concerning you has been respectful.

I would like to remind the Senator that immediately I had the first information from him that he disagreed very violently with us in respect to our stand, I wrote him a personal note in which I acknowledged his great contribution to the Tennessee Valley.

Now, Mr. President, he says he wrote me a letter acknowledging my great contribution to the Tennessee Valley Authority. That is a miserable, deliberate, premeditated, scheming, double-dealing falsehood. I do not recall the letter. He may have written such a letter. The only kind of letter Lilienthal can write is a double-dealing, scheming letter full of trickery. He may have attempted to write such a letter, but such a letter meant nothing to me. He talks about my having contributed to the Tennessee Valley Authority, when, as a matter of fact, I succeeded in getting these dams against his vigorous opposition, his visiting the members of the Appropriations Committee of the Senate and trying to prevent the building of these dams, against his falsehoods, against his dishonesty and corrupt methods at that time. Yet he condescendingly talks about my having "contributed" to the Tennessee Valley Authority. He is dishonest, corrupt, self-effacing, when he thinks it is to his advantage to be so; vigorous and determined when he thinks he has an advantage; a sneaking, lying, miserable, impudent squirt of a man. He has put some good men around him who are running this plant, but Lilienthal is just as capable of running a great enterprise of this kind as "Lefty Louie" was capable of running a church of God.

Again, his gift to the people of Dandridge, Tenn., for planning assistance, was approximately $1,300, and his gift to the people of Guntersville, Ala., for the same purpose was $20,000.

Again, for a long time there was a feud between him and the General Accounting Office about the examination of his books. He objected very seriously to it, as I was informed. He has spent for examining his books, as I recall, the sum of $190,000, all told, and he wants $30,000 to have some agency subscribe to his accounts for the next year. This was denied. He says, on page 300, that he is for the General Accounting Office 100 percent, but he wants his books examined by private auditors.

Mr. President, in 1932 President Roosevelt was first elected to the Presidency and in January of that year he invited the senior Senator from Alabama [Mr. BANKHEAD], former Senator Black, Senator Bachman, and me, Representatives Almon and Hill, and former Senator Norris to go down to Muscle Shoals and look at the Wilson Dam. It seems that President Roosevelt when he was Governor of New York had recommended, and the legislature had passed, one or more acts creating what he called authorities, and if I recall rightly on his way down there he suggested that a bill be passed by the Congress to create the Tennessee Valley Authority patterned after one of his New York statutes. My recollection is also that he had the bill prepared afterward. Naturally I supposed that either Senator Bachman or I or Senator Black or the Senator from Alabama [Mr. BANKHEAD] would be invited to introduce the bill, but after the President took office to my great surprise he selected Senator Norris, of Nebraska, to introduce the bill which it was understood he had had prepared.

I secured, my recollection is with the help of Senator Bachman and Senator Black and perhaps the Senator from Alabama, an amendment which is found as section 13 of the Tennessee Valley Authority Act. Section 13 is as follows:

SEC. 13. Five percent of the gross proceeds received by the board for the sale of power generated at dam No. 2, or from any other hydro-power plant hereafter constructed in the State of Alabama, shall be paid to the State of Alabama; and 5 percent of the gross proceeds from the sale of power generated at Cove Creek Dam, hereinafter provided for, or any other dam located in the State of Tennessee, shall be paid to the State of Tennessee. Upon the completion of said Cove Creek Dam the board shall ascertain how much additional power is thereby generated at dam No. 2 and at any other dam hereafter constructed by the Government of the United States on the Tennessee River, in the State of Alabama or in the State of Tennessee, and from the gross proceeds of the sale of such additional power 2½ percent shall be paid to the State of Alabama and 2½ percent to the State of Tennessee. These percentages shall apply to any other dam that may hereafter be constructed and controlled and operated by the board on the Tennessee River or any of its tributaries, the main purpose of which is to control floodwaters and where the development of electric power is incidental to the operation of such flood-control dam. In ascertaining the gross proceeds from the sale of such power upon which a percentage is paid to the States of Alabama and Tennessee, the board shall not take into consideration the proceeds of any power sold or delivered to the Government of the United States, or any department or agency of the Government of the United States, used in the operation of any locks on the Tennessee River or for any experimental purpose, or for the manufacture of fertilizer or any of the ingredients thereof, or for any other governmental purpose: *Provided*, That the percentages to be paid to the States of Alabama and Tennessee, as provided in this section, shall be subject to revision and change by the board, and any new percentages established by the board, when approved by the President, shall remain in effect until and unless again changed by the board with the approval of the President. No change of said percentages shall be made more often than once in 5 years, and no change shall be made without giving to the States of Alabama and Tennessee an opportunity to be heard.

It will be seen from this act that 5 percent of the gross proceeds received by the Board from the sale of power generated at dam No. 2 or from any other hydropower plants thereafter constructed in the State of Alabama shall be paid to the State of Alabama.

Two other dams have been built in Alabama—the Wheeler and Guntersville Dams—and Alabama receives 5 percent of the gross proceeds from those dams.

In like manner, Tennessee was to receive 5 percent of the gross proceeds of the sale of power generated at Cove Creek Dam or any other dam located in Tennessee. Now there are a number of dams that have been built in Tennessee. The Pickwick, Chickamauga, Watts Barr, Fort Loudon, Cherokee, and Douglas Dams have already been built, and as to what will be done about the Gilbertsville Dam is yet to be determined.

There was a further provision about the addition of power at dams located lower down on the river and the 5 percent figure should be equally divided between Alabama and Tennessee on such additional power. I am advised that the State of Tennessee for the last 3 years has received certain sums under section 13 of that act.

These payments are made in lieu of taxes and were put there at my very earnest insistence. We had been discussing this feature of the case for years.

Of course, Mr. President, the greatest credit is due Franklin Roosevelt, President of the United States, for the development of the Tennessee Valley. He appointed the three members of the Authority with Dr. A. E. Morgan as chairman, and under Dr. Morgan the Norris and Wheeler Dams were built—one in Tennesseee and one in Alabama.

Dr. A. E. Morgan was a professor at Antioch College in Ohio. Dr. H. A. Morgan was president of the University of Tennessee; and Mr. Lilienthal was a young lawyer in partnership with Donald Richberg.

There was no trouble about the passage of the bill; there was no trouble about the appointment and confirmation of the three members of the Authority. All of this went along as a matter of course.

I wish to refer to one further matter, and then I shall be through.

Mr. Lilienthal is not an engineer. He is a lawyer. That is, he was educated as a lawyer. I do not think he has ever practiced law. I have no doubt that there are some fine engineers under him. I do not know any of them, except as they have appeared before the committee. I have never been in the confidence of Mr. Lilienthal. He has never come to my office. I do not know whether he goes to the office of the Senator from Alabama, but he never comes to mine. Judging from his newspaper statements, he does not think much of Senators and Representatives anyway. He thinks that this money ought to be left at the "grass-roots."

Yesterday the question was raised as to Mr. Lilienthal going into politics in Tennessee. Everyone in Tennessee

knows that he is up to his neck in politics. For years he has been urging, not only that I be not returned to the Senate, but that my colleague [Mr. STEWART] be not returned to the Senate. My colleague so stated yesterday. I know that Mr. Lilienthal fought him in east Tennessee.

I do not know whether Mr. Lilienthal is a voter in my State. I doubt if he is. I presume he votes in some other State. I do not know that he has ever voted in my State. However that may be, he has taken a very active part in politics in Tennessee. Remember, this is a man who never says anything directly. His closest associates say that he never speaks directly. He never acts directly. He acts indirectly. He is eely and oily in his actions. Let me read what he said. I read from a newspaper article:

Lilienthal warns against political invasion of T. V. A.

Ordinarily that might be good. Aside from the gentlemen who appear before our committee once a year, I do not believe I know anyone in the T. V. A. I have never tried to meet anyone connected with the T. V. A. I do not know anything about them. I presume most of them vote for me. If we do not know Lilienthal well enough, they certainly know him well enough not to follow his lead in the matter of voting. Lilienthal tried in every possible way to defeat me in 1940, but he could not get up any steam, and had to give it up.

While he was making speeches, this is what he said. I am sorry the junior Senator from Alabama [Mr. HILL] is not present. He ought to hear this:

Mr. Lilienthal concluded by urging citizens to find out how candidates for political office stand on the issue of continued businesslike management of public power agencies.

The war is absorbing every last bit of your attention and energy. At times like these the average citizen is preoccupied and is therefore less likely to pay attention to things that are going on in his community.

But the future of public ownership here in the Valley depends upon a continuation of business principles in all the hundreds of communities receiving and distributing T. V. A. power.

Your eternal vigilance is the price of low-cost electricity.

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

Mr. McKELLAR. I yield.

Mr. McCLELLAN. Is what the Senator has been reading a quotation from a speech?

Mr. McKELLAR. It is from a speech made 2 years ago when Mr. Lilienthal was canvassing the State against the junior Senator from Tennessee [Mr. STEWART].

Mr. McCLELLAN. Was the speech made at a time when a campaign was under way?

Mr. McKELLAR. The campaign was in full blast. It was a campaign which was close, and in which Mr. Lilienthal made it so hot for the Senator from Tennessee that the Senator denounced Mr. Lilienthal in Chattanooga, charged him with being actively against him, and making speeches against him, and dared him to deny it. However, Mr. Lilienthal never denied anything.

Mr. McCLELLAN. Does the implication, which is carried in the quotation which the Senator has read, have reference to the issue now pending before the Senate with respect to continuing Lilienthal's business management?

Mr. McKELLAR. Oh, I think Lilienthal wanted to get rid of the two Senators from Tennessee, and he was undertaking to do that. I do not know whether the Hatch Act applied to it or not.

Mr. McCLELLAN. No; I am asking whether anything contained in the quotation read by the Senator has reference to the issue now before the Senate relative to continuing the business management as it has been.

Mr. McKELLAR. Oh, yes; exactly. There are several other statements which I shall put in the RECORD, all showing that Lilienthal was vigilant and active during the campaign. There is one article to which I shall call attention. It is from one of the newspapers, and states that Lilienthal was in the gallery 2 years ago when I made a speech on a similar bill in which I made similar charges. I never heard of any comment being made by him with reference to my charges. He never answered them. He never answers anybody. He just goes along and lets time answer charges of fraud and stealing which have been made by his colleagues. His colleagues have charged him with stealing, and they have charged him with attempting to combine and confederate with others to pay millions of dollars to a marble company which had some little interest in leases. The company bought leases on the underground rights of Norris Lake. Because of that, Lilienthal was denounced by his colleagues for wrong-doing. Now, why should we continue that man in control? We cannot help continuing him in office, but we certainly should pass a law which will hold him down to doing the right thing by paying his receipts into the Treasury of the United States. That is what this particular amendment asks for.

Mr. President, at this point I shall ask that the Senate vote on the amendment as soon as it can do so.

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

Mr. McKELLAR. I yield.

Mr. VANDENBERG. In the Senator's opinion is the amendment divisible in any way?

Mr. McKELLAR. Oh, yes; it can be divided. I shall be very glad to have it divided.

Mr. VANDENBERG. I should like to have separated from it the question relating to employees receiving $4,500 and more.

Mr. McKELLAR. I shall be very glad to divide the amendment in any way. I merely want the Senate to vote on it.

Mr. BANKHEAD. Mr. President, 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	George	Robertson
Andrews	Gerry	Russell
Austin	Gillette	Shipstead
Ball	Green	Smith
Bankhead	Guffey	Stewart
Barkley	Hawkes	Taft
Bone	Hayden	Thomas, Idaho
Brewster	Hill	Thomas, Utah
Bridges	Holman	Tunnell
Brooks	La Follette	Tydings
Buck	Langer	Vandenberg
Burton	McCarran	Wagner
Bushfield	McClellan	Walsh, Mass.
Butler	McFarland	Walsh, N. J.
Byrd	McKellar	Weeks
Capper	Maloney	Wheeler
Clark, Mo.	Maybank	Wherry
Connally	Mead	White
Danaher	Millikin	Wiley
Davis	O'Mahoney	Willis
Downey	Overton	Wilson
Eastland	Radcliffe	
Ellender	Revercomb	

The PRESIDING OFFICER (Mr. MCFARLAND in the chair). Sixty-seven Senators having answered to their names, a quorum is present.

IMPORTATION OF LIVESTOCK AND POULTRY FEED FREE OF DUTY

Mr. GEORGE. Mr. President, I ask unanimous consent that the pending business be temporarily laid aside and that the Senate proceed to the consideration of House bill 4410, and I desire to say a word by way of explanation.

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

The CHIEF CLERK. A bill (H. R. 4410) to extend for an additional 90 days the period during which certain grains and other products to be used for livestock and poultry feed may be imported from foreign countries free of duty.

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

There being no objection, the Senate proceeded to consider the bill which had been reported from the Committee on Finance with an amendment.

Mr. GEORGE. Mr. President, I have conferred with the majority and minority leaders of the Senate, and there is no objection on their part to the consideration of this bill. It simply extends for an additional period of 90 days public law approved December 22, 1943, which suspended the tariff duty on certain grains imported for poultry and cattle feed. The present law expires today, and it is highly important if the supply of poultry and cattle feed is to be maintained in the country that the time be extended. Therefore I have asked that the bill be considered at this time, without prejudice of course, to the pending unfinished business.

Mr. BUTLER. Mr. President, I shall make no controversy about this bill, of course, but I should like to ask the Senator from Georgia if the bill would include grain screenings as well as grains?

Mr. GEORGE. I myself would have no doubt, because the language of the bill, which is the same as that of the present law, reads:

Wheat, oats, barley, rye, flax, cottonseed, corn, or hay, or products in chief value of one or more of the foregoing or derivatives thereof, any of the foregoing if to be used as, or as a constituent part of, feed for livestock and poultry.

Flaxseed is included, and I should think there would be no doubt about grain screenings, because I do not understand that grain screenings constitute a separate dutiable item under the Tariff Act.

Mr. AIKEN. Mr. President, I inquire if the Senator from Georgia has considered whether the bill includes also oat scalpings, which are broken pieces of the kernel of oats?

Mr. GEORGE. I should think so, because I do not think that either screenings or scalpings are separate dutiable items, and I think they are covered by the language which reads:

or products in chief value of one or more of the foregoing or derivatives thereof, any of the foregoing if to be used as, or as a constituent part of, feed for livestock or poultry.

Mr. BUTLER. Mr. President, the statement made by the Senator from Georgia I think is the only interpretation that those who handle the items at the import points could make; but I was anxious that the statement be made by the chairman of the committee on the floor. I thank the Senator from Georgia.

The PRESIDING OFFICER. The amendment reported by the Committee on Finance will be stated.

The CHIEF CLERK. On page 2, after line 15, it is proposed to insert the following:

(3) Oats to be used for purposes of human consumption, if entry or withdrawal is after the date this paragraph takes effect.

The amendment was agreed to.

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

The bill was read the third time and passed.

Mr. GEORGE. Mr. President, I request that the action taken by the Senate on House bill 4410 be immediately messaged to the House, so that the House may concur in the single amendment made to the bill by the Senate.

The PRESIDING OFFICER. The order requested by the Senator from Georgia will be made.

EXECUTIVE AND INDEPENDENT OFFICES APPROPRIATIONS

The Senate resumed the consideration of the bill (H. R. 4070) making appropriations for the Executive Office and sundry independent executive bureaus, boards, commissions, and offices, for the fiscal year ending June 30, 1945, and for other purposes.

Mr. VANDENBERG. Mr. President, I ask for a division of the pending question and a separate vote on the language of the amendment starting in line 9, page 55, and ending with the word "Senate" in line 13. In other words, it is the clause identified as No. 13.

The PRESIDING OFFICER. The Chair will suggest to the Senator from Michigan that the better way to handle the vote upon the committee amendment would be by a motion to strike out clause 13 rather than voting on it separately. There are so many subdivisions that the Chair thinks that will be the better procedure.

Mr. VANDENBERG. I realize that the same result would be accomplished, but at the same time I assume that it is correct parliamentary procedure to ask for a division of the question. Is it not?

The PRESIDING OFFICER. The difficulty is that they are all governed by the sentence with which the proviso on page 53, line 13 begins.

Mr. VANDENBERG. Very well. Is a motion to strike out the amendment in order at the present time?

The PRESIDING OFFICER. No; for the reason that the Senate has not reached that committee amendment. There are a number of other amendments ahead of it.

Mr. McKELLAR. Mr. President, I wish to say that I am perfectly willing, and I am sure that no other Senator will have any objection, to having a separate vote on that amendment or any other subdivision or amendment of the bill.

Mr. BANKHEAD. Mr. President, I hope to be able to present the statements I care to make on this subject in a very short time. Of course, the subject is a broad one, and if it had not been discussed it would require considerable time for presentation of the issues involved. We have had an able speech from my colleague, the junior Senator from Alabama [Mr. HILL], leaving very little to be said on our side of the case. We have had a very able speech from my friend and old college mate from across the line of my State, the senior Senator from Tennessee [Mr. McKELLAR], in which he has presented in a masterly way the reasons which actuate him in his position on this subject.

I would not for anything say anything personally objectionable to my friend from Tennessee, for whom I have real affection, and if I say anything which encroaches upon that sentiment, I hope he will call my attention to it, because nothing I say will be intended as offensive.

I think it might be well in the beginning to have a little better understanding of what is involved in this controversy. I have found Senators who look on it solely as a personal issue of the Senator from Tennessee. They seem to think that if his amendments shall be agreed to the result will be favorable to the Senator from Tennessee, and unfavorable to Mr. Lilienthal, and I feel sure we will find, as we did 2 years ago, a number of Senators casting their votes upon this important issue because of their friendship for the senior Senator from Tennessee.

If every Member of the Senate thought that was the issue, I am sure the amendments of the Senator from Tennessee would receive practically a unanimous vote; but, of course, there is a fundamental difference in viewpoint about what is involved. Unfortunately, many Senators have not been present during the discussion. They merely know it is a fight by the Senator from Tennessee on this man Lilienthal. I assume that is the scope of the information of some Senators, because I know a number who have not heard a word of the discussion.

Mr. President, what is the fundamental issue? It is whether we are going to change the law dealing with the operation of this growing and already gigantic plant which is under the control and administration of the Tennessee Valley Authority, and which is confessedly an experiment in the field of government. I shall not discuss who sponsored it. I know that the Senator from Tennessee has been devoted to it, and as a member of the Committee on Appropriations for years, and as a Member of the Senate, and as a participant in the passage of the T. V. A. bill, which came from a committee of which I am a member, the Committee on Appropriations, I have been in full accord with the Senator from Tennessee and have in large measure recognized his leadership. But we reached the dividing point upon this issue 2 years ago, when, for some reason—I do not know what it was and I do not care—the Senator from Tennessee decided that the management of the T. V. A. should be changed. Those who have heard his argument recognize that it has been addressed almost exclusively to the question of whether we can trust Mr. Lilienthal.

It is rather significant that from the beginning of this great organization, which has been growing in strength and power and income by leaps and bounds, there have been no real, supported charges or complaints against the integrity or against the good management of the vast affairs of this corporation. It has grown every day in the confidence and respect of the people of the great Tennessee Valley, from one end of it to the other, so far as I have ever heard. The Tennessee River extends across the entire width of the State of Alabama, from Georgia to Mississippi, and on into Tennessee, and the people of Alabama are as one man, so far as I have been able to ascertain, opposed to the amendments offered here by the Senator from Tennessee.

I shall not undertake to speak for the people of Georgia, or Tennessee, or Kentucky, or those of Mississippi, but I feel sure that no Member of the Senate has received any protests or complaints from anyone along the entire Tennessee River against the philosophy, against the method of administration, against the great program as carried on by the men who are now in charge of it.

In the case of this organization, whose activities extend into nearly 100 cities, including nearly every city in the State of Tennessee, furnishing them with the power they use, and extending into all the cities and towns in north Alabama, into parts of Georgia, and on into Mississippi, and soon to extend into the State of Kentucky, with such widespread diversification of operation, I submit it is remarkable that there has been no complaint against the management, no complaint against the Authority, or the Board of T. V. A., and no request to change the power and authority and basic law of the T. V. A. Do Senators think a private corporation, with such

widespread operations as those of the T. V. A., could ever get along without numerous complaints and criticism and applications for change? It is especially remarkable that a political corporation should not be the subject of all kinds of criticism during these days of general political criticism. But we do not find that there is such criticism. The people in the areas affected are holding mass meetings, they are sending letters and telegrams, and the newspapers all the way down to Birmingham are in accord in the movement to defeat the McKellar amendments on the ground that they think the amendments would hamstring the T. V. A. in its efficient management of the affairs of this great corporation and organization.

Mr. President, I submit that the Members of the Senate in making up their minds on this matter, should take into careful consideration that public attitude of friendship and support, and that it should supersede the criticism of my friend, the Senator from Tennessee, however fine and great a man he is—and he is fine and great. This expression of public opinion and sentiment on the part of the people in that section of the country which is concerned in this issue should have very great weight with the Members of the Senate.

The question has been asked, What reason is there to change the law that controls the administration of the T. V. A.? I have heard no reason advanced, except objection to Mr. Lilienthal. The T. V. A. legislation was worked out carefully. It has stood the test. It went through Congress at a time when the creation of the proposed organization meant entering into a new field of governmental activity. The legislation was deliberately passed to try this great experiment, and, so far as the people it has served are concerned, it has been a great success. I now ask the question, Why change the legislation with respect to the organization, and why change it in the manner here proposed? The amendments would totally change the fundamental law adopted by the Congress, although with appropriations being made from time to time under the law there has been no effort until recently to make any change in it.

Measures have come before the Senate and the House of Representatives in which increased appropriations were asked for the building of additional dams and transmission lines and generating machinery, but not until this controversy between my friend, the Senator from Tennessee, and Mr. Lilienthal came to the surface 2 years ago has there been any serious complaint, and until 1 or 2 years ago there has been in all these appropriations no effort made to change the basic law for the government and control of the T. V. A.

The Government has more than $750,000,000 invested in that great plant. It is a proper investment. It is making money every year. It will make more and more as new dams are added. Some have just been finished and others are under construction. It will make more and more money as they come into use and operation. Is it the part of wisdom, however much we may think of a Member of the Senate, on an appropriation bill to change the method of operating and administering this great plant which has proved so successful?

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

Mr. BANKHEAD. Certainly I yield.

Mr. McKELLAR. The Senator will recall that the House changed the law in this very appropriation bill, and it is because the House changed the law on this particular appropriation bill that the Senate has a right to vote to change it a little more.

Mr. BANKHEAD. I am not questioning the right, though I doubt very much the right to inject all this machinery into the appropriation bill simply because the House made a change.

Mr. McKELLAR. Does the Senator think the House has a superior right with respect to making a change in an appropriation bill?

Mr. BANKHEAD. It depends upon the nature of the case. But I said I raised no point against that, though I doubt it very seriously. I take the word, as I would take it at any time, of my good friend that he has consulted the Parliamentarian and has been advised that a point of order would not lie against it. So I am not discussing the technical question. I am talking about the wisdom of the proposal, assuming that there was no sort of question about whether it could properly be added to the bill. But here is a great change proposed to be made in a plan which has worked to the satisfaction of nearly everyone. I admit that the attitude of Mr. Lilienthal has not been satisfactory to my friend, the Senator from Tennesee, but evidently it has been satisfactory to the great mass of the people who are chiefly concerned. But now it is proposed to bring about a change, and how is it proposed to do it? Not by sending to a committee a bill changing the law, having hearings on it, giving due consideration to a measure dealing with this vast sum advanced by the taxpayers of the United States to carry out a program which is of paramount interest and importance to that great area of country from Virginia on through Kentucky and reaching into Indiana and Illinois.

No hearings of any consequence were held upon this program. Mr. Lilienthal was brought before the committee and asked about what money he put into the Treasury of the United States. The Senator from Tennessee [Mr. McKELLAR] believed that he had found him to be misrepresenting with respect to it. I do not think he did. I will show the Senate in a moment the difference between the two points of view. But we had no hearings on the matter. We had no complaint about the management, unless my friend the Senator from Tennessee made some complaint in his own way in his argument relating to the character of Mr. Lilienthal. We had no complaint about the law. No contention was made that it ought to be changed except as it would limit the power of Mr. Lilienthal while he is at the head of the corporation. Mr. Lilienthal will not be there always. His term of office expires, I think, next year; does it not, I ask the Senator from Tennessee? When does Mr. Lilienthal's term of office expire?

Mr. McKELLAR. In May of next year.

Mr. BANKHEAD. In just about a year. That leads to two thoughts. In the first place, is the way now being proposed the proper way to put a crimp in the activities of Mr. Lilienthal? Is it necessary to change the entire procedure with respect to the corporation and the law on this subject as it has been on the books since the T. V. A. legislation was originally passed? Is that the way to do it? There are two other ways. One is when Mr. Lilienthal's appointment comes before the Senate, if it does, to act upon the matter of confirmation, which will be before the Senate within the next year at about the time the next appropriation bill comes up. The other is, of course, to institute impeachment charges against Mr. Lilienthal. But no statement has been made here which, according to my understanding of the law on that subject, would justify impeachment charges. They are the two legal remedies, one of which is available immediately, and the other one a year from now. But my friend is a little impatient to get at Mr. Lilienthal.

I know he does not want to injure the T. V. A. No man on earth could make me believe that. His heart is in that organization. He has probably done more to advance its cause by the construction of dams and the enlargement of its power than has any other Member of the Senate. I know that to be so. He would not injure the T. V. A. But in my humble judgment he will injure it if the basic law is changed for a temporary purpose, and to get rid of a certain individual. I do not see how it will even have that effect. Will it get rid of Lilienthal? How is the proposed change going to accomplish that purpose? Will limiting the power of the T. V. A. tend to eliminate Lilienthal from control of its operation? Not at all, unless he should resign because he could not operate it successfully and efficiently. But the more likely and normal effect will be to punish the T. V. A., not Lilienthal. These amendments are not directed at Lilienthal in their effect. They are directed at the T. V. A. So, Mr. President, I submit that from that standpoint the amendments ought not be adopted.

Let us see what the basic law is. I am sure many Members of the Senate do not understand it. Let me call attention to section 26 of the T. V. A. Act, under which this great program has been so successfully administered. I will read it:

Commencing July 1, 1936, the proceeds for each fiscal year derived by the Board from the sale of power or any other products manufactured by the Corporation and from

any other activities of the Corporation, including the disposition of any real or personal property, shall be paid into the Treasury of the United States at the end of each calendar year—

The T. V. A. keeps the money throughout the year, until the end of the calendar year—

save and except such part—

They are not even required to pay it all in—

of the proceeds as in the opinion of the Board shall be necessary for the Corporation in the operation of dams and reservoirs, in conducting its business in generating, transmitting, and distributing electric energy and in manufacturing, selling, and distributing fertilizer and fertilizer ingredients. A continuing fund of $1,000,000 is also excepted from the requirements of this section—

That much, in addition to all the receipts—

and may be held by the Board to defer emergency expenses and to insure continuous operation.

There is another proviso, but I think it has no application to what I have been reading.

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

Mr. BANKHEAD. Yes; I am glad to yield.

Mr. BURTON. Under that provision as to the disposal of the funds, would the Senator say the fund is or is not a revolving fund?

Mr. BANKHEAD. It is not a continuing revolving fund. The revolving fund is there, and we call it a revolving fund or a reserve. They have the right to use, as the statute provides, all their receipts from operations and income from other sources until the end of the year.

Mr. BURTON. Therefore during the year they would have an opportunity to act just as any business corporation would act; but when the end of the year arrives, at which time the ordinary business corporation either declares a dividend or does not declare a dividend, the Congress comes in and determines whether they should have the money for the next year; is that correct?

Mr. BANKHEAD. That is exactly correct.

Mr. President, my friend the Senator from Tennessee [Mr. McKELLAR] says the T. V. A. has never turned any money into the Treasury. He puts a technical construction on the situation. But what he has said is not the situation in substance, in fact, or in law. They have complied with this section of the basic law all the time. At the end of the fiscal year they have accounted for the net income, after having spent out of the receipts, as they came along, for the administration and for any other purpose for which Congress authorized them to spend the money. Otherwise the funds have been in the Treasury of the United States all the time. I doubt whether Mr. Lilienthal ever personally handled a dime of the income. That is handled in accordance with the mechanical procedure and administrative regulations, through their treasury and their subordinate accountants and officials. But Congress has heretofore disposed, before the end of the year arrives, of the accumulated receipts—the profits which otherwise would have gone into the general fund of the Treasury.

I submit to the Members of the Senate that the only reason why the money has not gone into the general fund which is lying in the Treasury for that purpose—I ask Senators to observe this point—is the fact that the Congress directed that it go elsewhere. When the Congress passes the appropriation bill covering the T. V. A. about this time each year, the Congress appropriates for certain purposes and uses the money which is in the T. V. A. fund. We all know that the T. V. A. was engaged in an extended program of construction. If, under the congressional appropriations and under the basic law authorizing such expenditures, the T. V. A. needed $10,000,000 in addition, it used the $10,000,000 or whatever amount it had in the special fund. The Congress appropriated it. That reduced the amount of the appropriation coming out of the Treasury; the amount of the appropriation coming out of the Treasury was thus reduced to the extent of the money in the special fund.

Mr. LA FOLLETTE. Mr. President, will the Senator yield?

Mr. BANKHEAD. I yield.

Mr. LA FOLLETTE. It is similar to having a corporation plow back its earnings into improvements and betterments, is it not?

Mr. BANKHEAD. That is exactly correct. It is handled just as any corporation would handle its own affairs.

That plan was worked out, not by Mr. Lilienthal, but by Congress. Under the law, the T. V. A. was authorized to hold every dollar of receipts until the end of the year. But rather than put them into banks and handle them in some risky way, the procedure which is now being followed was worked out and written into the law. That procedure has been approved by the House, and has been included in the appropriation bills passed in previous years. Who worked it out, Mr. President? Who worked out the system now used? It was worked out by Mr. Lindsay Warren, the Comptroller General of the United States, and by Mr. Lilienthal, with the approval of the chairman of the House Committee on Appropriations.

The plan was to keep the money in the Treasury. Up to that time it could have been kept elsewhere. The plan was to keep the money in the Treasury until the Congress decided whether it wished to appropriate additional sums of money for these purposes. If it did, there was the net balance available in this fund. That is what Congress has done from year to year. That was done with the approval of disinterested and high officials of the Government. I refer to the Comptroller General, the Director of the Budget, and the chairman of the House committee.

There is no complaint that that plan has not been carried out in letter as well as in spirit. I submit that it is a dangerous thing, without consideration, to adopt a new plan, necessarily against the judgment of these great officials of our Government, although there is no evidence on that score. The plan which is now being followed is the plan which they recommended and agreed to for the operation of the T. V. A. Certainly, if any change is to be made in the plan, it ought to be done in the regular way, after full consideration.

I wish to invite attention to a statement made by a recently departed great friend of every Member of this body, when the same subject was under consideration 2 years ago. A similar bill, which did not go as far as the pending bill, but almost as far, was introduced and sponsored by the Senator from Tennessee [Mr. McKELLAR]. He secured the passage of that bill because of his great ability and his well-deserved popularity with Members of the Senate, and the confidence they have in him. The Senate did not have time to go into the details of the bill. Look at the attendance in the Senate at this moment. Do Senators think that the Senate is now capable of passing upon a great question such as this, with less than a dozen Senators present? We are about to decide one of the most important problems involved in our national economy, and to place under criticism one of the great experimental programs, which has gone far beyond the experimental stage, and is on the right side from the standpoint of the people. Would that be right? Would it be good judgment to abandon what was done after due consideration and deliberation?

Let me read what our friend Senator McNary said in discussing a similar bill 2 years ago. As we all know, Senator McNary was a member of the Senate Committee on Agriculture and Forestry, which has jurisdiction of this subject, and at one time was chairman of the committee. The original bill was thoroughly discussed and fully considered before that committee. Senator McNary was one of its active supporters. Two years ago the question of a change arose, in connection with an appropriation bill. I think it is fair to have the benefit of his judgment upon a similar program in recent times. Listen to what Senator McNary, the late leader of the Republican Party in the Senate, said. We all admired him, regardless of the dividing line in the Senate. While that bill was under consideration in the Senate, Senator McNary said:

Mr. President, I appreciate the generous attitude of the Senator from Kentucky, and I shall confine my remarks to narrow limits. I shall limit what I say particularly to the procedural aspects of the case. I shall not enter into a discussion of the substance of the question involved, because that has been gone into by other Senators who are probably more familiar with the subject than am I.

That was his usual modest way of speaking.

Mr. President, I have known the project under discussion from its infancy. I refer now not to the T. V. A. but to the parent project, which was the Muscle Shoals undertaking, a matter before the Senate a great many years ago. If I can trust my memory it was in 1916 that the National Defense Act was passed, which contained a provision

for the construction of the dam at Muscle Shoals, afterward named Wilson Dam. In that act there was a provision that the dam should be used for the making of propellants in time of war and fertilizer in time of peace. I became a member of the Committee on Agriculture and Forestry when I came to the Senate, and that committee has had jurisdiction over the subject matter since that time. For a number of years I was chairman of the committee, and various bills affecting the Muscle Shoals project, and later bills affecting what is now known as the Tennessee Valley Authority, came before the Senate.

I recall most graphically that when I was chairman of the committee much of the legislation revolved about processes for the fixation of atmospheric nitrogen. We studied the arc process, the cyanimid process, the Haber process, and finally the synthtic process. That is all a matter of history, but it all ripened into the present organization known as the T. V. A.

As a member of the Committee on Agriculture and Forestry, and as its chairman at one time, I served on conferences, and always exercised my interest in behalf of this project. I hope I have been helpful in the development of that great undertaking.

I think we generally accord the able senior Senator from Nebraska, Mr. Norris, the distinction of being the father of the T. V. A., and from the able speech made by the distinguished Senator from Tennessee [Mr. McKELLAR], it appears he was the father of the Muscle Shoals project, and, as the latter begat the former project, this would seem to make him a kind of foster grandfather of the T. V. A. I think I might be called a remote cousin by a line of consanguinity, because my affiliations with this project, and the legislation affecting it, have been very much in my life. I am glad, however, to know the genealogy of this whole undertaking as manifested by the speeches of these two able Senators.

I concede that there is much to contemplate and that serious study should be given to the proposal made by the Senator from Tennessee. I do not like the procedure under which this matter comes before the Senate in the pending bill. For years I have tried to conform to the Senate rules, and as ex officio member of the Appropriations Committee, as a member of the Committee on Agriculture and Forestry, and the Committee on Commerce I have repeatedly opposed proposals of legislation on appropriation bills. The function of an appropriation bill is to appropriate money, and the members of the Committee on Appropriations become familiar with the various projects which come before that committee. In connection with matters of independent legislation, or legislative bills in general, we have committees having jurisdiction of the various subject matters, who have the duty and the right and the jurisdiction to handle legislative matters. This indicates the objection I am now interposing to the matter before us as it is presented today, and my vote will be against the action of the Committee on Appropriations.

I have in mind rule XVI of the Senate Rules, subdivision 4, with which all Senators are conversant, I am sure. It provides:

"No amendment which proposes general legislation shall be received to any general appropriation bill, nor shall any amendment not germane or relevant to the subject matter contained in the bill be received."

I think the amendment now before the Senate violates two of those provisions. I am sure it is legislation on an appropriation bill. It is no defense to say that it is legislation coming from the House of Representatives on the pending appropriation bill.

I shall not read any more of Senator McNary's statement. I wished to develop the judgment of that great man upon the danger of legislating in this way, in an appropriation bill, on a great and important issue.

There are a great many things, Mr. President, which I should like to say, but I shall not take any more time of the Senate. I know that Senators are tired of the discussion, and there are yet other Senators who wish to speak.

In my judgment, we are asked to set a bad precedent. It would be a bad thing to do at this time what is proposed. As I conceive it, if Mr. Lilienthal deserves punishment, he should not be punished by the Congress in the manner suggested.

Mr. BARKLEY obtained the floor.

Mr. HILL. Mr. President, will the Senator yield, so that I may make the point of no quorum?

Mr. BARKLEY. I yield.

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	George	Robertson
Andrews	Gerry	Russell
Austin	Gillette	Shipstead
Ball	Green	Smith
Bankhead	Guffey	Stewart
Barkley	Hawkes	Taft
Bone	Hayden	Thomas, Idaho
Brewster	Hill	Thomas, Utah
Bridges	Holman	Tunnell
Brooks	La Follette	Tydings
Buck	Langer	Vandenberg
Burton	McCarran	Wagner
Bushfield	McClellan	Walsh, Mass.
Butler	McFarland	Walsh, N. J.
Byrd	McKellar	Weeks
Capper	Maloney	Wheeler
Clark, Mo.	Maybank	Wherry
Connally	Mead	White
Danaher	Millikin	Wiley
Davis	O'Mahoney	Willis
Downey	Overton	Wilson
Eastland	Radcliffe	
Ellender	Revercomb	

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

PROMOTION OF SUSTAINED-YIELD FOREST MANAGEMENT

The PRESIDING OFFICER (Mr. McFARLAND in the chair) laid before the Senate the amendments of the House of Representatives to the bill (S. 250) to promote sustained-yield forest management in order thereby (a) to stabilize communities, forest industries, employment, and taxable forest wealth; (b) to assure a continuous and ample supply of forest products; and (c) to secure the benefits of forests in regulation of water supply and stream flow, prevention of soil erosion, amelioration of climate, and preservation of wildlife", which were on page 3, line 14, after "conditions" to insert ", but not the price,"; on page 5, line 21, after "given" to insert "by registered mail to each landowner whose land is proposed to be included and"; on page 6, line 16, after "publication" to insert "once weekly for four consecutive weeks"; on page 7, line 14, to strike out "without further hearing thereon"; on page 8, line 24, to strike out "the timber and other forest products on"; on page 9, line 1, to strike out "sold" and insert "included"; and on page 9, to strike out lines 17, 18, and 19 and insert:

SEC. 10. Funds available for the protection or management of federally owned or administered forest land within the unit concerned may also be expended in carrying out the purposes of this act, and there are hereby authorized to be appropriated such additional sums for the purposes of this act as the Congress may from time to time deem necessary, but such additional sums shall not exceed $150,000 for the Department of Agriculture and $50,000 for the Department of the Interior, for any fiscal year.

Mr. HOLMAN. Mr. President, I am authorized by the Senator from South Carolina [Mr. SMITH], chairman of the Senate Committee on Agriculture and Forestry, to move the acceptance of the amendments, which are agreeable to the proponents of the bill. I therefore move that the Senate concur in the amendments of the House.

The motion was agreed to.

EXECUTIVE AND INDEPENDENT OFFICES APPROPRIATIONS

The Senate resumed the consideration of the bill (H. R. 4070) making appropriations for the Executive Office and sundry independent executive bureaus, boards, commissions, and offices, for the fiscal year ending June 30, 1945, and for other purposes.

Mr. BARKLEY. Mr. President, I hesitate to take the time of the Senate on the amendments reported by the committee and sponsored by the Senator from Tennessee. I would not do so were it not for the fact that I have a profound conviction that it would be a serious mistake to adopt them.

The history of the Tennessee Valley Authority is very interesting. It had many vicissitudes on the way. It has not been a one-way street, and there is no Member of Congress, either now or heretofore, who is or was wholly responsible for the enactment of the law creating the Tennessee Valley Authority. I happened to have been a Member of the House of Representatives in 1916 during the First World War during the administration of Mr. Woodrow Wilson, referred to by the Senator from Tennessee today. I supported the legislation creating the dam and power plant at Muscle Shoals for the manufacture of nitrates out of which explosives were to be made for war purposes and fertilizer for agricultural purposes.

Following the war the enterprise lay dormant for a number of years. The most active and insistent protagonist of the development of Muscle Shoals, particularly, was the late Representative Almon, of Alabama, in whose district Muscle Shoals was located. From that time until now I have been as active as I knew how to be in developing the Tennessee Valley, which I long ago believed offered one of the great opportunities for the development of a natural resource in a section of the country where it would be propitious to undertake such development, either for the benefit of those who might come within its radius, or as an example of what might be done to other great natural resources in the United States.

I was not and have never been a member of the Committee on Appropriations, nor of the Committee on Agriculture, so

that I was not in position originally to vote in the committee for the creation of the Tennessee Valley Authority. But we all know that legislation was primarily sponsored by the former Senator from Nebraska, Mr. Norris. It came out of the Committee on Agriculture, and one of its great friends in the committee and on the floor was the late Senator from Oregon, Mr. McNary.

The Senator from Tennessee, in the House of Representatives, as a member of the Committee on Military Affairs, and in the Senate, as a member of the Committee on Appropriations, has had the opportunity to render and has been in a position where he could render invaluable service, and he has rendered invaluable service in the creation of the Tennessee Valley Authority and in its completion. He had much help in critical moments here in the Senate. I was one of those who were glad to join with him, with whatever influence and ability and activity I might have, to bring about the development of the Tennessee Valley, and it was developed to a very large degree in Alabama and in Tennessee, and even on some of the stretches of the tributaries of the Tennessee into western North Carolina before it became definitely known that there would ever be built a dam in the State of Kentucky under the Tennessee Valley Authority. When it shall have been completed there will be but one dam in the State of Kentucky; that is the one at Gilbertsville, now known as the Kentucky Dam. The Senator from Tennessee cooperated with me very effectively, and I may say indispensably, in the establishment of the Gilbertsville Dam, but I have likewise cooperated with him to the best of my ability in the establishment of all the dams in Tennessee and Alabama before the Kentucky Dam was ever reached for development.

I regret, Mr. President, that there should have been injected into this fundamental proposition, as I see it, any disagreement on account of personalities as between the Senator from Tennessee and any member of the board of directors of the Tennessee Valley Authority. I know Mr. Lilienthal only slightly. I have never seen him or talked with him about politics. I do not know how he votes or whether he votes or where he votes. My contacts with him have been very infrequent. While Dr. A. E. Morgan was chairman of the board I had many contacts with him, as did the Senator from Tennessee, and sometimes the two of us together contacted him, very frequently unsatisfactorily, I may say.

It is not necessary to go into the disagreements between Dr. Arthur E. Morgan, the first chairman of the Tennessee Valley Authority, and Mr. Lilienthal, or between Dr. Morgan and the Senator from Tennessee—and there were differences—or between Dr. Morgan and me, for there were very acute differences between Dr. Morgan, the first chairman of the Tennessee Valley board, and me, and I know there were between him and the Senator from Tennessee, because I participated in some of those differences.

Finally such a situation developed that Dr. Morgan was not in harmony with the policy of the board. The thing dragged along for months, until finally it became necessary for the President of the United States to take action in order to clear the atmosphere. That was done by the elimination of Dr. Morgan as chairman of the board and as member of the board. What was said by Dr. Morgan about Mr. Lilienthal and what Mr. Lilienthal may have said or thought about Dr. Morgan grew out of the differences between them in the administration of the Tennessee Valley Authority. I do not think they are pertinent here in deciding this question.

I think it is also unfortunate that this legislation comes here as an amendment on a general appropriation bill. My own opinion is that it is not in order under rule XVI. I shall not argue that point now, but rule XVI referred to by the Senator from Alabama as having been discussed by the late Senator from Oregon, Mr. McNary, prohibits on appropriation bills amendments providing for general legislation. The Senator from Oregon pointed out that the mere fact that the House may include a legislative provision in an appropriation bill does not abrogate the rule of the Senate. This is a proposal of new legislation; it changes the operation of the Tennessee Valley Authority. It requires it to put into the general fund of the Treasury of the United States all the moneys it receives from all sources as they are received, day by day, or week by week, and it certainly changes the law as it now exists, either under the original Tennessee Valley Authority Act, or under the amendment of 1935, or under the appropriation bills, and particularly the current appropriation law, which did not change the law as to that particular. Under the appropriation bill as sent to us by the House there is no attempt to change the law as it was amended in 1935, and as the law was prescribed in the appropriation bill for the fiscal year 1944. But that is another matter.

Mr. President, the Tennessee Valley Authority is a great public utility. The fact that it is a corporation created by Congress does not take away from it its character as a utility. It is furnishing power to a vast number of people within the radius of its ability. It is furnishing power to war plants which are now manufacturing essential materials for the winning of the war. It has purchased and now owns the properties of other utilities existing in the same territory, including the Commonwealth & Southern Co., for whose property it paid, as I recall, in the neighborhood of seventy-eight million and some hundreds of thousands of dollars. So that it is a utility, it has all the characteristics of a utility, and as such it must adopt the methods of a utility in its operations. That means that from day to day, it may be every day in the year, every week in the year, and every month in the year, the Tennessee Valley utility is required to be ready at any call, on any occasion, to do things within its power in order to maintain its operations as any other utility would do. That means it must send men out over its entire stretches to repair lines, or to build lines, or to do other things necessary in order to create the power which it is to distribute among its customers.

Mr. President, it has been given some flexibility, some leeway, under the law as first enacted and as amended in 1935, and in every appropriation bill that has been passed since then. It has been given the flexibility of being able, in the discretion of its board, to do the things necessary in order to create and distribute power, and at the end of the year, after deducting all its operating expenses from its entire revenues, it is required to turn the balance back into the Treasury of the United States. In 1935 Congress itself created the special Tennessee Valley Authority fund, so that even at the end of the year instead of turning the net balance back into the general fund of the Treasury, Congress itself authorized the creation and the earmarking of the Tennessee Valley Authority fund and its moneys have gone into that fund, and they have been operated in that fund from that time until now.

Mr. WILEY. Where is the fund kept?

Mr. BARKLEY. It is kept in the Treasury of the United States, just as the social-security fund is kept in the Treasury, earmarked for that purpose, the difference being, of course, that the law requires the Treasury Department to borrow the funds created by the social-security payments, but the Tennessee Valley funds are earmarked as a separate fund for the use of the Tennessee Valley Authority. That has been its practice and that has been its method of doing business.

In providing this flexibility, this leeway, Congress has not been negligent in protecting the public interest. The Tennessee Valley Authority is not only audited by a private auditing concern, the Tennessee Valley Authority is audited by the General Accounting Office of the United States Government, an agency set up as a representative of Congress to go over, item by item, all its receipts and all its expenditures, and every year the books of the Tennessee Valley Authority have been audited, and they are now being audited by the General Accounting Office. So that the General Accounting Office, a representative of Congress, with expert bookkeepers and accountants and auditors, determines by audit the amount of net balance that is left at the end of each year to be turned back into the fund created by Congress as the Tennessee Valley Authority fund.

There has never been any complaint that there has been any misappropriation of funds available for the Tennessee Valley Authority, there has never been any complaint that anyone stole any money from them. Some 3 or 4 years ago Congress authorized an investigation of the Tennessee Valley Authority, and former Senator Donahey of Ohio was appointed chairman of the joint committee. The committee spent months investigating the affairs of the Tennessee Valley Authority, and it made a comprehensive and exhaustive report

to the Congress of the United States, in which, to use the vernacular, the committee gave it a clean bill of health.

Mr. HILL. Mr. President, will my colleague yield?

Mr. BARKLEY. I yield.

Mr. HILL. The Tennessee Valley Authority is not only audited by the Comptroller General, but, as my distinguished colleague knows, the Tennessee Valley Authority goes before the Bureau of the Budget and submits its estimates, where an examination of all its receipts and expenditures is made, just as in the case of other agencies.

I hold in my hand the Budget estimates of the Tennessee Valley Authority for the fiscal year ending June 30, 1945, and I shall be glad to have any Senator examine the document containing these Budget estimates. It shows in what detail the Tennessee Valley Authority submits the picture of its estimates and its receipts and expenditures. After that the Tennessee Valley Authority goes before the House Committee on Appropriations, submitting all these estimates, and for any question or investigation the committee may care to make, and it also comes before the Senate Committee on Appropriations, just as any other agency of the Government must do each year.

Mr. BARKLEY. Mr. President, I appreciate the Senator in more detail calling my attention, and the attention of the Senate, to the practices with regard to auditing. The Tennessee Valley Authority is required to justify every dollar of its expenditures before the House Committee on Appropriations, and before the Senate Committee on Appropriations, just as the War and Navy Departments or the Maritime Commission, or any other agencies of the Government are required to justify their expenditures before appropriations are made.

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

Mr. BARKLEY. I yield.

Mr. HILL. Under the basic law, the Tennessee Valley Authority makes an annual report to the Congress. That annual report contains a full story of all the activities of the Tennessee Valley Authority, the details of its operations, and all its financial dealings. I hold in my hand a copy of the report for the fiscal year 1943. The report contains altogether 323 pages. It goes into every detail of the operations of the Authority, every detail with respect to all moneys collected and all moneys paid out. It gives an account of all the operations and management of the Authority and its many different ramifications. It gives a financial account.

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

Mr. BARKLEY. I yield.

Mr. McKELLAR. And, I may say, including the following statement: "Returned $13,148,000 of net income to the United States Treasury," which it never returned. But that is not the question I want to ask the Senator. The House bill contains a provision not only to appropriate all the money necessary for carrying on all the business of the organization, but $8,000,000 plus as a reserve fund for anything which may happen. The Senator said that this appropriation was like any other appropriation. I do not know of a single appropriation in which a reserve fund is provided for any department of government, not even for military affairs.

Mr. BARKLEY. Of course that does not change the law. The bill as it was sent to the Senate by the House carries the appropriation as authorized by the law enacted in 1933, and amended in 1935, and by legislation enacted since that time. They could divide and earmark the fund they appropriated as they might see fit so long as they complied with the statute; that would not be legislation, and that was the point I attempted to make.

Mr. HILL. Mr. President, will the Senator yield to me to make a statement with respect to the $8,000,000 referred to?

Mr. BARKLEY. I yield.

Mr. HILL. There are two dams, one known as the Watauga Dam and the other known as the South Holston Dam, on which certain work has been done and certain expenditures made. The construction of these dams has been temporarily held up on account of shortage of critical materials, but the $8,000,000 was put in the measure so that if the critical materials become available and the War Production Board thinks it advisable, the Authority can proceed with the construction of the two dams, and also with the construction of the phosphate plant at Mobile, Ala.

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

Mr. BARKLEY. I yield.

Mr. McKELLAR. Mr. Lilienthal testified before the committee that he did not know when anything would be done on the other projects, but that he wanted to get to the Mobile plant as soon as possible, and as the cost of the Mobile plant will be about as much as he has placed in the reserve fund it may be that the Mobile plant is to be built out of the reserve fund. He did not testify to that, however. He did mention the possibility of the two dams in east Tennessee, the Watauga and the South Holston. But as everyone must be aware who knows anything about the T. V. A., Mr. Lilienthal is wholly opposed to the building of those dams, and stopped the building of them through the instrumentality of one of his former agents, a man by the name of J. A. Krug, who is with the W. P. B., and who engineered the scheme of having the W. P. B. object to the building of the Watauga and the South Holston Dams.

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

Mr. BARKLEY. I yield.

Mr. HILL. I wonder if Mr. Krug has all the power and influence with the War Production Board the distinguished Senator from Tennessee ascribes to him?

Mr. McKELLAR. Indeed he has. Not only has he as much as I ascribe to him, but more.

Mr. HILL. It seems to me that the provision for the $8,000,000 for the construction of the two dams on which money has previously been expended, and which, of course, must be completed, was brought about through the order of the War Production Board, headed by Mr. Donald Nelson.

Mr. BARKLEY. Of course, so far as the $8,000,000 is concerned, if the facilities for which the sum is set aside are not built, the money will not be expended.

Mr. HILL. Of course not.

Mr. BARKLEY. So that does not change the character of the appropriation. It simply sets aside that fund for the completion of facilities which have already been begun, if it is found possible to complete them, as I understand.

Mr. McKELLAR. I beg the Senator's pardon, if he will allow me to interrupt. There is no limitation whatsoever on that fund. They can use it for any purpose they want to. They can buy farm lands with it, or they can buy more phosphate lands.

Mr. BARKLEY. If that is true I am surprised that the Senator from Tennessee has not placed some limitation on it, because he has done so with respect to everything else that the Tennessee Valley Authority does.

Mr. McKELLAR. I have done it with respect to all the matters that are necessary to keep the man honest.

Mr. BARKLEY. The Senator glibly says that he has put on restrictions necessary to keep the man honest. If the man is not honest, certainly some audit would reveal that fact, and if he is not honest there is a way to prove that he is not honest, and he can be punished for his dishonesty. The entire Tennessee Valley and the utilities dependent on the Authority, as well as plants engaged in war work, should not be hampered simply to punish Mr. Lilienthal for something imputed to him, but which has not been proved or charged in any formal way.

Mr. HILL. Mr. Lilienthal has been a director of the Authority for 11 years, and certainly no one that I know of has ever been able to submit any evidence that he was dishonest, and he has twice been confirmed by the Senate of the United States.

Mr. BARKLEY. The Senator from Tennessee quoted something that Dr. Arthur E. Morgan wrote about Lilienthal in the midst of his heated personal dispute with him—about his being slick and oily and devious, I believe, and evasive. My experience and the experience of the Senator from Tennessee with Dr. Arthur E. Morgan, I think, was of a character that at least would convince me that Dr. Morgan fitted the description he gave to Lilienthal better than Lilienthal fitted into it.

Mr. McKELLAR. Under those circumstances we have a very happy pair to do this great work, do we not?

Mr. BARKLEY. I do not know whether the Senator had anything to do with the appointment of either of them.

Mr. McKELLAR. No, sir; I did not.

Mr. BARKLEY. Not even the appointment of Dr. H. A. Morgan?

Mr. McKELLAR. No; I did not know of it until after it was made.

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

Mr. BARKLEY. I yield.

Mr. BONE. I desire to inquire of the Senator from Kentucky, first, what amendments we are discussing. I have gathered from the debate that we were discussing the amendments on pages 52, 53, 54, and 55 of the bill. They involve the propositions which were discussed by the Senator from Tennessee [Mr. McKELLAR]. They clearly appear to be legislation.

I wanted to suggest to the Senator from Kentucky that from the date the T. V. A. bill was introduced and passed in this body to the present moment I have upon occasions, as have other Senators, introduced legislation and attempted to attach it to appropriation bills, and without a single exception a point of order has been made and upheld. I am going to suggest to the Senator that I shall make a point of order against all these amendments.

Mr. BARKLEY. I may say in this connection that I have already expressed my view that the pending amendment is not in order under the rules of the Senate.

Mr. BONE. I have had the rules of the Senate invoked against me from time to time, and I am merely desirous of knowing whether we are going to throw the rules of the Senate into the wastebasket or enforce them.

Mr. BARKLEY. The Senator knows that the rules require the Appropriations Committee to make a point of order, or require the Senator in charge of the appropriation measure to make a point of order against an amendment offered from the floor which constitutes legislation on an appropriation bill. I do not know why the same rule should not be invoked against the action of the committee itself if it presents legislation on an appropriation bill.

Mr. McKELLAR. Mr. President, in answer to what the Senator from Kentucky has just said, I wish to say that before reporting these amendments I consulted the Parliamentarian of this body, and the Parliamentarian told me they were in order.

Mr. BARKLEY. I have consulted the Parliamentarian also about that matter, and I am not going to quote what the Parliamentarian had to say about it. The Parliamentarian, however, I will say, when I consulted him about it, was in doubt whether the amendment was in order, and indicated that the Chair might rule either way with the possibility that he was right. So it is up to the Chair after all to determine parliamentary questions. Of course, he seeks the advice of our very competent Parliamentarian, but after all the responsibility is on the Chair to rule on points of order.

Personally, I have no doubt whatever that this amendment changes the law. It provides a different method by which the T. V. A. shall turn its money into the Treasury. It provides that the T. V. A. must do so every time it receives $5 in revenue, as and when collected; and the T. V. A. would be given no discretion whatsoever to use any of that money for ordinary running expenses or for working capital, unless it first came to Congress and received an appropriation. Thereby, we would make the Congress of the United States the board of directors to manage the Tennessee Valley Authority. I, myself, do not want, much as I honor and respect the Congress of the United States, to have the Congress act as the board of directors of the Tennessee Valley Authority. I do not believe that 531 Members of Congress can efficiently and effectively act as a board of directors to determine whether the Tennessee Valley Authority shall repair a transmission line which is down or whether it shall build a new transmission line or whether it shall rent a building in order that it may house its employees, or to make any other determination in connection with anything which it is necessary for the T. V. A. to do in order to operate that great utility.

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

Mr. BARKLEY. I yield.

Mr. BONE. I quite agree with the Senator from Kentucky that the amendment would change the mechanics of operation, and certainly that clearly invades the field of legislation. If the Senate wishes to pass legislation of that sort, that is all right; I will not say the Senate has no right to do so.

Mr. BARKLEY. No; I am doing my level best to keep the Senate from passing it.

Mr. BONE. I understand that, and I appreciate what the Senator is doing.

Mr. BARKLEY. Mr. President, the Senator from Tennessee [Mr. McKELLAR] complained that Mr. Lilienthal made speeches at Rotary clubs, Kiwanis clubs, and luncheon clubs of various kinds. Of course, we all know that everyone in public life is frequently invited to make speeches before luncheon clubs. I myself have punished many a luncheon club with a speech. [Laughter.] In spite of that, I receive repeated invitations to punish them again. I am sure the Senator from Alabama [Mr. BANKHEAD] has received many invitations, not to punish luncheon clubs, but to enlighten them. We accept such invitations. Of course, it should be natural for us to wish to talk about a matter about which we know something; and I presume Mr. Lilienthal knows more about the T. V. A. than anyone else does, and knows more about it than he knows about anything else. Therefore, it would be natural for him, when talking before a luncheon club, to talk about the T. V. A. It would not only be natural but it would be proper for him to enjoin against injecting politics into the T. V. A.

Mr. BANKHEAD. Mr. President——

Mr. BARKLEY. Does the Senator from Alabama desire that I yield to him?

Mr. BANKHEAD. I shall wait for a minute or two.

Mr. BARKLEY. While the Senator is waiting, I will say that of all the organizations set up in the United States, the T. V. A. is the one organization which has gone beyond what are ordinary and reasonable bounds to keep from injecting politics into its activities; so much so, that early in its history, when many men out of employment came to me, as they came, no doubt, to the Senator from Tennessee, the Senator from Alabama, and other Senators, asking for letters of recommendation to the Tennessee Valley Authority in order to help them get a job as a blacksmith or as a carpenter or as a ditch digger, those letters were a handicap, rather than a benefit, in connection with securing the positions they were seeking; because Congress itself in the law provided that the Tennessee Valley Authority should give no consideration to political recommendations or political affiliations in the employment of persons working under it; and in order that they might not even be accused of allowing a United States Senator or a Member of the House of Representatives to influence them by political pressure or by a political recommendation, they uniformly turned them all down. I think they were properly acting within the law and in the proper spirit in doing so.

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

Mr. BARKLEY. I yield.

Mr. BANKHEAD. In view of the statement made earlier in the day by the Senator from Tennessee that Mr. Lilienthal had been engaging in political activities, I desire to read a letter which came to me from Mr. Lilienthal. The letter is dated March 9, more than 10 days ago. I think it is my duty to read this letter to the Senate, in view of the statements which have been put in the RECORD about Mr. Lilienthal's conduct and his characteristic of never denying anything, especially never denying statements that he had engaged in political activities.

As I said, the letter was written on March 9. Today is the 22d of March. I believe it is fair to Mr. Lilienthal, in view of the statements made here today that he never made any correction or denial of charges relating to him, that his letter, written more than 10 days ago, be read into the RECORD at this time.

Mr. BARKLEY. I yield to the Senator for that purpose.

Mr. BANKHEAD. The letter reads as follows:

DEAR SENATOR BANKHEAD: In the hearings before the Senate Subcommittee on the Independent Offices the other day you will recall that Senator McKELLAR charged me with engaging in political activities directed against him. This accusation he repeated in the press this morning. The amendments to the T. V. A. appropriation bill he has sponsored include what constitutes a direct charge that the T. V. A. has been engaging in political activity for and against the candidates for political office.

Your own observation of the T. V. A. and of my conduct, I believe, leaves no doubt in your mind that we have scrupulously avoided any and all activity of a partisan, political character, whether involving Presidential, Senatorial, or State and local offices. So far as Alabama is concerned, I am sure you have never had word from your constituents that would sustain in any degree Senator McKELLAR's serious charge of illegality on our part.

I want to say to you, as a friend and supporter of the program entrusted to T. V. A., that:

(1) The Board of Directors of the T. V. A., from the very outset has had a formal policy forbidding any of its officials or employees from engaging in any form of political activity whatsoever. That policy was promulgated before the national policy on the subject in the Hatch Act, and is more extensive in its application than is the Hatch Act. It has been severely observed by our Board, in letter and in spirit.

(2) The writer of this letter, in the almost 11 years as a Director of T. V. A., has not once, by any act or suggestion, or otherwise, promoted the candidacy of anyone for any political office—local, State, or Federal—nor has he opposed any candidacy in anyway, directly or indirectly. Any statement to the contrary is wholly without basis in fact. Any inquiry you may make of any disinterested citizens of Tennessee or anywhere in the Tennessee Valley will confirm this statement, without qualification. This fact is well known.

We are thus writing you, as a member of the Senate subcommittee on Independent Offices and as a friend of the Tennessee Valley development, because this charge of political activity, contrary to existing law and sound policy, attacks the integrity of the T. V. A. and my integrity; for it is the heart and spirit of the T. V. A., in accordance with congressional policy written in the law, that it must never be used for political purposes. And it has never been so used.

Faithfully yours,

DAVID E. LILIENTHAL,
Chairman.

Mr. McKELLAR and Mr. WILEY addressed the Chair.

The PRESIDING OFFICER. Does the Senator from Kentucky yield, and, if so, to whom?

Mr. BARKLEY. I yield first to the Senator from Tennessee.

Mr. McKELLAR. Mr. President, I wish to call the attention of the Senator from Alabama to what was said on the floor of the Senate yesterday by the junior Senator from Tennessee [Mr. STEWART]. He said he denounced Lilienthal for making a speech against him, and that Lilienthal never denied doing so. The junior Senator from Tennessee called on Lilienthal to deny it.

I wish again to call the attention of the Senator from Alabama and the attention of all other Senators to the following statement made on July 9, 1942, during a political campaign, when Mr. Lilienthal was abusing the junior Senator from Tennessee:

Mr. Lilienthal concluded by urging citizens to find out how candidates for political office stand on the issue of continued business-like management of public power agencies.

"Your eternal vigilance is the price of low-cost electricity."

He was fighting the junior Senator from Tennessee because the junior Senator from Tennessee had voted for a bill of this kind. He was out on the stump denouncing the two Senators from Tennesee, as was clearly shown here yesterday.

Mr. BANKHEAD. The Senator does not insist that that article properly has that meaning, does he?

Mr. McKELLAR. Of course it has. What else could he be referring to? Why was he making a speech? He is not ordinarily a speechmaker.

Mr. BANKHEAD. He did not denounce anybody.

Mr. McKELLAR. He visits luncheon clubs and other organizations, making speeches. He was making them in that campaign for the purpose of defeating the junior Senator from Tennessee. Time and again he tried to defeat him, not only in this speech, but in other speeches in that campaign. He was an active fighter. Everyone in Tennessee knew that he was an active fighter in that campaign. For him to attempt to deny it at this late date, when he was called upon to deny it at the time, is a confession that he was guilty or he would have denied it then.

Mr. BARKLEY. Mr. President, if this contest in the Senate were a political contest between the Senators from Tennessee and David Lilienthal, I would be voting for McKELLAR and STEWART. I do not know anything about what has happened in Tennessee in regard to this matter from a political standpoint; but if all that the Senator from Tennessee says is true, if Lilienthal actually made political speeches against him and called him by name and said to the people that they ought not to reelect him—which I do not understand he ever did—I still do not see why the entire Tennessee Valley Authority in Tennessee, North Carolina, Alabama, Kentucky, Indiana, Missouri, and Illinois should be punished in order to punish Mr. Lilienthal.

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

Mr. BARKLEY. I yield.

Mr. McKELLAR. I entirely agree with the Senator that the T. V. A. ought not be punished. It is not being punished. We are proposing to furnish the money to operate the T. V. A. through appropriations by Congress, instead of allowing Lilienthal to have an ever-continuing revolving fund, from which he can withdraw money whenever he wants it.

Mr. BARKLEY. That revolving fund is audited. We would be punishing the people who are customers and patrons of this enterprise if every time something were needed the T. V. A. had to come to Washington and appear before the Committee on Appropriations, and then wait until a bill could be considered by the Senate and the House, acting as a board of directors.

Mr. McKELLAR. The Senator surely does not mean that.

Mr. BARKLEY. I do.

Mr. McKELLAR. Let me say that today the Army must do the same thing. We appropriate all the money for the Army. The Army does not have to come to Congress every time it wishes to make an expenditure. It has its appropriations. The same is true of the Navy, and of every other activity of Government. It is idle to talk that way about appropriations by Congress.

Mr. BARKLEY. Even the Army and the Navy must come to Congress every month or so for increased sums by way of deficiency appropriation bills. Does the Senator want the Tennessee Valley Authority to be required to come to Congress every time it needs to expend a small additional amount of money on a facility which it is charged with the duty of operating, and obtain the additional amount through a deficiency appropriation bill before it can be expended?

Mr. McKELLAR. That is not what this amendment proposes. It simply proposes that expenditures be made from the appropriations. We propose to appropriate $66,000,000 for the T. V. A. It will be some time before the T. V. A. can have an opportunity to spend all the $66,000,000. We all know that if and when the T. V. A. comes to Congress with a good reason for the expenditure of money, the money will be provided. If I did not think so, I would not be in favor of the amendment. In my judgment the T. V. A. should be treated just as every other activity of the Government is treated. It should come to Congress for its appropriations, and should pay its receipts into the Treasury of the United States. That is what we said in the first law, with the one limitation, and that is what we should say today.

Mr. BARKLEY. The Tennessee Valley Authority has been in existence for 11 years, and for 11 years it has been doing what it is now doing. There has been only one attempt to change the procedure. That was in 1942, and it was a failure. Now, after 11 years, we are asked to say to the Tennessee Valley Authority, "You shall not pursue business methods which are meticulously audited and examined by private and governmental auditors, because there is a controversy, personal in some respects, between certain Senators and someone on the board of directors."

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

Mr. BARKLEY. I yield.

Mr. HILL. I think for the sake of the RECORD it should be said that the speech to which the Senator from Tennessee repeatedly refers was delivered by Mr. Lilienthal before the Knoxville Kiwanis Club.

Mr. BARKLEY. In that connection, let me ask the Senator whether Mr. Lilienthal barged in on the Knoxville Kiwanis Club and broke down the doors in order to get in, or was he invited to appear before that organization?

Mr. HILL. I am quite certain that he was invited to appear. I have never heard of his barging in anywhere. I am sure that he was invited to come before the organization and deliver an address on July 9, 1942.

The fact is that the junior Senator from Tennessee [Mr. STEWART] felt that some things which Mr. Lilienthal said in that speech were against the interest of his candidacy. It is not for me to pass judgment on whether the junior Senator from Tennessee is correct. The fact remains that in that speech neither the name of the senior Senator from Tennessee nor that of the junior Senator from Tennessee was mentioned. But even if Mr. Lilienthal did say something in that speech which could be construed as against the candidacy of the junior Senator from Tennessee, it is the only speech and the only statement of any kind or character that the senior Senator from Tennessee has been able to submit to

the Senate as being a political speech from Mr. Lilienthal. The Senator has said that not only did Mr. Lilienthal make this speech, but time and again he spoke against the candidacy of the junior Senator from Tennessee. This is the only speech that the Senator from Tennessee has been able to submit to the Senate. The senior Senator from Tennessee stated yesterday that for years Mr. Lilienthal had been making speeches fighting him. Where are all those speeches? Where are all those statements? Where will we find, aside from this one speech, anything that Mr. Lilienthal has said against the Senator from Tennessee?

Mr. McKELLAR. If the Senator from Kentucky will yield, I shall be very happy to answer that question.

Mr. BARKLEY. I yield.

Mr. McKELLAR. Here is another statement. This is from the Chattanooga Daily Times of May 8, 1942, during the same campaign.

Mr. BARKLEY. Before what Kiwanis Club was that statement made?

Mr. McKELLAR. I do not know. We shall see. I read from the Chattanooga Daily Times of May 8, 1942:

"The Tennessee Valley Authority, throughout its 9 years of existence, has been governed by the 'rule of merit' and not 'rule of political reliability' in the selection of its personnel," Chairman David E. Lilienthal, of the T. V. A. Board of Directors, declared here last night in a speech which, in part, at least, was directed at the fight that United States Senator KENNETH McKELLAR conducted successfully in the Senate against the Authority. While the T. V. A. Board's Chairman did not use Senator McKELLAR's name at any time during his remarks—

As I pointed out the other day—

it was obvious that they were directed at him. He was here to address a mass meeting of T. V. A. workers.

He was addressing a mass meeting of T. V. A. workers and denouncing one of the Senators from Tennessee because he did not do as the great director of the T. V. A. wanted him to do.

I have referred to two occasions. There were many others. The truth is that all during that campaign this man Lilienthal went all over the State denouncing me and denouncing the junior Senator from Tennessee.

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

Mr. BARKLEY. I yield.

Mr. HILL. It is easy for the Senator from Tennessee to say that Lilienthal went all over the State denouncing him; but the language which he quoted contains no reference to the Senator from Tennessee. It speaks of the fact that we wrote into the fundamental, basic act of the T. V. A. the provision that there should be no politics, but that there should be a merit system. We even provided that if any T. V. A. employee in any way engaged in politics with reference to the personnel, he should be peremptorily fired. One of the greatest contributions the T. V. A. has made has been to prove that it is possible under our system of government to have a great governmental agency free from politics. It was not unnatural for Mr. Lilienthal, speaking to the personnel of the T. V. A., to mention the fact that they were under a merit system, free from politics.

Mr. BARKLEY. I have no way of knowing whether Mr. Lilienthal had in mind the senior or the junior Senator from Tennessee when he was urging that the T. V. A. be kept out of politics. However, I certainly feel that in urging that that be done not only was he on solid ground, but he was complying with the law itself, which went further than any other law of which I know to keep this activity out of politics, to such an extent that no one may be employed or dismissed by the T. V. A. because of his politics.

I recall that early in the proceedings I wrote a letter to Dr. Morgan, as chairman of the T. V. A. Board, recommending a man from my State who wanted to obtain a job. It is hard to refuse to write letters of recommendation when one's friends ask for such letters. Dr. Morgan replied to me, calling attention to the provision of the law which prevented political considerations. I did not write him any more letters in behalf of anyone, but I did not interpret his letter to me as an attack upon me because he was insisting that the law be observed by keeping politics out of appointments.

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

Mr. BARKLEY. I yield.

Mr. STEWART. I wish to make an observation. A discussion of the 1942 campaign has been resumed here today. Again Mr. Lilienthal has been quoted. Yesterday I made a statement as to my recollection with respect to the speech made by Mr. Lilienthal at Knoxville. The speech was certainly aimed at me. Everyone with whom I talked at that time so construed it. It was during the heat of the campaign. The vote which I had cast on a certain amendment relating to the T. V. A. was an issue in the campaign. That was the picture. There could be no question about that part of it. However, as I stated yesterday, I shall not support all the amendments which are being presented here at this time. I am sorry that I cannot go along with my colleague on all of them. As I have already said, I wish to make a statement, not a speech, explaining my vote.

There can be no question about Mr. Lilienthal's political activity. I know. I have been prodded and punched by that thing once, and I carried my campaign all over the State of Tennessee feeling the effects of it. Unless I cannot understand the English language, there is no question that that man was acting politically. I believe that, in the interest of efficient operation of the T. V. A., he should be removed. I have said so, heretofore. However, so far as that is concerned, it probably has nothing to do with the handling of the money of the T. V. A., paying it into the Treasury, or handling it in one way or another. As pointed out by the Senator from Alabama yesterday, that is a different proposition. But Lilienthal was active politically in 1942. I do not believe there can be any doubt about it. And if he was, certainly the law was violated. As the junior Senator from Alabama has pointed out, persons who are employed by the T. V. A. are not supposed to take any active part in political campaigns. They are restricted, as are other Government employees, and their activities are circumscribed by certain provisions of the law which forbid active participation in political campaigns. My honest belief is that Mr. Lilienthal violated both the spirit and the letter of the law.

Mr. BARKLEY. I appreciate the Senator's statement, and he knows that I would not, by any word, gesture, or thought of mine, approve of Mr. Lilienthal, or anyone else holding a Government position, opposing the Senator from Tennessee in a campaign, although we all recognize that everyone has a right to vote as he pleases. I certainly would not condone any surreptitious attack, or covert or open attack, on the Senator from Tennessee in a political campaign. But my point is that, even if we admit that to be true, there is a way by which to deal with an activity of that kind. If Mr. Lilienthal is to continue as a director, he must be reappointed, and the Senate will have to confirm him. We can deal with that subject when the proper time comes. The point is that we should not, in the midst of consideration of an appropriation bill, enact legislation, which was not considered for a moment by the committee which framed the T. V. A. legislation, as a punitive expedient against Mr. Lilienthal or anyone else.

Mr. President, I have taken more time than I had intended, and I shall bring my remarks to a conclusion.

Mr. WILEY. Mr. President, I have been very much interested in the remarks of the Senator in which he gave us a picture of the financial operations of the T. V. A. I was not in the Chamber when the statement was made. As I understand, he has stated that under the present law, and the amendments now in operation, the T. V. A. operates as a business concern; it takes in receipts, makes expenditures, and at the end of the year the balance of the funds remaining is placed in an account in the United States Treasury. Am I correct in my understanding?

Mr. BARKLEY. The Senator is correct. Technically, the money does not go into the Treasury general fund.

Mr. WILEY. Does it go into a special account?

Mr. BARKLEY. Yes; but the money is under the guardianship of the Treasury, in a special T. V. A. fund.

Mr. BANKHEAD. And subject to appropriation.

Mr. BARKLEY. Subject to appropriation.

Mr. McKELLAR. Oh, no. Does the Senator state that the T. V. A. money is subject to appropriation?

Mr. BARKLEY. Of course, it is.

Mr. McKELLAR. It is subject to the checking authority of the Board, and is in no way subject to appropriation.

Mr. BARKLEY. It is subject to appropriation after the T. V. A. turns the balance in.

Mr. McKELLAR. Oh, well; the balances have not been turned in.

Mr. BARKLEY. Last year the T. V. A. turned in $13,000,000. In the technical sense it did not go into the Treasury. It was turned into the fund, earmarked, and set aside by Congress for that purpose.

Mr. BANKHEAD. And it was appropriated for Government uses under the T. V. A. program.

Mr. BARKLEY. That is correct. Each appropriation bill dealing with this agency has provided for appropriating the money turned back into the fund by the T. V. A.

Mr. WILEY. Be that as it may, I think we understand the general operations at the present time.

With respect to page 52 of the bill, I understand the objection of the Senator is to the effect that the language there provides that all the receipts of the Tennessee Valley Authority from all sources during the fiscal year 1945 and subsequent fiscal years shall be covered, as and when collected, into the general fund of the Treasury of the United States. That language means that no longer could the Authority receive money and make normal payments in the course of business, but that every payment which had to be made would have to be paid out of the Treasury. Am I correct in that understanding?

Mr. BARKLEY. It would have to be paid out of the Treasury under an appropriation of Congress, just as any other money is appropriated and paid out of the Treasury.

Mr. WILEY. Then, am I correct in my understanding that the very crux of the issue here is whether the Authority should continue to operate in the usual way in which a private business concern would operate, or whether the funds should go into the Treasury and then be reappropriated, and payments made from that fund after the appropriations had been made?

Mr. BARKLEY. That is the sole issue.

Mr. WILEY. I thank the Senator.

Mr. BARKLEY. Mr. President, in a colloquy with me a moment ago, the Senator from Washington announced that he would make a point of order against this amendment. I do not see the Senator on the floor. I am reminded by the Senator from Wisconsin [Mr. LA FOLLETTE] that the amendment to which the point of order is to be made is the Watts Bar steam-plant amendment, and not the pending amendment. The real crux of this whole thing is the amendment on page 52. The amendments on page 51 with reference to Watts Bar steam plant, Fort Loudon Dam, and the Sheffield steam plant are not in the amendment to which the point of order is directed.

Mr. McKELLAR. They are all included in the one amendment.

Mr. BARKLEY. They are separate amendments.

Mr. McKELLAR. No; they are not separate; they are all a part of one amendment.

Mr. LA FOLLETTE. A parliamentary inquiry, Mr. President.

The VICE PRESIDENT. The Senator will state it.

Mr. LA FOLLETTE. Are not the amendments appearing on page 51 and page 52 separable?

The VICE PRESIDENT. From a parliamentary point of view, they are separable.

Mr. LA FOLLETTE. They would be considered as separable. They are separate amendments. For instance, the amendment on page 51 begins in line 17 and strikes out certain words but does not propose to insert anything. That must be the first amendment.

The VICE PRESIDENT. The amendment now under consideration is in line 14, page 51 to insert the word "of", which has not heretofore been agreed to.

Mr. McKELLAR. Mr. President, let me call the attention of the Chair to the fact that the words "Watts Bar steam plant; Fort Loudon Dam (including an extension to bring the waters of the Little Tennessee River within the pool of this project)" are a part of the sentence that ends on page 53 with the words "the general fund of the Treasury of the United States." I will read it to the Senator.

Mr. LA FOLLETTE. The Senator does not have to read it. If the Senator from Kentucky will pardon me——

Mr. BARKLEY. I yield.

Mr. LA FOLLETTE. Obviously, whether it is one sentence or whether it is not it proposes to affect very different subject matters, and obviously, under all parliamentary law and procedure and the rules and precedents of the Senate, these amendments should be considered separately.

Mr. McKELLAR. I have no objection to their being considered separately, but they are a part of one sentence.

Mr. LA FOLLETTE. That has nothing to do with whether or not the amendments are separable.

Mr. BARKLEY. Mr. President, if we were voting on these amendments in the ordinary course we would vote on them separately, whether they are a part of one long sentence or whether they are a part of four or five different short sentences.

Mr. McKELLAR. Why not let us vote on them?

Mr. BARKLEY. The amendment on page 51 striking out Watts Bar steam plant. Fort Loudon Dam and the Little Tennessee River extension have no connection whatever with the language at the bottom of page 52 which deals with the handling of the funds.

Mr. McKELLAR. If it will help any to obtain a vote, I am perfectly willing to have them considered separately.

The VICE PRESIDENT. The question is on agreeing to the amendment in line 14, page 51.

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

Mr. LA FOLLETTE. Mr. President——

The VICE PRESIDENT. Does the Senator from Tennessee withhold his point of no quorum?

Mr. McKELLAR. I withhold it.

Mr. LA FOLLETTE. Mr. President, I do not think the Senator from Kentucky had concluded his remarks.

Mr. BARKLEY. No; I had not quite concluded.

Mr. LA FOLLETTE. I understand the Senator from Illinois [Mr. BROOKS] wishes to be heard, and when it comes to considering the specific amendments I myself want to be heard briefly. The amendments will have to be taken up in the usual parliamentary manner and be considered in their order. I do not want any confusion to exist that, because the Senator from Tennessee is willing to have them considered separately, when they have to be considered that way, it is going to have any effect on the debate.

Mr. BARKLEY. Mr. President, I had about concluded. I had intended to read a number of telegrams and letters from people in Kentucky and Tennessee and Alabama in opposition to this amendment and attempting to state what the effect of it would be upon their communities and their public utilities; but I shall not take the time of the Senate to do that. I may say, however, that I have scores of such communications, including resolutions adopted by organizations in Tennessee and Alabama and in the State of Kentucky, opposing this amendment. I shall not encumber the RECORD with them, but simply wish to state, in conclusion, that I think it would be really a tragedy for this amendment, that is the crux of these amendments, to be adopted. There are a number of amendments, some of them limiting the number of automobiles which may be bought, and all that sort of thing, the wisdom or folly of which I am not now discussing. I am talking about the fundamental question of changing the law relative to the handling of the funds, the receipts and disbursements, and especially the receipts of the Tennessee Valley Authority. So I hope that the amendments in that particular at least will not be agreed to.

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

Mr. BARKLEY. I yield.

Mr. McKELLAR. The Senator is right about that being the crux of the matter. I am perfectly willing, if the Senator is, to vote on that amendment now, and to vote on the others later.

Mr. BARKLEY. I do not imagine it will take long to dispose of these technical amendments.

ASSAULTS ON CONSTITUTIONAL FORM OF GOVERNMENT IN THE UNITED STATES

Mr. BROOKS. Mr. President, for 12 years the American people have been witnessing assault after assault upon their traditional constitutional form of government. These assaults have been made not only in disregard of, but sometimes in apparent contempt for, the constitutional safeguards protecting the liberties of our people and limiting the powers of Federal governmental officials over them.

These assaults have been made always behind the smoke screen of propaganda poured out to confuse the people and portraying imaginary necessities during depression, emergencies, and now war.

The present assault is a demand for a national service law under which all of our people would truly be subjected to the rules and regulations of a "commander in chief."

We still live in a free country under a Constitution guaranteeing a representative republican form of government. Under our system, both labor and private enterprise are producing the greatest supply of war materials ever known in the history of the world. They have brought about the production miracle of the ages—one which has astounded not only our enemies, but our allies as well. Now, to say that any individual shall be conscripted under Government direction to work for any private employer smacks of that involuntary servitude to rid ourselves of which our Nation once engaged in a bitter civil war.

While 10,000,000 men are away from home in the armed services fighting for American freedom, we, above all others, should defend their wives, sisters, daughters, and families from involuntary servitude and serfdom. Conscription of labor in America would destroy rather than implement our miracle of production, and might well destroy our free country.

No program to conscript labor fits into the fabric of our free Government. Labor slavery might properly fit into the communistic theories of some New Deal bureaucrats. The "fellow travelers" who map out New Deal policies and want to determine in detail each individual life find that they can do so only when they can completely dictate those lives.

Under a national service law, bureaucrats could tell each free American when to work, where to work, how much to work for, and how long. The Constitution provides:

> The President shall be the Commander in Chief of the Army and Navy of the United States and of the militia of the several States when called into the actual service of the United States.

That, and nothing more. There is nothing in the Constitution that says he shall be the Commander in Chief of the Nation or of the people—not yet.

A draft-labor scheme fits perfectly into the general program of aggressive "power grabbing," which has been the distinguishing characteristic of the New Deal. Each pretended crisis in government has been marked by new evidences of this underlying mania for power—power over the States; power over private enterprise; power over resources; and now power over the rights of all our people.

This determined effort to control the lives of American people is evidenced constantly by the mass of directives, edicts, and Executive orders flowing constantly from the heads of the bureaus. The present unpardonable confusion prevalent throughout the country has been caused by conflicting rules and estimates constantly being issued by the War Manpower Commission, the Selective Service, and the War Production Board.

Mr. President, compulsion born of this constant confusion can never be made a substitute for the unity of purpose of a free people.

The American people have shown a willingness to go to any extreme in sacrifice to preserve their liberty, their form of government, their security, and their opportunity to contribute to the welfare of mankind. What they want now is a well-considered, permanent, and orderly plan to meet the real problems of this global war and the perplexing problems that will inevitably follow. That can only be given them by a leader surrounded by competent liberty-loving Americans dedicated to maintain the freedom of our people at home—the freedom for which our men are fighting abroad.

EXECUTIVE AND INDEPENDENT OFFICES APPROPRIATIONS

The Senate resumed the consideration of the bill (H. R. 4070) making appropriations for the Executive Office and sundry independent executive bureaus, boards, commissions, and offices, for the fiscal year ending June 30, 1945, and for other purposes.

Mr. AIKEN. Mr. President, I have always been interested in the great American experiment known as the Tennessee Valley Authority, although I have not always agreed with all its policies. I knew Dr. Arthur Morgan when he was Director of the Authority. I had a great deal of respect for him, and considered him one of the most honest and courageous of Government servants at that time. I felt that he was unjustly treated and unjustly removed from office, and I still entertain that belief.

Mr. President, I feel that we are not voting on Dr. Arthur Morgan or Mr. David Lilienthal today. We are going to vote as to whether we will take any steps to restrict the work of the great Tennessee Valley Authority at this time.

I think we might do well to consider what work the T. V. A. is doing today. It is doing work which affects the life of practically every person in the United States, and particularly the work being carried on and the production being made on every farm.

Besides producing 9,000,000,000 kilowatt-hours of electricity, most of which has been going into war production, the Tennessee Valley Authority has been producing large quantities of ammonia, ammonium nitrate, and phosphorus, for munitions; and calcium carbide for synthetic rubber.

It has been aiding farmers in producing more food without additional manpower, through improved farming methods based on T. V. A. phosphate fertilizers distributed in 29 States. If I read the amendments correctly, they would put a stop to the distribution of any of this fertilizer for experimental work in these 29 States, unless the consent of the county agent of the county had previously been obtained.

T. V. A. has supplied thousands of tons of concentrated phosphatic fertilizers for the food-production program of Great Britain.

It has constructed new electric-generating plants at a rate which kept power supply ahead of expanding war needs, and all of us should be familiar with the part the T. V. A. has played in the production of aluminum during our greatest need for aluminum.

T. V. A. has trained Army medical officers in malaria-control methods. It has developed equipment and techniques for preserving foods by quick freezing and by dehydration. I know of some of this work, because for several days I presided over subcommittee hearings at which representatives of the T. V. A. testified, and demonstrated the dehydrating outfit which had been perfected by the T. V. A.

The T. V. A. has made available to industry surveys of new sources of critical raw materials urgently needed in the war effort.

It has developed new methods of producing aluminum from common clays, and magnesium from native olivine.

Mr. President, the part of the work of T. V. A. in which our people in the Northeast have been particularly interested has been that having to do with the fertilizer situation. About 2 years ago we began to experience a critical shortage of nitrates, and the T. V. A. went to work on the production of ammonium nitrate. At first the product would gather moisture so that it would not go through the fertilizer spreader, and it did not work out so well. A year ago they started experimenting with ammonium nitrate, and finally perfected a process by which it can be manufactured and kept dry and made available for use months afterward.

A few nights ago I was talking with the manager of the largest farm cooperative in New England, the Eastern States Farmers' Exchange. He told me that ammonium nitrate which has been developed by this new process, partly through the efforts of the T. V. A., is now keeping perfectly, and they are using all of it they can get.

Ammonium nitrate, incidentally, will provide American farmers with nitrogen at two-thirds the cost of imported nitrate of soda. I do not give T. V. A. all the credit, because private concerns have also been doing experimental work, but I dare say that if it had not been for the work which has been done on fertilizer by the T. V. A. we would today be paying at least twice as much for nitrates and phosphates as we are paying. If we were paying twice as much, we would not be producing nearly what is being produced on the farms today.

We are now experiencing a serious labor shortage, and we all know that heavier applications of fertilizer will go part way in making up the labor shortage, through producing greater amounts on smaller areas.

Only last month, or the month before, a delegation representing the farmers from the northeastern section of the United States called on me and asked me to do what I could to help T. V. A. secure a new phosphate plant, because they were desperately in need of more

superphosphate, and this seemed to be the only way by which they could get it.

I say, therefore, Mr. President, that I shall not vote today on Mr. Lilienthal or Dr. Morgan, or any other personalities. I think we spend too much time legislating around personalities anyway. But I wish to say, in conclusion, that any crippling of the Tennessee Valley Authority, or any unnecessary restrictions on its work at this time, would produce an unfavorable effect, which would be felt on every farm in the United States.

Mr. STEWART. Mr. President, I know there are a number of amendments to be considered, and I understand they will be considered separately. I shall not attempt to make a speech, but merely a brief statement explaining my vote on the most controversial amendment, that is, as to the proposal to cover into the Treasury the Tennessee Valley Authority funds.

About 2 years ago I voted for a measure which, among other things, would have made the Tennessee Valley Authority cover into the Treasury of the United States all its receipts. The measure failed of congressional approval at that time.

Essentially the same measure, along with others, is again before us. I believed 2 years ago, and I still believe, it is sound policy to require all agencies of the Government to be responsible to Congress for the money they get, and accountable to it for what they spend. I believed that so strongly then that I felt the measure offered should be passed, even though we were entering into a great war. There were hypothetical reasons advanced why such a change in the manner of operating T. V. A. affairs should not be undertaken during wartime.

Two years have elapsed, and we are now deeply engrossed in that war. Indeed, we are now perhaps at a critical juncture in our prosecution of it. Our productive facilities and our manpower are now taxed to their limit. Our armed forces in the European theater are at the moment probably poised for a full-fledged invasion attack. The exigencies and demands of such an engagement are virtually unpredictable. The present need for unhampered agricultural and industrial production in the Tennessee Valley is of paramount importance. I do not think anyone here would gainsay the great stress of our situation.

If there were no other consideration involved save the mere changing of the manner in which T. V. A. accounts for its expenditures and secures money with which to operate, I would insist that the law even now could be changed without injury to the great work of T. V. A., or of the many enterprises and industries dependent upon it for electric power. But such is not the case.

Since this issue has been revived recently I have received reports from numerous men engaged in various enterprises which are dependent on T. V. A. for power—from members of rural electric cooperatives, farm organizations, from manufacturers, from public and business leaders throughout the valley, and from users of T. V. A. power generally. I have made considerable inquiry of my own and I have pondered the reports that have come to me.

On the basis of the claims made and of the common state of mind manifested among those engaged in wartime production in the valley, I have concluded that, regardless of the soundness of the idea involved, a change-over at this time might produce harmful results. There is no rule but has its exception; there is no principle infallible. The question involved has ceased to be one of a sound, or unsound, idea of fiscal government, but of the state of mind of the people in the valley and of the enterprises vital to this war that are contingent upon their concentrated and undisturbed effort.

It is manifest that the people of the valley in overwhelming number believe the proposed amendment will prove hurtful to T. V. A.

Any diversion of their attention from their wartime tasks, any dissipation of their energies in uncertainties and confusion growing out of the problematic effect of the proposed change might result in a loss of graver consequences than the good to be gained. I am so impressed with the dangers involved in making any change in a situation now operating with apparent smoothness that I must vote against a measure which under other circumstances I might support.

It is provided in the original Tennessee Valley Authority Act that the principal offices of the corporation shall be at Muscle Shoals, Ala. This provision was placed in the law for the simple reason that all corporations must have a principal office or situs for the purpose of the service of civil process, etc. This is not a provision that would require the actual active working office to be located there, but, as a matter of fact and as a matter of law, the Authority can maintain operating offices anywhere in the valley and, in the interest of efficient operation, such flexibility is both desirable and essential because of the widespread area now covered by the Authority, which is, in fact, operating in seven or eight States.

Of course, I vigorously oppose the provisions proposed to be placed in the act as committee amendments prohibiting the expenditure of money for principal offices anywhere except at Muscle Shoals. The present set-up should be left undisturbed.

Mr. LA FOLLETTE. Mr. President, I shall not take any considerable time in discussing the background and the history of this great enterprise on the Tennessee River. When I first came to the Senate in 1925, and as a secretary to my father for the 6 years preceding, I witnessed the struggle to prevent the great Muscle Shoals Dam and the power plants and nitrate plants which had been constructed there from being turned over to private bidders for a song. After I became a Member of the Senate I joined as best I could in my humble way in helping the then great senior Senator from Nebraska, George W. Norris, in that fight. I did all in my power to further the enactment of the Tennessee Valley Authority legislation. And since that time, whenever opportunity has offered here in the Senate, I have given my wholehearted and vigorous support to the enterprises. I have done so, Mr. President, because from early youth I have been impressed with the great wastage of our natural resources which has occurred in the development of this great Nation which is a slice of a continent.

In the Tennessee Valley Authority experiment we have for the first time in any great river valley in the world attempted to develop all of its natural resources, to conserve them, and insofar as possible to restore them in order that they may be maintained for oncoming generations in such magnitude and plenitude that they may afford a sound and an adequate basis for a continued civilization in this Nation.

It seems tragic to me, Mr. President, that after this experiment has gone through its initial stages of development and has attained the great success which it has achieved, that it should now be subjected to proposals contained in a series of amendments which inevitably would cripple and greatly impair the operations of the enterprise. It seems passing strange to me, Mr. President, that support for these amendments should come in many instances from those who are often critical of the lack of business principle and practice in governmental operations. And yet these proposals taken as a whole will have the effect of preventing this gigantic enterprise, in which more than $750,000,000 of the taxpayers' money has been invested, from operating on sound business principles, principles and practices which are followed by every corporation in the United States that is properly and prudently managed.

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

Mr. LA FOLLETTE. I yield.

Mr. BONE. I merely want to call the Senator's attention to one provision on page 53, line 17, which forbids paying for advertisements in newspapers. I want to suggest in that connection that every private power company in the United States is at this moment and day by day putting full page ads in the newspapers telling about their contributions to war work, and in my own State of Washington they are getting ready now to put on a national campaign of advertising which will be paid for by the light and power users of my State.

Mr. LA FOLLETTE. I appreciate the Senator calling attention to that matter. It is perhaps one of the more minor amendments of the character which I have been attempting to describe in general language, but it shows the danger of a committee of Congress, or the Senate or the House, or the Congress as a whole, attempting to sit in and participate in the management of a giant enterprise of this character.

The facts are, so far as newspaper advertisements are concerned, that the Tennessee Valley Authority has never indulged in any newspaper advertising such as the Senator from Washington

has indicated the private power companies undertake. It has never indulged in any general advertising of a self-laudatory character pointing out its service to the people who live in this great river valley and who are served by this giant utility enterprise. The only advertising that they have ever engaged in, Mr. President, was when they joined in the campaign of advertising as a part of the utility system of southeastern United States at a time of a drought, appealing to people not to waste electrical energy. The only other types of advertising they have indulged in is help-wanted advertising when they are short of manpower in this critical manpower situation.

Yet, Mr. President, we have here a proposal solemnly presented by a great committee of the Senate prohibiting this $750,000,000 enterprise from utilizing newspaper advertisements in an effort to find replacement for employees who are drafted into the armed services of the United States. Is that the kind of business policy that the Senate of the United States is going to inject when it first indulges in interference with the management of this corporation?

Mr. President, that is just a flyspeck so far as these amendments are concerned. As I said before, the general character of these amendments can have no other effect than to cripple the operation of this giant enterprise, to cripple it in the midst of the most serious war this Nation or any other nation has ever been engaged in, and to cripple it at a time when products manufactured with the power developed by this giant system are critically needed by the men on the battle fronts all over the world and by the men who are on the high seas in the Navy of the United States, scattered around the entire globe.

Mr. President, I wish to say that in my humble opinion it is a vital mistake even for those who have never subscribed to the principles or the objectives of the T. V. A. to join in responsibility for adopting these amendments, for the moment Senators do so, they must assume responsibility for the management of the project, inasmuch as they will then have relieved the Board of Directors of the T. V. A. of its sole responsibility for management, which it now must fully assume and discharge. By adopting the amendments, the Senate would give the Board of Directors a sound alibi for any future mistake or failure which it might make. I venture to say that if these amendments become law, they will be thrown back into Senators' teeth again and again in the future.

Now I wish to discuss briefly the first amendment. I cannot believe any person who has given consideration to this matter could be in favor of it. The first amendment of substance—I am skipping the pending amendment, which provides for the injection of the word "of" in line 14—appears on page 51, line 17, and proposes to strike out the following words: "Watts Bar steam plant."

Mr. President, the Watts Bar steam plant was specifically authorized by Congress, just as every other dam, power unit, and waterway this great enterprise has constructed has been authorized. It is complete misrepresentation to say that the Congress of the United States has not definitely and specifically authorized by statute every unit of this great system. In the course of that authorization the Congress authorized the construction of the Watts Bar steam plant. Ninety percent of the work on that project will be completed by the end of this fiscal year. Four million dollars of money will have been invested in it. The Watts Bar steam plant has a capacity of 60,000 kilowatts. It is a part of the integral power-development program in connection with the war effort. It has been relied upon by war industries in the Tennessee Valley to provide additional power for the fulfillment of their war contracts. If the majority of the Senate follows the recommendation of the Appropriations Committee and strikes out the provision for the Watts Bar steam plant, it will have to assume responsibility for denying electrical energy needed, necessary, and essential to the war effort in the Tennessee Valley. If in the future on the battle fronts of the world, during the present war effort, there are shortages of materials which could have been manufactured by use of the electrical energy this 60,000-kilowatt plant could have furnished, the responsibility will rest upon the majority of the Senate which votes to adopt the amendment, and to do so after Congress has already authorized construction of the plant, which will be within 90 percent of completion on June 30, 1944. Mr. President, if the Senate adopts this amendment, and fails to permit the Tennessee Valley Authority to complete the project, the Senate will have sunk $4,000,000 of the taxpayers' money into a steam-power electric plant which will not be able to turn a wheel or develop a single kilowatt of energy at a time when this Nation is short of electrical energy.

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

The VICE PRESIDENT. Does the Senator from Wisconsin yield to the Senator from Vermont?

Mr. LA FOLLETTE. I yield.

Mr. AUSTIN. I ask the Senator how much money is involved in the completion of the Watts Bar steam plant.

Mr. LA FOLLETTE. I cannot say exactly. If it is within 10 percent of completion, it would be a very rough guess, inasmuch as $4,000,000 has already gone into it——

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

Mr. LA FOLLETTE. I yield.

Mr. DANAHER. On page 427 of the hearings, Mr. Lilienthal said that the total amount will be approximately $18,000,000 for the entire plant.

Mr. LA FOLLETTE. Of course, this unit is 90 percent complete, and can well be completed during the next fiscal year.

One other point I wish to make about it is——

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

Mr. LA FOLLETTE. I yield.

Mr. McKELLAR. To complete the Watts Bar steam plant, $525,000 will be needed. But the trouble is that the War Production Board has stopped the completion of those steam plants. So it is not necessary for the Congress to appropriate the money for the plant, inasmuch as action toward completion of the plant could not be secured even after the Congress had appropriated the money.

Mr. LA FOLLETTE. Mr. President, I dislike to differ with the Senator from Tennessee, but my information is that this project was not one of the projects stopped by the War Production Board. It was one of the projects the War Production Board recommended in view of the necessity for the 60,000 additional kilowatts of electrical energy. As a matter of fact, it is only with the approval of the War Production Board that the necessary priorities could have been issued. Otherwise, the necessary materials could not have been obtained. Without the authorization of the War Production Board, construction of the plant would have had to be stopped.

It is true that the War Production Board did stop the construction of the Watauga Dam and some of the other dams which Congress had authorized; but the addition of this 60,000-kilowatt steam plant was specifically recommended by the War Production Board. If the Senate agrees to this amendment, the Senate will be flying in the face of its own authorization, will be flying in the face of the expenditure of $4,000,000 which has already been made thereunder, and will be flying in the face of the recommendation of the War Production Board that this steam unit be completed. Mr. President, I simply cannot believe that the majority of the Senate will indulge in such an action at this time.

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

Mr. LA FOLLETTE. I yield.

Mr. REVERCOMB. Will the able senior Senator from Wisconsin clarify the figures which have been cited? The Senator said $4,000,000 has already been expended, and we are advised that $18,000,000 will be necessary to be spent in order to complete the plant.

Mr. LA FOLLETTE. I think the Senator from Connecticut [Mr. DANAHER] took the total figure for the projected total units in the future.

Mr. DANAHER. For four units.

Mr. LA FOLLETTE. But the Watts Bar steam plant is merely one unit which was recommended by the War Production Board, because the War Production Board found, after a careful survey, that it needed this 60,000-kilowatt-capacity plant in order that there should be energy available for war production work in the Tennessee Valley.

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

Mr. LA FOLLETTE. I am glad to yield.

Mr. REVERCOMB. Can we not be advised with some definiteness as to what amount of money would be necessary to be expended in order to complete this unit?

Mr. LA FOLLETTE. According to the Senator from Tennessee, it would cost about $525,000 to complete this single

unit. The figures of the Senator from Connecticut apply to three additional units which have been projected as a part of this project in the future.

Mr. REVERCOMB. As I understand, the Senator from Wisconsin is interested only in this one particular unit at this time?

Mr. LA FOLLETTE. I am not interested in it at all personally. I am interested in it only because I feel that it would be a tragic mistake, merely because there may be some feeling against the T. V. A. or some member of its Board, or because there may be Senators who, had they been here in the first place, would not have approved a government enterprise of this character, to take a step at this time which I think the bare facts prove would interfere with the war effort. I wish to emphasize to the able Senator from West Virginia that no alternative power is available.

Mr. REVERCOMB. I did not mean to indicate for a moment any personal interest on the part of the Senator from Wisconsin other than his interest as a Senator and a member of the National Government.

Mr. LA FOLLETTE. I appreciate that.

Mr. REVERCOMB. Is the Senator arguing for the completion of this one unit, or for the completion of the four units at this time?

Mr. LA FOLLETTE. I am arguing only for the completion of this one unit. That is all that would be involved if the committee amendment were rejected.

The VICE PRESIDENT. The question is on agreeing to the committee amendment on page 51, line 14.

Mr. LA FOLLETTE. Mr. President, as I understand, the pending amendment is to strike out the Watts Bar steam plant.

The VICE PRESIDENT. The pending amendment is on page 51, line 14, after the word "provisions" to insert the word "of."

Mr. LA FOLLETTE. I have no objection to that.

The VICE PRESIDENT. Without objection, the amendment is agreed to.

The clerk will state the next committee amendment.

The CHIEF CLERK. Under the heading "Tennessee Valley Authority," on page 51, line 17, after the word "Kentucky" it is proposed to strike out "Watts Bar steam plant; Fort Loudon Dam (including an extension to bring the waters of the Little Tennessee River within the pool of this project)."

Mr. LA FOLLETTE. Mr. President, these are separate projects, and should be separately considered. There is a semicolon after the word "plant" in line 18.

The VICE PRESIDENT. If the Senate so desires, the items will be divided.

Mr. BARKLEY. Mr. President, it is my understanding that it is considered desirable by the Senator from Tennessee and others to take a recess at this time until tomorrow. Is there any objection to meeting at 11 o'clock tomorrow?

Mr. McKELLAR. I hope not, because I am very anxious to get through with this bill. I hope we can meet at 11 o'clock tomorrow.

Mr. WHITE. Mr. President, may I presume to answer for myself the inquiry of the Senator from Kentucky?

Mr. BARKLEY. Certainly.

Mr. WHITE. I think it is highly desirable that we proceed with all reasonable expedition in the consideration of this measure and its final disposition. So far as I am concerned, if we take a recess now, which I think is altogether appropriate, I have no objection to meeting at 11 o'clock tomorrow.

Mr. BARKLEY. I think we should do so.

Mr. McKELLAR. Mr. President, can we not vote on some of these amendments?

Mr. LA FOLLETTE. Mr. President, there will be some discussion of the other amendments.

Mr. McKELLAR. We have just had discussion of the Watts Bar steam plant. Let us vote on that amendment.

Mr. HILL. Mr. President, there will be a discussion on each of these amendments.

Mr. BARKLEY. Mr. President, it is nearly 5 o'clock. We cannot conclude consideration of the bill today, and we cannot conclude consideration of the controversial amendments. In view of the fact that we have practically agreed to meet at 11 o'clock tomorrow, we might as well take a recess at this time.

MESSAGE FROM THE HOUSE

A message from the House of Representatives, by Mr. Maurer, one of its reading clerks, announced that the House had agreed to the amendment of the Senate to the bill (H. R. 4410) to extend for an additional 90 days the period during which certain grains and other products to be used for livestock and poultry feed may be imported from foreign countries free of duty.

ENROLLED BILL SIGNED

The message also announced that the Speaker had affixed his signature to the enrolled bill (H. R. 4410) to extend for an additional 90 days the period during which certain grains and other products to be used for livestock and poultry feed may be imported from foreign countries free of duty, and it was signed by the Vice President.

EXECUTIVE SESSION

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

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

EXECUTIVE MESSAGE REFERRED

The VICE PRESIDENT laid before the Senate a message from the President of the United States nominating Rear Admiral Robert C. Giffen, United States Navy, to be a vice admiral in the Navy, for temporary service, while serving as Commander of the Caribbean Sea Frontier, which was referred to the Committee on Naval Affairs.

EXECUTIVE REPORTS OF A COMMITTEE

The following favorable reports of a committee were submitted:

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

Sundry postmasters.

The VICE PRESIDENT. If there be no further reports of committees, the clerk will state the nominations on the Executive Calendar.

GOVERNOR OF ALASKA

The legislative clerk read the nomination of Ernest Gruening to be Governor of the Territory of Alaska.

The VICE PRESIDENT. Without objection, the nomination is confirmed.

UNITED STATES PUBLIC HEALTH SERVICE

The legislative clerk proceeded to read sundry nominations in the United States Public Health Service.

The VICE PRESIDENT. Without objection, the nominations in the Public Health Service are confirmed en bloc.

POSTMASTERS

The legislative clerk proceeded to read sundry nominations of postmasters.

The VICE PRESIDENT. Without objection, the nominations of postmasters are confirmed en bloc.

THE NAVY

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

The VICE PRESIDENT. Without objection, the nominations in the Navy are confirmed en bloc.

That completes the calendar.

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

The VICE PRESIDENT. Without objection, the President will be notified forthwith.

REGULATION OF CERTAIN INSURANCE RATES IN THE DISTRICT OF COLUMBIA

The Senate resumed the consideration of legislative business.

Mr. O'MAHONEY. Mr. President, on February 16 the Senate passed Senate bill 1029, a bill to provide for regulation of certain insurance rates in the District of Columbia, and for other purposes. This measure came to the floor of the Senate from the Committee on the District of Columbia, of which the senior Senator from Nevada [Mr. McCARRAN] was chairman at that time. The junior Senator from Ohio [Mr. BURTON] was a member of the subcommittee which had charge of this bill. It had been my intention when the bill came before the Senate to offer certain amendments.

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

Mr. O'MAHONEY. I yield.

Mr. WHITE. Has the Senator from Wyoming submitted those amendments to the Senator from Ohio [Mr. BURTON]?

Mr. O'MAHONEY. I have.

Mr. WHITE. And have they his approval?

Mr. O'MAHONEY. They have. I was about to say that while I have not undertaken to present all the amendments which it was my original intention to

present, I recognize that this measure is a substantial contribution to the improvement of the insurance law of the District of Columbia. I have submitted three amendments to the Senator from Nevada [Mr. McCARRAN] and the Senator from Ohio [Mr. BURTON]. I ask unanimous consent that the votes by which the bill was ordered to be engrossed for a third reading, read the third time, and passed, be reconsidered, in order that these three amendments may be adopted.

The VICE PRESIDENT. Is there objection to the request of the Senator from Wyoming? The Chair hears none, and the votes by which the bill was ordered to be engrossed for a third reading, read the third time, and passed are reconsidered.

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

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

The LEGISLATIVE CLERK. On page 3, at the end of line 11, it is proposed to strike out the period and insert a colon and the following: "*Provided*, That nothing in this act shall be construed to repeal existing law prohibiting discrimination in individual risks or classes of risks."

The VICE PRESIDENT. The question is on agreeing to the amendment offered by the Senator from Wyoming.

The amendment was agreed to.

Mr. BURTON. Mr. President, at this point let me say that I concur in the statement just made by the Senator from Wyoming. He has submitted to me and to the Senator from Nevada [Mr. McCARRAN] the three amendments which he has just offered. I believe there is no substantial objection to any one of them, and I am glad to give approval to them. Personally, as the one who reported the bill in the first instance, I believe that the amendment just agreed to is clearly in order, as it preserves the present regulation against discrimination in individual risks or classes of risks, which it was intended to preserve in the first instance. This amendment clarifies the situation.

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

Mr. BURTON. I yield.

Mr. DANAHER. This morning I read in the Washington Post that a Member of the House from New Mexico, as I recall, had yesterday brought before the subcommittee of the District of Columbia Committee in the House a bill dealing with insurance rates in the District of Columbia; that it was the purpose of Hon. JENNINGS RANDOLPH to call a meeting of the full District Committee in the House to act upon the report of the subcommittee; and that some effort had been made yesterday in the subcommittee in the House to bring up the so-called McCarran bill, which is the bill now under consideration, but that such effort had been blocked.

Is it the purpose of the Senator from Wyoming, by the amendments which he now offers, to render the so-called McCarran bill, Senate bill 1029, in consonance with the bill which is being brought up by the Representative from New Mexico?

Mr. O'MAHONEY. That is not an exactly accurate statement of the facts. The bill brought up by the Representative from New Mexico varies in considerable detail from the bill which was approved by the District of Columbia Committee.

Mr. DANAHER. That is my understanding.

Mr. O'MAHONEY. I have not offered any of the changes which were made by the Representative from New Mexico in the House; but unless the bill introduced by the Senator from Nevada [Mr. McCARRAN] and approved by the District of Columbia Committee is passed tonight, so that it may be considered in the House, there is grave danger that the valuable work which has been done by the District of Columbia Committee, by the Senator from Nevada and by the Senator from Ohio will go for naught. I desire to offer these perfecting amendments tonight and have the bill passed so that it will be before the District of Columbia Committee of the House tomorrow when it meets.

Mr. DANAHER. So that the Senator's real purpose may be stated thus, as I understand, that the McCarran bill, Senate bill 1029, as amended, will then receive consideration with the bill which is being reported by the subcommittee to the full House Committee on the District of Columbia?

Mr. O'MAHONEY. Precisely.

Mr. DANAHER. I thank the Senator.

The VICE PRESIDENT. The clerk will state the next amendment of the committee.

The LEGISLATIVE CLERK. The next amendment is on page 5, line 15, to strike out the period after the word "proceedings", and insert a comma and the words "and shall file a copy thereof with the superintendent."

The amendment was agreed to.

The next amendment was, on page 4, line 19, after the word "District" and the period, to insert "Each member company of the rating bureau shall have one vote in all matters affecting the operation or affairs of the bureau."

The amendment was agreed to.

Mr. McCARRAN. Mr. President, in keeping with the remarks of the Senator from Ohio, let me say that these amendments offered by the Senator from Wyoming have been considered by both the Senator from Ohio and myself, and we believe they may properly become a part of the bill that is before the Senate at this time, and we hope that the bill may be enacted so that the legislation may become effective as soon as possible.

The VICE PRESIDENT. If there be no further amendments to be offered, the question is on the engrossment and third reading of the bill.

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

Be it enacted, etc., That in this act, unless the context otherwise requires—

"District" means the District of Columbia;

"Superintendent" means the Superintendent of Insurance of the District of Columbia;

"Company" means any insurer, whether stock, mutual, reciprocal, interinsurer, Lloyd's, or any other form or group of insurers;

"Agent" means and shall include any individual, copartnership, or corporation acting in the capacity of or licensed as a "policy-writing agent," "soliciting agent," or "salaried company employee," as defined under section 3, chapter I, of the Fire and Casualty Act, approved October 9, 1940 (54 Stat. 1064; D. C. Code, 1940 edition, title 35, sec. 1303); and

"Broker" means any person who for a consideration acts or aids in any manner in the solicitation or negotiation on behalf of the assured of contracts of insurance.

SEC. 2. The provisions of this act shall apply to insurance in the District of Columbia against loss of or damage to property or any valuable interest therein by or as a consequence of fire, lightning, tornado, and windstorm, or any one or more of such hazards, including all supplemental, additional, or extended forms of coverage written in connection with fire insurance, and including any policy which insures property, while it is at a permanent location, against the hazard of fire, lightning, tornado, or windstorm; but this act shall not apply to ocean marine, transportation, or motor vehicle insurance, nor to insurance covering the property of interstate common carriers, nor to any form of insurance designated by the superintendent as inland marine insurance.

SEC. 3. The superintendent is empowered to investigate the necessity for an adjustment of the rates on any or all insurance risks within the scope of this act, and to order an adjustment of such rates whenever he determines, after investigation, that the profit derived therefrom for a period of time not less than 5 years immediately preceding such investigation is excessive, inadequate, unjust, or unreasonable. In determining the necessity for an adjustment of rates, the superintendent shall give consideration to the conflagration hazard, both within and without the District. The superintendent is also empowered, after investigation, to order removed, at such time and in such manner as he shall specify, any discrimination existing between individual risks or classes of risks: *Provided*, That nothing in this act shall be construed to repeal existing law prohibiting discrimination in individual risks or classes of risks.

Any person, firm, or corporation aggrieved by any order, ruling, proceeding, or action of the superintendent, or any person acting in his behalf and at his instance, may appeal to the Commissioners of the District, or contest the validity of such order, ruling, proceeding, or action in any court of competent jurisdiction by appeal or through any other appropriate proceedings, as provided under sections 44 and 45 chapter II, Public, No. 824, Seventy-sixth Congress, known as the Fire and Casualty Act, approved October 9, 1940 (54 Stat. 1082; D. C. Code, 1940 ed., title 35, secs. 1348 and 1349).

SEC. 4. Within 120 days after the approval of this act and under the supervision of the superintendent, the insurance companies authorized to effect insurance in the District against the risk of loss or damage by hazards within the scope of this act shall organize a rating bureau for the purpose of administering rates for such insurance, and all such companies now or hereafter authorized to transact such business in the District shall be members of such bureau. The government of the rating bureau shall be vested in its members and it shall not be subject to the direction or control of any other bureau, association, corporation, company, individual, or group of individuals. The rating bureau shall have power to establish reasonable agreements and bylaws for

its governance, and shall be permitted to adopt reasonable rules and regulations necessary to carry out its functions, but such agreements, bylaws, rules, and regulations shall not be inconsistent with the provisions of this act, and the same and amendments thereto shall be approved by the superintendent before becoming effective. The rating bureau, subject to the approval of the superintendent, shall apportion the expenses of its operation among its members in proportion to the premium income on risks in the District. Each member company of the rating bureau shall have one vote in all matters affecting the operation or affairs of the bureau.

SEC. 5. No company, agent, or broker shall issue or deliver, or offer to issue or deliver, or knowingly permit the issuance or delivery of, any policy of insurance in the District which does not conform to the requirements approved by the superintendent: *Provided, however,* That a company may deviate from such requirements if the company has filed with the rating bureau and with the superintendent the deviation to be applied, and provided such deviation is approved by the superintendent. If approved, the deviation shall remain in force for a period of 1 year from the date of approval by the superintendent, unless such approval is withdrawn by the superintendent, for cause after notice to the insurer, or withdrawn by the insurer with the approval of the superintendent.

It is further provided that a rate in excess of that promulgated by the rating bureau may be charged, provided such higher rate is charged with the knowledge and written consent of the insured and the superintendent.

SEC. 6. The rating bureau shall keep a record of all rates, schedules, and proceedings, and shall file a copy thereof with the superintendent. Every agent shall keep a record of every policy contract issued by or through his agency.

SEC. 7. The superintendent, his deputy, or duly authorized examiner, is authorized and empowered to examine all records of the rating bureau, companies, and agents, and to require every company to furnish promptly accurate written information from such records as will disclose their loss or profit from any class of risk in the district.

SEC. 8. No rate, premium, schedule, rating method, rule, bylaw, agreement, or regulation shall become effective or be charged, applied, or enforced in the district by the rating bureau, or by any company, agent, or broker governed by the provisions of this act, until it shall have been first filed with and approved by the superintendent: *Provided,* That a rate or premium used or charged in accordance with a schedule, rating method, or rule previously approved by the superintendent need not be specifically approved by the superintendent. No company, agent, or broker shall issue any form of policy, clause, warranty, rider, or endorsement until such form shall have been filed with and approved by the superintendent.

SEC. 9. Any company or any agent or broker guilty of violating any of the provisions of this act shall be subject to the provisions of sections 3 and 36, respectively, and as may be amended, of chapter II, Public, No. 824, Seventy-sixth Congress, known as the Fire and Casualty Act, approved October 9, 1940 (54 Stat. 1066 and 1079; D. C. Code 1940 ed., title 35, secs. 1306 and 1340).

SEC. 10. All laws or parts of laws, insofar as they relate to business affected hereby and in conflict with any of the provisions of this act, are hereby repealed.

SEC. 11. Should any section or provision of this act be decided by the courts to be unconstitutional or invalid, the validity of the act as a whole, or of any part thereof, other than the part decided to be unconstitutional, shall not be affected.

RECESS TO FRIDAY

Mr. BARKLEY. Mr. President, after conferring with the Senator from Tennessee [Mr. MCKELLAR] and the Senator from Maine [Mr. WHITE] I have decided to move a recess until 11 o'clock Friday next. I, therefore, move that the Senate take a recess until Friday at 11 o'clock a. m.

The motion was agreed to; and (at 4 o'clock and 54 minutes p. m.) the Senate took a recess until Friday, March 24, 1944, at 11 o'clock a. m.

NOMINATION

An executive nomination received by the Senate March 22 (legislative day of February 7, 1944):

PROMOTION, FOR TEMPORARY SERVICE, IN THE NAVY

Rear Admiral Robert C. Giffen, United States Navy, to be a vice admiral in the Navy, for temporary service, while serving as commander, Caribbean Sea Frontier.

CONFIRMATIONS

Executive nominations confirmed by the Senate March 22 (legislative day of February 7), 1944:

GOVERNOR OF ALASKA

Ernest Gruening to be Governor of the Territory of Alaska.

UNITED STATES PUBLIC HEALTH SERVICE

PROMOTIONS IN THE REGULAR CORPS

To be passed assistant surgeon

Harry F. White, Jr.

To be passed assistant sanitary engineer

John S. Wiley

To be temporary passed assistant surgeons

H. Charles Franklin
Robert S. McClintock

To be temporary senior surgeon

Erwin W. Blatter

To be temporary surgeon

William H. Stimson

IN THE NAVY

TEMPORARY SERVICE

To be rear admirals

Thomas L. Sprague
Allan E. Smith
Robert W. Hayler

PROMOTIONS IN THE REGULAR SERVICE

To be lieutenants, to rank from January 14, 1944

Del L. Young	Wilfred E. Fleshman
Lee J. Delworth	Saleem D. Frey
Jesse L. Holloway	Walter W. Jones, Jr.
Elof W. Hermanson	John E. King
Homer K. Davidson	Clyde C. Sapp
Percy D. Generous	Elmer L. Prescott
Theodore R. Cooley	John D. Fuller, Jr.
Elmo D. Runyan	Westley L. Larson
Clyde B. Lee	Marion C. Kelly
David R. Sword	William F. Gadberry
Hubert W. Fisher	Kenneth F. Shiffer
James Dyer	William W. Gribble
Grant E. Horsley	Forrest A. Lees
Thomas E. Russell	Milford G. Kendall
Richard K. Margetts	Orville L. Beck

To be lieutenants (junior grade), to rank from January 14, 1944

John W. Perdue	Joseph B. Simpson
John H. Newcomb	Laurence F. Seaman
Bernard M. Kassell	Joseph C. Lawrence

To be ensigns, to rank from January 14, 1944

Floyd X. Passmore
Raymond E. Dillon

To be passed assistant paymasters with the rank of lieutenant, to rank from January 14, 1944

William C. Humphrey	Arthur W. Shawkey
Edgar M. Brown	Adam P. Mastio
Goff E. Manuel	Creo Baldwin

To be assistant paymasters with the rank of lieutenant (junior grade), to rank from January 14, 1944

Edward J. Hagen	Michael J. Knapp
James E. Corcoran	John L. Warden
Francesco M. Barbero	John A. Keefer
Walter Barsz	Donald F. Kent
Joseph R. Shirley	Lester F. Bevil
Frank S. Bird	John T. Barham
Henry C. Krueger	

To be ensigns, to rank from the date stated opposite their respective names

Harold R. Kellar, Jr., June 3, 1941.
Francis H. McClanan, June 21, 1941.
Forest H. McClanan, June 21, 1941.
Robert J. Beaudine, October 10, 1941.
William B. Troendle, October 16, 1941.

To be assistant surgeon, with the rank of lieutenant (junior grade), to rank from September 8, 1939

Delphos O. Coffman

To be assistant paymasters, with the rank of ensign, to rank from the date stated opposite their respective names

George T. McCoy, Jr., March 17, 1941.
Clark O. Martin, March 19, 1941.
Francis I. Lundquist, June 16, 1941.
Bryant W. Russell, September 24, 1941.
Edgar R. Bryant, September 24, 1941.
Robert O. Dodd, Jr., February 13, 1943.
Calvin A. Vobroucek, March 15, 1944.

POSTMASTERS

MASSACHUSETTS

Joshua T. Wilkinson, Charlton City.

NORTH DAKOTA

Forrest C. Cowles, Ellendale.

WASHINGTON

Edmond Paul Hennessey, Everett.

HOUSE OF REPRESENTATIVES

WEDNESDAY, MARCH 22, 1944

The House met at 12 o'clock noon.

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

O Throne of grace and mystery, about which are clouds and darkness, we bring our strivings and yearnings, seeking help and mercy in our need. Touch our immortal souls with seraphic fire and make manifest unto us the innermost depths of the divine. Bring Thy hallowed presence most clearly to our apprehension that we may know that there is in Thy heart a place and a refuge for every human soul in every time of storm.

Our Father, we seek understanding and vision; lead us through these hard days, braving every ignoble act and temper. Let the sentiments of love and confidence spring up along our way, rejoicing that Thy word is as strong as the hand which built the skies. We would not resign ourselves to sadness and gloom, but rather vanish these moods of the night and walk in the day. Thou who dost ask

for the glorified realities of true character and sincere deeds of virtue, help us to stand distinct as the star from the firmament and as a rainbow from the cloud. Make us mindful of those silent forces—the example that has no voice; the common deed that eludes, weighs, and measures; and that precious influence that is as telling and mysterious as the being of man; thus we shall serve our country and bless our generation. In Thy holy name and for Thy sake. Amen.

The Journal of the proceedings of yesterday 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. 72. Concurrent resolution to provide for appropriate commemoration of the Centennial of the Telegraph on May 24, 1944.

THE LATE HONORABLE JOSEPH B. EASTMAN

Mr. KENNEDY. Mr. Speaker, I ask unanimous consent to address the House for 1 minute and to revise and extend my remarks and include a short statement from the Herald Tribune, of New York, and that it may be published in the Appendix of the RECORD.

The SPEAKER. Is there objection?

There was no objection.

[Mr. KENNEDY addressed the House. His remarks appear in the Appendix.

PERMISSION TO ADDRESS THE HOUSE

Mr. LYNCH. Mr. Speaker, I ask unanimous consent that, after the regular business of the day and any previous special orders heretofore granted, my colleague the gentleman from New York [Mr. BUCKLEY] may address the House for 30 minutes on March 30 next.

The SPEAKER. Is there objection?

There was no objection.

EXTENSION OF REMARKS

Mr. HOWELL. Mr. Speaker, I ask unanimous consent to extend my own remarks in the Appendix of the RECORD.

The SPEAKER. Without objection, it is so ordered.

There was no objection.

FARM PLAN FOR FOOD PRODUCTION

Mr. SPRINGER. 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. SPRINGER. Mr. Speaker, one of the farmers who resides in the congressional district which I have the honor to represent has sent to me a card which he received from the United States Department of Agriculture, Agricultural Adjustment Administration, in which it states:

Your Government is calling on you to produce the most necessary crops in 1944.

Then the card gives the time and place of a proposed meeting which is to be held in that locality for the purpose, as stated, of completing your "1944 farm plan."

Then this card recites the following:

Remember the Axis is watching whether we farmers are working in unity to produce the foods that will win the war.

A recent ruling provides that future nonhighway gasoline allotments will be based on your completing this farm plan.

I understand similar cards have been sent to farmers throughout that section.

I hope, Mr. Speaker, that this Department of our Government is not going to penalize our people by taking their gasoline allotment away if they fail to join the farm plan which the A. A. A. is promoting. A threat of this kind is unnecessary, and it is not in accord with our policy of government, either in time of war or in peace. Under this policy if a farmer asserts his independence he is to be penalized by having his gasoline allotment revoked. This policy must cease. This is the United States of America!

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

EXTENSION OF REMARKS

Mr. GILLIE. Mr. Speaker, I ask unanimous consent to revise and extend my own remarks in the RECORD and include three letters concerning the mint industry in my district and southern Michigan.

The SPEAKER. Without objection, it is so ordered.

There was no objection.

Mrs. BOLTON. Mr. Speaker, I ask unanimous consent to extend my own remarks in the RECORD and include therein a letter from Mr. L. Metcalfe Walling, of the Wage, Hour, and Contracts Division of the Department of Labor, out of fairness to Mr. Walling. On December 14, 1943, I placed in the RECORD a letter from a department store calling attention to the efforts of the Wage and Hour Division to bring such stores under the Fair Labor Standards Act.

The SPEAKER. Without objection, it is so ordered.

There was no objection.

Mr. PLUMLEY. Mr. Speaker, I ask unanimous consent to extend my own remarks in the RECORD by inserting a joint resolution of the Vermont Legislature.

The SPEAKER. Without objection, it is so ordered.

There was no objection.

Mr. PHILBIN. Mr. Speaker, I ask unanimous consent to extend my own remarks in the RECORD and include therein a very interesting article from the Boston Herald of March 7.

The SPEAKER. Without objection, it is so ordered.

There was no objection.

VASSEURE H. WYNN

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

The SPEAKER. Without objection, it is so ordered.

There was no objection.

Mr. TARVER. Mr. Speaker, a boy, who a short time ago was a page in the House of Representatives, has established a wonderful record as a flying ace in the Air Forces of Canada, Great Britain, and of the United States in Malta, England, and over Germany. I think it would be interesting to the membership of the House, and especially to the pages who are now serving in the House, to read the record of this boy's accomplishments.

I therefore ask unanimous consent to insert in the RECORD at this point as a part of my remarks an article appearing in the Atlanta Journal of March 19, 1944, giving an account of the distinguished achievements of this young man, V. H. Wynn, who happens to hail from my home city of Dalton, Ga.

The SPEAKER. Without objection, it is so ordered.

There was no objection.

(The article referred to follows:)

DALTON LIEUTENANT IS ONLY GEORGIA ACE IN BRITAIN—VASSEURE H. WYNN NOW FLYING FIGHTERS IN ESCORTED-BOMBER RAIDS ON GERMANY

(By Wright Bryan)

AMERICAN FIGHTER BASE SOMEWHERE IN ENGLAND, March 17.—"Now, tell this thing straight," said First Lt. Vasseure H. (Georgia) Wynn, of Dalton, Ga. "One fellow talked to me and then wrote a story so flowery I couldn't recognize myself or anything I'd done. I sure hope none of my friends in the Air Corps ever get hold of that story. They would never give me another minute's peace."

So I will tell it straight. And that's all right, too. It is good enough not to need embellishment. Here it is:

Lieutenant Wynn is the only Georgian among the list of more than 60 fighter aces in the European theater of operations.

His record shows six German planes definitely destroyed, three probably destroyed, and two damaged.

He enlisted in the Royal Canadian Air Force in March 1941 and flew at Malta with the British and Canadians.

His outfit took off from a carrier and flew from somewhere in the Mediterranean to Malta when that island was partly isolated and being constantly pounded by Nazis.

Three of his definitely destroyed Jerries, and the three probables and two damaged, he got while helping defend Malta.

He returned from Malta to England in December of 1942, served 5 months as instructor in an R. A. F. operational training unit, and transferred to the American Eighth Air Force June 1943.

NOW AN ESCORT FLYER

Now he is helping escort American Flying Fortresses and Liberators on their deepest penetrations into Germany.

Since transferring to our own Air Force he has downed three more Jerries.

His group got 13 Thursday, and Wynn is fussing because he did not get to go along on that show.

Many pilots in his group were members of Eagle Squadron of the R. A. F. before their transfer to the United States Army Air Forces. Like himself, they wear the R. A. F. wings on the right side of their blouses and American wings on the left side.

Early in his service with the R. C. A. F. he won the nickname "Georgia." Today he wears the name Georgia Wynn in big letters on his leather jacket, and nobody calls him anything but Georgia.

He has fought in British Spitfires and American Thunderbolts, but now his group uses P-5 Mustangs, long-range fighters which combine the best thought of British and American designers and the best efforts of American manufacturers to produce a plane capable of escorting heavy bombers all the way to Berlin.

Georgia considers the Mustang the best plane he ever flew.

His group is stationed at one of the permanent bases which the R. A. F. turned over to Americans. By comparison with the Nissen-hutted bases, it is luxurious, and Georgia calls it the country club of ETO.

ONCE SHOT DOWN

Georgia was shot down once in Malta. There were 15 machine-gun holes in his plane. One through the cockpit got him in the leg. He crash-landed and soon was fighting again.

He wears no Purple Heart, because that was when he was in British service, but he wears the American Air Medal with three clusters and the Distinguished Flying Cross.

Thirty-two pilots went with him to Malta, and nine came back.

He attended Dalton High School and went to Washington with Congressman MALCOLM TARVER as a page in the House of Representatives, later working 2 years in the F. B. I. and 2 years in the United States Department of Agriculture. He learned to fly in Washington and had 150 hours in light planes before joining the Canadians.

His mother is Mrs. Willie Loy Wynn, 2 McAfee Street, Dalton.

And that, without embellishment—as he would wish—is the story of Georgia Wynn.

RESTORATION OF THE TWO-THIRDS RULE IN THE DEMOCRATIC CONVENTION

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

The SPEAKER. Without objection, it is so ordered.

There was no objection.

Mr. COX. Mr. Speaker, while I know that the vast majority of our colleagues regard the remarks made by the gentleman from New York [Mr. CELLER] on the floor of the House yesterday in my absence in which he took me to task for advocating the restoration of the two-thirds rule governing the nomination of the Democratic nominations for the Presidency and Vice Presidency to be too inconsequential to merit attention, still I must not let the gentleman's words pass without saying to him that in setting himself up as a censor of the conduct of his fellows he hazards the risk of having the bladder upon which he swims punctured; besides he might be called upon to furnish some of his own hair for his own bite. The gentleman perhaps seized the incident in order to advertise the fact that accidents continue to happen. He tells us that he is a delegate to the next Democratic National Convention. I should like to say to the gentleman that when the Democratic Party is driven to the extremity, if it is ever driven to such extremity, of looking to him for guidance that it will then be so completely bankrupt as to be beyond all hope of repair. The gentleman includes me in an honorable company and derisively calls us Pharisees. Obviously, the gentleman is not a Pharisee. He is exclusive—for the time being. I shall not deflate the gentleman's bloated conceit, for it is probably his sole source of happiness as well as the cause for his delusions.

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

EXTENSION OF REMARKS

Mr. McMURRAY. Mr. Speaker, I ask unanimous consent to extend my own remarks in the RECORD for the purpose of including a statement by Thomas B. Freeman, president of Butler Bros., of Chicago.

The SPEAKER. Without objection, it is so ordered.

There was no objection.

COMMITTEE ON MILITARY AFFAIRS

Mr. MAY. Mr. Speaker, I ask unanimous consent that the Committee on Military Affairs may have until midnight tonight to file a report on the bill H. R. 4219.

The SPEAKER. Without objection, it is so ordered.

There was no objection.

EXTENSION OF REMARKS

Mr. CELLER. Mr. Speaker, I ask unanimous consent to extend my own remarks in the RECORD by including a letter sent to the Office of Price Administration by the Laundry Board of Trade of Philadelphia.

The SPEAKER. Without objection, it is so ordered.

There was no objection.

RESTORATION OF THE TWO-THIRDS RULE IN THE DEMOCRATIC CONVENTION

Mr. CELLER. Mr. Speaker, I ask unanimous consent to address the House for one-half minute.

The SPEAKER. Without objection, it is so ordered.

There was no objection.

Mr. CELLER. Mr. Speaker, I do not set myself up as a censor for the Democratic Party, but I do lose patience when a gentleman states he wants to have the Democratic Party go forward and make progress by going backward and restoring the two-thirds rule. I assure the gentleman that he is simply affording good grist for the mill of a lot of disgruntled, frustrated, crotchety, "oldmaidenlike" men such as Harry Woodring, former Congressman John J. O'Connor, and former Senator Reed, when he advocates the restoration of the two-thirds rule. In common parlance it is merely a stop-Roosevelt movement, and Roosevelt will not be stopped because he will be elected a fourth-term President of the United States.

Under extension of my remarks, I wish to state:

As to bankruptcy, the men mentioned, to whom the gentleman from Georgia gives great comfort, assuredly would bring our glorious party to the low ebb of bankruptcy. The gentleman from Georgia seems exercised over my adverse comments. That is proof positive that they have merit.

EXTENSION OF REMARKS

Mr. RAMSPECK. Mr. Speaker, I ask unanimous consent to extend my own remarks in the RECORD and include therein an article from the Wall Street Journal dealing with O. P. A.

The SPEAKER. Without objection, it is so ordered.

There was no objection.

LLOYD L. JOHNSON AND P. B. HUME

Mr. ABERNETHY. Mr. Speaker, I ask unanimous consent to take from the Speaker's table the bill (H. R. 3157) for the relief of Lloyd L. Johnson and P. B. Hume, with a Senate amendment thereto, and agree to the Senate amendment.

The Clerk read the title of the bill and the Senate amendment, as follows:

Page 1, line 6, strike out "$1,500" and insert "$2,000."

The Senate amendment was agreed to.

A motion to reconsider was laid on the table.

MRS. MARIE GEILER

Mr. ABERNETHY. Mr. Speaker, I ask unanimous consent to take from the Speaker's table the bill (H. R. 2743) for the relief of Mrs. Marie Geiler, with a Senate amendment, and agree to the Senate amendment.

The Clerk read the title of the bill and the Senate amendment, as follows:

Page 1, line 5, strike out "$5,577.75" and insert "$5,000."

The Senate amendment was agreed to.

A motion to reconsider was laid on the table.

CHARLES J. GOFF

Mr. ABERNETHY. Mr. Speaker, I ask unanimous consent to take from the Speaker's table the bill (H. R. 2925) for the relief of Charles J. Goff, with Senate amendments, and agree to the Senate amendments.

The Clerk read the title of the bill and the Senate amendments, as follows:

Page 1, line 5, after "Idaho", insert "as administrator of the estate of Judson E. Goff, deceased."

Amend the title so as to read: "An act for the relief of Charles J. Goff, as administrator of the estate of Judson E. Goff, deceased."

The Senate amendments were agreed to.

A motion to reconsider was laid on the table.

CLARENCE WAVERLY MORGAN

Mr. ABERNETHY. Mr. Speaker, I ask unanimous consent to take from the Speaker's table the bill (H. R. 2212) for the relief of Clarence Waverly Morgan, with a Senate amendment, and agree to the Senate amendment.

The Clerk read the title of the bill and the Senate amendment, as follows:

Page 1, line 5, strike out "$5,000" and insert "$4,000."

The Senate amendment was agreed to.

A motion to reconsider was laid on the table.

INVESTIGATION BY COMMITTEE ON INDIAN AFFAIRS

Mr. PATTON. Mr. Speaker, I submit a privileged report from the Committee on Accounts and ask for its immediate consideration.

The Clerk read (H. Res. 480) as follows:

Resolved, That the expenses of conducting the investigation authorized by House Resolution 166 Seventy-eighth Congress, incurred by the Committee on Indian Affairs, acting as a whole or by subcommittee, not to exceed $15,000, including expenditures for the employment of clerical, stenographic, and other assistants, shall be paid out of the contingent fund of the House on vouchers authorized by such committee or subcommittee thereof conducting such investigation or any part

thereof, signed by the chairman of the committee or subcommittee and approved by the Committee on Accounts.

SEC. 2. The official stenographers to committees may be used at all hearings held in the District of Columbia unless otherwise officially engaged.

The resolution was agreed to.

A motion to reconsider was laid on the table.

EXTENSION OF REMARKS

Mr. GEARHART. Mr. Speaker, I ask unanimous consent to extend my own remarks in the Appendix of the RECORD on two subjects, in one to include an editorial by Hon. Chester H. Rowell, editor in chief of the San Francisco Examiner; and in the second to include an editorial which appeared in the Sacramento Bee, the Fresno Bee, and the Modesto Bee.

The SPEAKER. Without objection, it is so ordered.

There was no objection.

PERSONAL PRIVILEGE

Mr. HOFFMAN. Mr. Speaker, I rise to a question of personal privilege.

The SPEAKER. The gentleman will state the grounds of his question of personal privilege.

Mr. HOFFMAN. In the Tri-County News, of South Bend., Ind., circulated in Michigan and Indiana, in the issue of January 27, 1944, there was printed the following:

Resolved, That the St. Joseph County Industrial Union Council of the C. I. O., hereby goes on record denouncing CLARE HOFFMAN as a traitor to our Nation, and that the council demands of the Department of Justice to place CLARE HOFFMAN under indictment as a violator of the Espionage Act of our Government.

The statement reflects upon the integrity and the patriotism in his official capacity of the Member from the Fourth Congressional District of Michigan, and raises the question of personal privilege.

The SPEAKER. The gentleman states a question of personal privilege and is recognized.

Mr. HOFFMAN. Mr. Speaker, I ask unanimous consent to revise and extend my own remarks in the RECORD and to include certain newspaper articles.

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

There was no objection.

Mr. HOFFMAN. The resolution adopted by the St. Joseph County Industrial Council of the C. I. O. is so absurd, so venomous, but so characteristic of the methods of the Communists, who apparently rule the C. I. O.'s political activities, that it needs no answer.

Similar false charges were circulated throughout the district prior to the November 1942 election by the C. I. O. organization in a 12-page pamphlet.

The people of the district, many of whom have known me intimately for years, gave the C. I. O. its answer when 69 percent of the voters cast ballots for my reelection.

Let me turn now for a moment to one of the political allies of the C. I. O., the commentator Walter Winchell, and answer his charge and the charge of PM, Marshall Field's smear publication, that I would suppress free speech.

OH, HOW HE CRIES!

Yesterday, March 21, an article appeared in Marshall Field's PM captioned, "Unfair attack on Winchell threatens freedom of press."

Many of us long have known that Winchell and PM were yellow and both reach the height of absurdity when they squawk about unfair attacks upon either.

For years, Winchell has been smirching decent, law-abiding, patriotic citizens and his sponsors, the Jergens Co., have paid him for doing it. He has pried into the private lives of inoffensive people; he has spread scandal and gossip—much of it false—over the radio and through his column, until the name of Walter Winchell and the name of his sponsor, the Jergens Co., have become known throughout the land as synonyms for dirty, malicious, and usually false charges.

While Winchell was wearing the uniform of the United States Navy, his conduct became so offensive to so many Americans that the administration was forced to strip him of his uniform, of his pay, of his duties; but to the disgrace of the Navy be it said, it retained him as a Reserve officer.

Over the air, sponsored by the Jergens Co., Winchell made many statements which, either directly or by innuendo, charged Members of Congress with disloyalty. He has repeatedly attempted to destroy the confidence of the people in their chosen representatives.

The article in PM contains this statement:

The concerted attack on Walter Winchell by a few Congressmen, notably CLARE HOFFMAN, has reached incredible depths of infamy. The significance of this attack is deeply disturbing to those who cherish democratic institutions. It tends to degrade the dignity of Congress, which should stand as the foremost symbol of representative democracy. It is a direct threat to freedom of speech and of the press.

The article also contains the following statement, and I quote:

The second anti-Winchell speech of March 16 was made by CLARE HOFFMAN. It not only attacks Winchell but his sponsor, the Jergens Co. It is a dirty, despicable effort to drive Winchell off the air by subjecting his sponsor to congressional pressure.

"Why," HOFFMAN asks, "does Jergens keep Winchell on his pay roll? Has Jergens something to hide? Winchell once made the statement, in substance, 'orchids to Jergens for his exposure of Nazi spies.'

"I would like to have Winchell come before a committee of Congress and explain just what he meant by that statement, a statement apparently simple on its face—what is there hiding behind it?"

It's a fine pass we've come to, when a Congressman recommends an investigation against a firm "accused" of anti-Nazi activity and which dares sponsor an anti-Nazi broadcaster.

What an absurdity for Winchell, who over the years has made thousands of statements which tended to disgrace and humiliate good citizens, to, when the falsity of his statements, the harmful effect of his utterances is pointed out, complain about a denial of free speech.

Perhaps no one has ever more extensively used and abused a free press, the freedom of speech, than has Walter Winchell.

Those who would smirch Members of Congress, destroy the people's confidence in their chosen representatives, intimidate and silence all opponents of the New Deal and the Communists, are now the first to cry, whimper, and whine when their hypocrisy is exposed; when their own words and actions are given the acid test of publicity, when their true purpose and character stand revealed.

Winchell and PM charge that some Members of Congress—and my own name is one of those mentioned—are attempting to suppress free speech, demanding that Winchell be taken off the air.

It is not my desire to limit free speech or a free press. My only demand has been that Winchell, in his public utterances, confine himself, when he makes statements purporting to be fact, to statements of fact; that he cease to falsely accuse not only Members of Congress but all citizens of disloyalty; that he avoid false accusations, which tend to create race prejudice, disunity, discourage our men in the service and lower their morale.

And let the Blue Network and Winchell quit changing his scripts. Not long ago, referring to me, he made a vile, indecent and false statement over the radio; but, in the written transcript of that broadcast, that statement was omitted. But the transcription of the spoken word shows that he uttered that vile and indecent slander.

What must be the state of mind of a man who will pollute the air of our country with that kind of a statement? I know it may please the gentleman from Wisconsin [Mr. MCMURRAY], who is laughing, and it may please the gentleman from California [Mr. ROGERS], who is also laughing, but let me tell you, the decent, respectable citizens of our country condemn that kind of a statement. They are horrified by it and they are resentful that such statements are made.

Let me repeat the last sentence of the article in PM. It is this:

It's a fine pass we've come to when a Congressman recommends an investigation against a firm "accused" of anti-Nazi activity and which dares to sponsor an anti-Nazi broadcaster.

There is a fair sample of how Winchell and PM twist words, attempt to create an impression which is untrue.

That paragraph is a charge that a Congressman has demanded an investigation of a firm, namely, the Jergens Co., which has been engaged in anti-Nazi activity and which sponsors Winchell, an anti-Nazi broadcaster.

What are the facts?

Winchell, who claims to be the Nation's No. 1 reporter, who on Sunday night addresses "Mr. and Mrs. North America and South America and our men overseas," ought to know a few of the facts about his sponsor and his sponsor's activities.

Time and again, Winchell has intimated that he is a buddy of J. Edgar Hoover; that he has access to the confidential files of the Department of Justice, of the F. B. I.

Yesterday came a letter from J. Edgar Hoover, which reads as follows:

My attention has been directed to your remarks in the CONGRESSIONAL RECORD for March 16 and I received a specific inquiry regarding the following statement appearing on page A1342:

"Perhaps Jergens, if he took the stand, might disclose that the F. B. I., under J. E. Hoover, has in its files information to which Winchell has access, and might show that Jergens associated with individuals who were much closer to the Nazis than any of those who have been indicted for sedition."

I note, of course, that your statement was made in a conjectural manner, yet I wanted you to know the facts, and the facts are that no one outside of the official staff of the Federal Bureau of Investigation has access to its files. Any statement to the effect that a commentator has access to the files of the Federal Bureau of Investigation is wholly unjustified and is not based on fact.

Mr. Hoover, however, failed to state that there was not in the F. B. I. files information which might show that Jergens associated with individuals who were much closer to the Nazis than any of those who have been indicted for sedition.

Nor did he write that Winchell does not have access to information which would show that Jergens associated with such individuals.

In view of the fact that Winchell time and again has by innuendo, if not directly, created the impression that he was a buddy of Hoover, that he did have access to information in the F. B. I. files or in the files of the Department of Justice, would it not be in the public interest for Hoover and for Biddle to state, emphatically and without equivocation, that, so far as they know, Winchell has no opportunity to get confidential information or information of any kind from the files of either organization or from any agent or representative of either?

That letter should dispose of Winchell's oft-repeated claim that he has a pipe line into the F. B. I. offices.

Winchell has claimed credit for the indictment of the thirty-odd so-called seditionists. He, apparently acting in conjunction with William Power Maloney, who was later branded as a pettifogging shyster by the United States Supreme Court, made to the country many statements which intimated that those who had been three times arrested but not yet tried were guilty of sedition. He falsely charged that Members of Congress were guilty of sedition.

Winchell has falsely charged that Members of Congress delayed the trial of those indicted. He has falsely charged that Members of Congress claimed that those who were so indicted were innocent.

It is undoubtedly true that some of those who have been indicted are guilty of some criminal offense, for some of them have been tried and convicted.

Winchell, Sunday night, complained bitterly because the head of the Dies committee had not, before exposing his activities on the floor of the House, given him an opportunity to be heard.

The right to be confronted with witnesses, the right to cross-examine, is given to every individual when tried before any court. That right is not given to people who are under investigation.

And who is Winchell and what has been his conduct that he should complain because he was not first given a hearing, confronted by the witnesses? When did Winchell ever, during his long course of vilification and scandalmongering, ever give any of his victims an opportunity to state their side of the case before he went on the air slandering or libeling them or printed his column in the public press?

Winchell should be the last to complain that he has not been given a fair trial. Winchell is yellow. And when he sees exposure coming he hides behind the Constitution, the protection of which he had denied to hundreds of citizens.

Oh, yes; Winchell claims that he is an anti-Nazi broadcaster. Like a hound pup on the trail of a rabbit, Winchell has been pounding those arrested and charged with sedition day after day, week after week, and month after month, but of the activity and conviction of some real Nazi agents, of some Nazi sponsors, he has been as silent as the grave.

Is he blackmailing someone? Or is he in sympathy with the methods of these Nazis?

Here are a few questions which the people of this country would be glad to have Walter Winchell and PM answer, and, may I add, Andrew Jergens can add his answer:

Did Andrew Jergens have in his employ one or two or more persons who were charged with aiding, abetting, or conspiring with Nazi agents?

Was not one of the employees, a confidential employee of Andrew Jergens, president of the Jergens Co., the sponsor of Walter Winchell, charged with and convicted of a Federal offense, the gist of which was either sedition, espionage, or misprision of treason?

Was not a confidential employee of Andrew Jergens convicted of a Federal offense and sentenced to prison?

Was not another confidential employee of the said Andrew Jergens guilty of conduct which required and resulted in her internment or incarceration in a Federal prison?

Is not Andrew Jergens at the present time engaged in an effort to have one of the individuals referred to above released from Federal or Army custody?

Has not Walter Winchell for months known that two of the confidential employees of Andrew Jergens, president of his sponsor, the Jergens Co., or employees of that company, have been charged with disloyalty—one convicted and one interned?

And while questions are being asked, for good measure let me ask the Department of Justice as well as Winchell and Andrew Jergens if it is not true that at least one of Jergens' confidential employees did either give aid to or conspire with some or all of the six saboteurs who were executed?

When will the Department of Justice or the F. B. I., if it has knowledge thereof, bring the files with reference to the two individuals referred to above before the Dies committee and let "Mr. and Mrs. North and South America and our men overseas" know the facts?

When next Winchell starts a broadcast with "Good evening, Mr. and Mrs. North and South America and our men overseas," let him tell the overseas men whether or not he covered up these two Nazi agents.

Has "your grateful New York correspondent," as he terms himself, been ignorant of the apprehension, arrest, and confinement of two of Jergens' confidential employees?

Or am I just dreaming that something of that kind happened?

Has the great sedition hunter, Walter Winchell, been covering up a real Nazi agent?

Come now, Walter, you are being asked, not for a suppression of free speech; you are being asked to talk, and for once in your life to tell the truth. What, if anything, do you know about the incidents referred to above?

Inasmuch as Winchell is at times rather evasive, apt to stray from the point at issue, and as PM has characterized Winchell as an "anti-Nazi broadcaster" and Jergens as a firm engaged in "anti-Nazi activity," perhaps a few memory-refreshing suggestions may help Mr. Jergens and Mr. Winchell in their efforts to give the public some information.

One Elfrieda Margaret Siddell was Jergens' personal secretary, or an employee graduating to that position from an upstairs maid post in his home. As his secretary, she accompanied Jergens on various trips about the country and to his homes in Florida and California.

In 1942 she was arrested by agents of the F. B. I. as a German enemy alien. Jergens is not a German, but of Danish descent.

It was learned that she had hired as a maid in the Miami Beach home of Jergens one Hedwig Engemann, 34 years of age, formerly of 238 East Eighty-sixth Street, New York City.

Mr. RANKIN. Will the gentleman yield?

Mr. HOFFMAN. I yield to the gentleman.

Mr. RANKIN. Is that hotel the gentleman mentioned there in Miami the one that Walter Winchell occupies when he is down in Miami? Does the gentleman have any information on that fact?

Mr. HOFFMAN. My relation with Mr. Winchell is not of a personal nature.

Miss Engemann was arrested about the time of the capture of the eight Nazi saboteurs who landed here from a submarine in the summer of 1942, and six of whom were afterward executed for sabotage.

Miss Engemann was shown to have aided Edward John Kerling, one of the eight. He was executed and Miss Engemann pleaded guilty in a New York court to a charge of misprision of treason.

Have you heard Winchell saying anything about that? He is after these folks down town here, and I hold no brief for them. I do not say they are guilty or innocent; I do not know anything about

that. But here is a woman who was convicted. She was employed by Winchell's sponsor. Why did he not mention it? Is he blackmailing Jergens? Is he exposing the Nazis? Is he telling about what they are doing, or is he just covering up?

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

Mr. HOFFMAN. Yes.

Mr. KENNEDY. This lady, Miss Engemann, the gentleman spoke about and the address he gave happens to be in my congressional district. As I remember, when that young lady was arrested, her brother, who was about to be drafted, came to see me. He operated a delicatessen store in the neighborhood for many years, and seemed deeply concerned about the activities of his sister.

Mr. HOFFMAN. Wait a minute. I did not yield to the gentleman for a speech. If the gentleman wants to ask a question, all right.

Mr. KENNEDY. This girl had been employed in her brother's delicatessen store for many years, and her brother seemed and claimed he knew nothing about her activities outside the store. Whether or not she worked for Jergens in addition to working for her brother, I do not know. But, as a matter of fact, I know she lived and worked right in that neighborhood and in the delicatessen store for several years. I do not think she could have been in the employ of Jergens during those years.

Mr. HOFFMAN. All that does not prove that she was not employed by Jergens. The committee can bring Mr. Jergens down here, and he can testify under oath, and we will find out all about it. The gentleman does not deny that she was employed by Jergens?

Treason is defined to be—

> Whoever, owing allegiance to the United States, levies war against them or adheres to their enemies, giving them aid and comfort within the United States or elsewhere, is guilty of treason.

Misprision of treason is defined to be—

> Whoever, owing allegiance to the United States and having knowledge of the commission of any treason against them, conceals and does not, as soon as may be, disclose and make known the same to the President or to some judge of the United States, or to the Governor or to some judge or justice of a particular State, is guilty of misprision of treason.

After a somewhat lengthy hearing in Cincinnati, Miss Siddell was ordered interned and has ever since been so confined.

Jergens made strenuous efforts to prevent her detention, describing her at one time as "the finest woman I have ever known." He sent her clothing while she was confined in jail and at times called her over the long-distance phone.

It has been charged that Jergens offered money to an individual in the Department of Justice, not to help exonerate Miss Siddell, but to have her held in a hotel suite during her hearing, instead of being held in jail.

It is now reported that Jergens has started action to have Miss Siddell released from the internment camp.

I have been advised by reliable sources that the records which prove this story have been withheld from Congress on the ground that to make disclosure of their contents would be "contrary to the public interest." Later, it was said that the files had been loaned to Jergens' attorney.

It has also been charged that, while the hearing was in progress in Cincinnati, Jergens was greatly concerned about what Winchell, his employee, would say, and in substance, stated, "I wonder what Winchell will say about this."

At that time Winchell was away on a South American "mission" for the Navy. Upon his return his only mention of this incident, so far as I have been able to learn, was to congratulate his sponsor for helping to apprehend an alien enemy.

As to whether Jergens appealed to Winchell for this so-called cover-up, probably only Winchell or Jergens can give the true answer. In any event, Winchell has been silent about Jergens' connection with his two employees, one of whom, as stated, entered a plea of guilty of misprision of treason and the other was found guilty of conduct which required her internment.

It is quite true that the story about Miss Engemann and her associations with Kerling, one of the executed Nazis, has been published in connection with their trial, but her employment in the Jergens home has, so far as I know, not been mentioned.

Suppose Mrs. Dilling or any one of the others accused of sedition had employed a person who was convicted of misprision of treason. How Winchell would have torn the air with his denunciations.

Can it be that his retention on the air at a fee of $5,000 for approximately 15 minutes is the price of his silence? And why is it that in his broadcasts Winchell has never, so far as I have been able to learn, mentioned the name of Miss Siddell? Why is it that his column has not carried a reference to her pro-Nazi activities?

No; Winchell confines his abuse, his vilification, to those who have been accused of sedition, to Members of Congress, to the denunciation of Congress as the "House of Reprehensibles." He characterized twenty-odd million citizens as being "damned fools."

Yet Winchell is carried on the Navy lists as a Reserve officer. Is it not about time that the Navy purge its organization of this man?

Is it not time that Winchell and Jergens be called before some committee of the House; that the publishers of PM be called and be made to tell what is back of their smear campaign, their efforts to discredit the people's representatives, and to disclose as well the source from which they derive the funds to carry on their campaign of dissension?

The record seems to show that Winchell's sponsor, Jergens, was the employer of at least one Nazi agent who entered a plea of guilty to a charge of misprision of treason.

If Winchell will confine himself to the washing of his own and Jergens' dirty linen, he will be busy for some time. He might ask the aid of J. Edgar Hoover, of the Department of Justice.

RESIGNATION FROM COMMITTEES

The SPEAKER laid before the House the following resignation from committees:

MARCH 22, 1944.

Hon. SAM RAYBURN,
Speaker of the House of Representatives, Washington, D. C.

DEAR MR. SPEAKER: I hereby tender my resignation from the following committees of the House: Indian Affairs, Irrigation and Reclamation, Labor, Public Buildings and Grounds, the Public Lands, and the Territories.

Respectfully yours,
GEORGE E. OUTLAND.

The SPEAKER. Without objection, the resignation is accepted.

There was no objection.

COMMEMORATION OF THE CENTENNIAL OF THE TELEGRAPH

The SPEAKER. Pursuant to the provisions of House Concurrent Resolution 72, Seventy-eighth Congress, the Chair appoints as members of the Joint Committee to Provide for Appropriate Commemoration of the Centennial of the Telegraph the following Members of the House: Mr. BULWINKLE, of North Carolina; Mr. LEA, of California; Mr. MYERS, of Pennsylvania; Miss STANLEY, of New York; Mr. ROHRBOUGH, of West Virginia.

CONSTRUCTION OF CERTAIN PUBLIC WORKS

Mr. DELANEY, from the Committee on Rules, submitted the following privileged resolution (H. Res. 469), which was referred to the House Calendar and ordered printed:

> *Resolved*, That immediately upon the adoption of this resolution it shall be in order to move that the House resolve itself into the Committee of the Whole House on the state of the Union for the consideration of H. R. 4381, a bill to authorize the Secretary of the Navy to proceed with the construction of certain public works, and for other purposes. That after general debate, which shall be confined to the bill and shall continue not to exceed 1 hour, to be equally divided and controlled by the chairman and ranking minority member of the Committee on Naval Affairs, the bill shall be read for amendment under the 5-minute rule. At the conclusion of the reading of the bill for amendment, the Committee shall rise and report the same to the House with such amendments as may have been adopted, and the previous question shall be considered as ordered on the bill and amendments thereto to final passage without intervening motion except one motion to recommit.

With the following committee amendment:

> Page 1, line 8, after the word "exceed", strike out the words "one hour" and insert in lieu thereof the words "two hours."

EXTENSION OF REMARKS

(Mr. BULWINKLE asked and was given permission to extend his own remarks in the RECORD.)

ELK HILLS NAVAL OIL RESERVE

Mr. VOORHIS of California. 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 to the request of the gentleman from California?

There was no objection.

[Mr. VOORHIS of California addressed the House. His remarks appear in the Appendix.]

RIVER AND HARBOR BILL

Mr. MANSFIELD of Texas. Mr. Speaker, I move that the House resolve itself into the Committee of the Whole House on the state of the Union for the further consideration of the bill (H. R. 3961) authorizing the construction, repair, and preservation of certain public works on rivers and harbors, and for other purposes.

The motion was agreed to.

Accordingly the House resolved itself into the Committee of the Whole House on the state of the Union for the further consideration of the bill H. R. 3961, with Mr. COSTELLO in the chair.

The Clerk read the title of the bill.

The CHAIRMAN. Yesterday, at the conclusion of the session of the Committee, debate on the pending amendment was limited to 20 minutes. At that time a number of Members were on their feet asking recognition. The Chair will read the names of the Members who will be recognized on the pending amendment: Mr. WICKERSHAM, Mr. HARE, Mr. WHITE, Mr. WHITTINGTON, Mr. MURDOCK, Mr. MANSFIELD of Montana, Mr. HILL, Mr. CASE, Mr. LEMKE, Mr. HINSHAW, Mr. DWORSHAK, and the chairman of the committee, the gentleman from Texas, Mr. MANSFIELD.

Mr. WHITE. Mr. Chairman, in view of the fact that the 20 minutes to which debate has been limited on this amendment, divided among the Members whose names the Chair has just read, would not give over 2 or 3 minutes to each Member, I ask unanimous consent that the time for debate on the pending amendment be extended so that each Member listed may have 5 minutes.

The CHAIRMAN. The gentleman from Idaho asks unanimous consent that the Members who were on their feet yesterday and whose names the Chair has just read be given 5 minutes each to speak on the pending amendment. This would extend the time to 60 minutes.

Is there objection to the request of the gentleman from Idaho?

Mr. PETERSON of Georgia. Mr. Chairman, I reserve the right to object. This is an issue that was debated fully on the floor yesterday, and it appears that every argument that might be advanced was advanced, and there has been considerable time already spent on this bill, on this particular issue.

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

Mr. PETERSON of Georgia. Yes.

Mr. WHITE. The gentleman states that this has been fully debated. The gentleman means probably by only the proponents of the amendment. Only one Member spoke of that, and I do not think the gentleman ought to contend that that is so; and if he will reflect, I think he will not do so.

Mr. PETERSON of Georgia. If the gentleman will remember, an amendment similar to this amendment was debated at length, and was voted down by this House. There was full discussion. Mr. Chairman, I am compelled to object.

Mr. WHITE. Mr. Chairman, I move that Committee of the Whole allow 5 minutes to each Member named by the Chairman.

The CHAIRMAN. The House has already determined that by unanimous consent, and that can only be changed by unanimous consent of the House. The motion is not in order.

Mr. ROCKWELL. Mr. Chairman, I was on my feet yesterday, although my name does not appear there.

The CHAIRMAN. The gentleman's name is on the list.

Mr. HILL. Mr. Chairman, a parliamentary inquiry.

The CHAIRMAN. The gentleman will state it.

Mr. HILL. I was on my feet yesterday at the time the Chair says that this was done by unanimous consent. I suggest that it was not done by unanimous consent and as far as my memory is concerned it was done by motion, and I think that motion should be amended now.

The CHAIRMAN. The gentleman is correct. It was agreed to yesterday by a motion, but the motion can only be amended by unanimous consent.

The Chair recognizes the gentleman from Idaho [Mr. WHITE] for a minute and a half.

Mr. WHITE. Mr. Chairman, this is such an important amendment, to all the people of the United States, because, after all, food is our most important product, that debate upon it ought not to be limited to a minute and a half. I am in favor of the amendment. We have in Idaho, and in all of these Western States, a demand for water and need for water for reclamation. This use is paramount. I am in full support of the provisions of our State constitution which establishes a priority to premises for use of water in Idaho streams and lakes, and following that, first comes domestic use, and I don't think any Member of this House would consent to take water away from domestic use in cities and towns, and when it comes to production of food, I don't think any Member would take water off the land for the purpose of navigation. This amendment will not disturb navigation. Navigation improvements simply deepen the flow of water by deepening the channel and retarding the flow of the stream.

The use of the waters of the streams of Idaho, in fact of all the Western States, is vital to our farming industry—an industry that provides the eastern manufacturers with one of their best markets.

If navigation of our western streams would take one drop of water away from our irrigated farms or give preference over the future use of water for the irrigation of new lands in any of our Western States, I should be against this bill.

The proposed navigation projects on the Snake River in Idaho are fortunately located. All the water of the Snake River upstream tributary to the irrigable lands can be used for irrigation without being needed for navigation below Lewiston. The two larger tributaries flowing into the Snake River frame the rugged mountainous section of central Idaho. The Clearwater and Salmon Rivers, which can in no way be used for irrigation, will supply more than enough water to provide for river navigation below Lewiston, as confirmed in a telegram just received from the district Army engineer, which telegram is inserted herewith:

PORTLAND, OREG., *March 17, 1944.*

Representative COMPTON I. WHITE,
Member of Congress,
House of Representatives,
Washington, D. C.:

Reference is made to your request for further data on stream flow on lower Snake River. Records at Weiser for the period 1930 to 1940, inclusive, show low flow to be approximately 6,600 cubic feet per second: Ninety percent of the time flow exceeds 8,500 cubic feet per second, and 75 percent of the time it exceeds 10,000 cubic feet per second. At Riparia low flow is 11,000 cubic feet per second; 90 percent of the time flow exceeds 15,200 cubic feet per second, and 75 percent of the time it exceeds 18,300 cubic feet per second. Flow required to provide slack-water navigation, when all dams are built, will be less than 1,000 cubic feet per second. Either the Clearwater or Salmon River provides, at all times, flow in excess of this minimum amount.

TUDOR, *District Engineer.*

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

The Chair recognizes the gentleman from Arizona [Mr. MURDOCK] for a minute and a half.

Mr. MURDOCK. Mr. Chairman, it was suggested a moment ago that a similar amendment to this bill had been acted upon and voted down in the House. I call attention to the fact that this amendment is dissimilar in a fundamental respect to every amendment acted on yesterday. The last few words of this amendment refer to control of water under the laws of the State, and that is what I want to emphasize. This amendment classifies beneficial uses in the order they are classified by State law and makes State law on water prevail in that region.

Out in the West, water is of great importance. In the arid and semiarid regions our streams are not actually navigable, and we feel that there State law should prevail. In fact our own State constitution provides, in the fundamental law for water usage, and that recognition is contained in the amendment offered by the gentleman from Utah. I feel that this amendment should be incorporated for our protection, and I ask that it be adopted.

The CHAIRMAN. The Chair recognizes the gentleman from Colorado [Mr. HILL].

Mr. HILL. Mr. Chairman, there is no use trying to say anything about this subject in a minute and a half. I am very sorry that the House saw fit to cut off this debate, because a good many

from the irrigated sections have had no chance to discuss the idea that this water belongs to the State where it rises, regardless of what the folks downstream think about it. Let me read what was said yesterday by the gentleman from Missouri [Mr. BELL]:

> So, if you have any respect or consideration for the common law of your country, you are bound to agree with me when I say that if there is a dispute as to whether there is enough water, you know it must go to those cities which have their rights long established by custom and usage.

And that simply means that all this irrigated territory that we have developed, all these farms, whose title includes title to water, must permit this water to go down to Mr. BELL's folks, while our folks can see their crops destroyed by dry weather, and there will be little food for people down the river.

The rivers and harbors authorization bill (H. R. 3961), which is before the House of Representatives for consideration, sets a pattern of future development for some of the major rivers of the Nation. It accomplishes even more, if passed and approved without amendment, for it would enact into law principles which seriously jeopardize the control under State laws of a limited water supply needed in arid regions for continued irrigated agricultural development. It dedicates for all time to come the waters of certain great river basins for a particular use without just and reasonable recognition of other uses. It invokes congressional approval for such development without adequate coordination of studies and investigations designed to present a plan which would preserve in fair balance and in the highest possible degree all uses of water. It shapes the future economy which is related to a great natural resource.

In the consideration of such legislation there is no place for partisanship. It is too important to indulge in measures of expediency. And, surely, in such matters there is no place to spar for advantage.

Everyone supports the desirability of improving the highways of water traffic; but there is real objection to legislation which assures improved navigation through drastic curtailment of other uses of the waters of a river system. Any legislation which authorizes navigation projects commanding the entire water supplies of a river system for the one purpose, establishes a yardstick of control which rules out for all time any future irrigation development.

The great rivers west of the Mississippi have their sources and flow through areas where irrigation is essential to agriculture. Irrigation is the basis, the measure, and the limit of economic development of that inland region.

To demonstrate the inherent dangers to present and future irrigation found in H. R. 3961, reference is made to the authorization of the development of navigation on the Missouri River between Sioux City, Iowa, and the mouth; House Document No. 214, Seventy-sixth Congress. The import of this authorization cannot be understood without reference to the House document mentioned. An examination of this document leads to other House documents which become part of the law when referred to in a bill passed by Congress.

Page 199, paragraph 495, House Document No. 238, Seventy-third Congress, referring to navigation development on the Missouri River, reads thus:

> The results of the study contained in Appendix XI indicate that a channel of between 8 and 9 feet can be obtained, by the present method of open channel regulation, in the section from Kansas City to Hermann, with a discharge of 35,000 second-feet at Kansas City.

Page 242, paragraph 673, House Document No. 238. Seventy-third Congress, states:

> Several methods for the provision of a greater depth than 6 feet for future navigation have been given consideration. A navigable channel of between 8 and 9 feet in depth could be obtained by the method of open channel regulation described in paragraph 666, with a discharge of 30,000 second-feet at Yankton. This discharge could be maintained by enlarging the Fort Peck Reservoir to a capacity of 17,000,000 acre-feet which would involve a total cost of $84,155,000.

The meaning of this harmless-appearing authorization language is further supported by the committee report on H. R. 3961, which construes this language in the bill as embracing improvements for a channel of 9-foot depth and a width of not less than 300 feet between Sioux City and the mouth of the river.

To appraise the effect of such a navigation development on other uses or proposed uses of Missouri River water, it is only necessary to examine the figures on the annual water supply of this river. The records of the United States Geological Survey disclose that the average annual flow of the river at Kansas City during the last 14 years is 32,520 cubic feet.

Thus with proper regulation of flood flows, it is proposed by H. R. 3961 to construct public works for navigation which will command and substantially utilize all of the Missouri River flow for this one purpose. Such a program would not only thwart future irrigation development in the upper basin but would seriously threaten present consumptive uses of water which have been built up under State laws over many years.

Congress exercises its control over navigation and makes authorizations for navigation improvements under the provisions of the commerce clause of the Federal Constitution. In the absence of congressional enactment to the contrary, the authorization for navigation improvement imposes a Federal control of the water resource involved which transcends State laws governing the appropriation and distribution of water for irrigation, domestic, and industrial purposes. Although the power of Congress is plenary in fixing the conditions for water use for navigation, H. R. 3961 contains no language which protects the present and future uses for beneficial and consumptive purposes in the upper basin. Therefore, the navigation improvement proposed by this bill dedicates the waters of the Missouri to navigation to the exclusion of other uses, not only by virtue of the physical works planned but by the imposition of Federal jurisdiction over these waters.

The interests of navigation and irrigation and other uses of waters of a river system may be coordinated and often such uses may be mutual in a large degree; but H. R. 3961 neither coordinates nor paves the way for an orderly evaluation and protection in the highest degree possible of these various water uses.

Therefore, to protect the domestic irrigation and industrial water users of the Nation in the river basins affected by this proposed legislation, appropriate amendments should be inserted for this purpose.

The CHAIRMAN. The Chair recognizes the gentleman from South Dakota [Mr. CASE].

Mr. CASE. Mr. Chairman, the gentleman from Wisconsin said as I was getting up, "We are dealing here with the case of minority rights."

Mr. KEEFE. Riparian rights.

Mr. CASE. Very well, riparian rights, but I will change it to minority rights. We are dealing with the rights of the Western States, which have a minority as far as population is concerned. I hold in my hand a compilation of a report and recommendations made by a committee of the National Reclamation Association. This committee had representatives from 15 Western States. Recommendation No. 1 is, and I am reading from the text, that the control and regulation and utilization of water in the arid and semiarid area of the United States be in accordance with the principle that the highest use shall be for domestic consumption and for growing crops, and that the multiple-use or power projects shall be so designed and operated that domestic or irrigation use at all times be paramount to the requirements of hydroelectric-energy production, and that the imposition of Federal jurisdiction under the commerce clause to maintain navigable capacity and regulate floods in lower reaches of rivers having their source in the arid and semiarid regions, should recognize the maximum use of water for irrigation purposes.

I urge the House to recognize this petition of the Western States. The power of Congress, the power of the Federal Government to regulate commerce between the States is admitted. The pending amendment simply proposes that in regulating the use of interstate streams west of the ninety-seventh meridian, the provisions of State laws be recognized in certain particulars. It is not an attempt to amend the Constitution by a simple act of Congress; it is merely an exercise of the constitutional power over commerce. The Robinson amendment merely proposes that we regulate the commerce on certain waters in a certain way.

The CHAIRMAN. The time of the gentleman from South Dakota has expired.

The Chair recognizes the gentleman from North Dakota [Mr. LEMKE].

Mr. LEMKE. Mr. Chairman, no one respects the chairman of the Rivers and Harbors Committee more than I do. No one has a higher regard for the gentleman from California [Mr. CARTER] than I have. But that respect and admiration ends when it becomes a question that affects the Nation. Then I reserve the right not only to disagree with them but to oppose a scheme or policy that would deprive the people of a great portion of this Nation of the necessary water for irrigation and domestic uses.

These genial gentlemen tell us that that is not their design or purpose, and I shall agree with them on that. But I think they were taken in, or rather taken for a ride down the river, by that other genial gentleman [Mr. BELL] from Kansas City.

The gentleman from Missouri [Mr. BELL], in his unguarded moment, frankly admitted that what they wanted was the water from the upper Missouri River States so that he, at Kansas City, could float an empty boat down the Missouri into the Mississippi and down to visit our friend RANKIN, in the State of Mississippi, and join hands with other friends at New Orleans in Louisiana. I said an empty boat because, if he had his way, then the great American desert would soon be on its way and there would be nothing to float down the river.

Human selfishness at times knows no limits. Sectionalism still seems to be strong in this Congress. The time has come that we look at the United States as a whole as our country and not get lost in the local atmosphere of Kansas City.

The gentleman from Missouri [Mr. BELL] need not worry. We will let him have plenty of water for drinking purposes. That is if he has not anything better to drink in Kansas City, but, we are not going to permit him to wreck a great part of our Nation, to turn it into a desert because he wants to float a boat.

Of course, the gentleman from Kansas City is very much mistaken when he tells of the great benefit that navigation on the Missouri River has been to the Dakotas and Montana. This because he says it gives a road to markets. No more erroneous statement was ever made on the floor of this Chamber. The Missouri River, as far as furnishing markets for North Dakota products, has been a dead issue for years. As far as being an avenue for transportation for the upper States it never did exist to any great extent and to what little extent it was used has been so long ago that it no longer remains in the memory of the present generation.

I believe at one time a few barges were pulled up the river by tugboats and canoes. The present civilization has surpassed this slow method of transportation except for some heavy and bulky commodities and even these are now being hauled largely by train and practically all of it above Kansas City is hauled by truck and train. And when the war is over some will be taken care of by plane.

I am not opposed to permitting the gentleman from Missouri and the Committee on Rivers and Harbors to dig a ditch if they want it. I am perfectly willing that they should be allowed to play around in the mud of the Missouri River, but, I am more interested in giving the first right of the water of the Missouri River and of other rivers to the State through which these rivers pass for irrigation and domestic uses.

Irrigation and flood control go hand in hand. If the water is used at its source it can create no floods. After that it can be used to develop power and for navigation. Let us forget sectionalism. We are 1 Nation and just 48 States.

I submit the following basic facts to show that with a 6-foot channel there is only enough water left to irrigate approximately 2,778,000 acres and that with a 9-foot channel there would be no water at all left for irrigation:

Out of 15,768,000 acre-feet mean annual yield at Yankton:	
Requirement with 6-foot channel and reservoirs to regulate 20,000[1] x 2 x 240 (navigation period)	9,600,000
Evaporation from reservoirs	1,000,000
Waste to coordinate flood control with navigation	500,000
Release during nonnavigation period for various uses	500,000
Total	11,600,000

15,768,000 − 11,600,000 = 4,168,000 acre-feet for upstream domestic, industrial, and irrigation use (for 2,778,000 acres).

Requirements with 9-foot channel and reservoirs to regulate 30,000 x 2 x 240 (navigation period)	14,800,000
Evaporation	1,000,000
Waste	500,000
Winter release	500,000
Total	16,800,000

This permits no irrigation development at all.

[1] 20,000 cubic second-feet converted to acre-feet for the navigation period of 240 days per year.

Mr. ROCKWELL. Mr. Chairman, the half of the United States west of the ninety-seventh meridian has an annual rainfall that varies from 3 to 15 inches, not sufficient to grow crops without irrigation. Unless we can preserve our present use of water as now decreed by our States we shall lose our economic security so far as agricultural production, mining, and domestic use is concerned. I cannot too strongly urge your support of this amendment.

Mr. Chairman, we in Colorado appreciate the need and value of post-war work to help care for the men returning from the armed services. This is especially true in public works done for the proper control and use of water and waterways. We wish to cooperate and assist in the control of floods, the development of new power and navigation as outlined in this bill, which in turn reduces the cost of transportation, perhaps the greatest liability of our Mountain States. However, we cannot do this unless our water rights in the upper States are properly guaranteed and protected. That is the purpose of the amendment offered by the gentleman from Utah, Representative ROBINSON, and it must be adopted or we cannot afford to approve this measure no matter how beneficial it otherwise might be.

In our Colorado mountains, four great rivers rise, two flowing east to the Atlantic, one south to the Gulf of Mexico, and one draining the area west of the Rockies and emptying into the Pacific. One of these rivers, the Platte, becomes the Missouri after it leaves our State and is affected by this law. Another, the Arkansas, runs into the Mississippi farther downstream. Are not we entitled to the prior use of this water for irrigation and domestic use?

Our rainfall is insufficient for crop production without the aid of irrigation, and consequently, the whole future of agriculture in Colorado depends upon the retention by our people and our State of our present and future water rights. The use of water for irrigation means that dams and reservoirs must be built on the headwaters of those streams to hold the melting snows before they rush down to the great rivers below. Later the water is taken from these reservoirs and run through ditches and laterals to produce the moisture so necessary for our hay, sugar beets, potatoes, grain, and other products. Much of the irrigation water is returned to the streams farther down. Take from us the use of this water and our State would again return to the arid region it once was.

The Supreme Court has said that a river "offers a necessity of life that must be rationed among those who have power over it." The rights or decrees for water arising in Colorado have been filed in the courts of our State and are as important—almost more important—than the land itself. It is imperative that these State water decrees and rights be protected from future demands on the lower streams. In 1901, President Theodore Roosevelt stated in his message to Congress:

> The distribution of the water, the diversion of the streams among irrigators, should be left to the settlers themselves in conformity with State laws, and without interference with these State laws or with vested rights.

This statement received the approval of Congress in the 1902 Reclamation Act, and we propose to fight any encroachment on this principle as stated in that act.

Colorado is a State larger than the States of New York and the New England States together, with a total population of 1,000,000 people, about the size of 1 large city. Our mining, agriculture, and power development is limited to the proper use of our water resources. To impair these water rights would be unfair to us and would ruin the future of our State.

Therefore, Mr. Chairman, we ask support for this amendment. It carries out the message to Congress of President Theodore Roosevelt, and without it we cannot support this bill, much as we appreciate its value and wish to cooperate.

The CHAIRMAN. The time of the gentleman has expired.

Mr. GRANGER. Mr. Chairman, next to the winning of the war and the profound hope that we have of a just and lasting peace, I should say the next most important concern to the people living in the semiarid region west of the ninety-seventh meridian would be the assurance of an adequate and secure supply of water for irrigation. I should say their greatest fear next to the losing of the war and the losing of the freedoms that we cherish most would be their justified fear of losing their right to use the irrigation water they have and of being prohibited from its further use and developments.

These are strong statements, but I believe they are true; and I say to the members of this Committee it is not a question that has just now, as was indicated in the discussion yesterday, caught our fancy, but has been a question of great concern from the time that it was discovered that food could be raised by the process of irrigation.

When it comes to a question of irrigation, to those of us who live in this region, knowing as we do that irrigation water is the lifeblood of our economy, we forget party and partisanship and close our ranks for the purpose of defending for us and those that come after us our inalienable right to pursue our way of economic life.

I do not believe, if those who are opposing this amendment really understood its importance to us, that they would oppose this amendment. As has been so well said by previous speakers in support of this amendment, we have no quarrel with navigation or flood-control projects whenever they are useful and necessary, but we do contend that we should have the right in our own way and to our own satisfaction to determine by our own State laws the use of its waters within its boundaries. My own State has done this. Next in importance to the use of water for culinary purposes and that used for the watering of livestock comes water for irrigation. Actually water is owned by the State and can only be acquired if it is put to beneficial use. Any time a user of irrigation water fails to make use of this water for a beneficial purpose the water reverts back to the State and can be allocated to some other person who will use it for a useful purpose.

I repeat again that irrigation is the lifeblood of our western country. It acts as an Aladdin's lamp to our land. For years the Government had an established price of $2.50 an acre for its land in our section. In many cases this was an exorbitant price but when water was applied through the science of irrigation this same land immediately increased in value to $100, $200, $300 per acre, and in some cases more. Indeed the basic and permanent civilization of the West has come as a result of benefits derived from the use of its streams for the production of food. Furthermore, its growth is and will be determined by the amount of irrigation water that will be available. One only has to travel through the whole western section and observe that every city, town, and hamlet is built on some stream from whose banks flow the water that makes it possible for the people to live. This is the reason, gentlemen, that our fears are aroused when we see the danger of Federal encroachment. We do not contend for a minute that so far as the Potomac, the Ohio, and the Mississippi River are concerned, their most important use is anything but navigation. Irrigation is not a consideration. Rather than being in many cases an economic blessing, their waters are a menace and we have expended hundreds of millions of dollars to build dikes, dams, and levees to control them and lessen the danger to loss of life and property. So it seems to us that the division line of the ninety-seventh meridian certainly will not in any way injure any part of the country east of that meridian where the rivers are useful for navigation and the best interest of the country is thereby served. Likewise, we contend that no injury will come to any part of the country if the States in the arid section be permitted, by their past experience, to determine the use of their water as defined in the amendment offered by my distinguished colleague, the gentleman from Utah [Mr. ROBINSON], namely, for livestock purposes, irrigation, mining and industrial uses.

The CHAIRMAN. The time of the gentleman has expired.

Mr. HINSHAW. Mr. Chairman, those of us who represent the districts which are west of the ninety-seventh meridian are a relatively small minority in this House. On the other hand, we represent half of the United States in area. That half, of course, has its own problems, which are different from the problems of the rest of the United States. We ask your consideration at this time in our interests because of this very special problem of irrigation and reclamation so necessary to our life there. I know it is difficult for those who think of streams and lakes as means of transportation to reorient their minds to think of water as the precious fluid of life. To those of us who live in the arid and semiarid half of our great country water means life itself not only for our own living but for our crops and animals. Water law in the West is based on a different premise than water law in the East. In the West it is based on beneficial use and consumption. In the East it is based on the right of access for such purposes as transportation, fisheries, and so forth.

We from the West ask your indulgence and your support of our needs—your support of this amendment.

Mr. DWORSHAK. Mr. Chairman, this issue may be of no concern to the eastern part of the United States, but I want to impress particularly upon my colleagues on this side of the House that this is of transcendant importance to all of the arid States of the West. Yesterday it was said by a member of the committee that there have been no abuses of authority in the construction of river and harbor projects by the Army Engineer Corps. If that be true—and I have all the confidence in the world in the Army engineers—I think it is an additional safeguard and a precautionary safeguard to provide that the water priorities of the western streams, involving the very lifeblood of the irrigated and arid sections of our country, be given precedence under State laws. I particularly appeal to the Members on my side of the House to support this amendment, which gives preference to the use of waters for domestic, irrigation, mining, or industrial purposes.

The CHAIRMAN. The time of the gentleman has expired.

IRRIGATION OR NAVIGATION

Mr. MILLER of Nebraska. Mr. Chairman, I am naturally disappointed that the chairman of the committee did not see fit to accept the amendment offered by the gentleman from Utah [Mr. ROBINSON]. The amendment makes crystal clear that water within the States shall first be used for domestic, irrigation, and industrial purposes before it can be earmarked for navigation.

I wish it were possible to draw a picture for you folks living in the nonarid country showing how much water really means to a growing crop and the prosperity of a community. Nebraska, I believe, has more miles of running water than any other State in the Union. We have many excellent irrigation projects. If water was not available little or no crops could be raised.

Food has assumed a most important place in the affairs of the world. If we cannot protect the water within our State for domestic and irrigation purposes ahead of navigation then I am fearful that irrigation projects will not continue to develop and indeed some projects already in operation may suffer unless this type of an amendment is accepted in this bill.

I feel that flood control is most important and certainly the Missouri River should be kept within its bounds by dikes and levees and whatever other means may be available to prevent the disastrous floods which so frequently occur outside its channel. I believe that by putting up the dikes, floods can be controlled which have done untold damage to property and at the same time a 9-foot channel might be available for navigation. However, if it is a choice between having water for irrigation or navigation then certainly irrigation should have first place. It does little good to have satisfactory navigation unless you have some crops that can be sent down the river by navigation.

Certainly water is the lifeblood of our semi-arid regions. I urge the House to accept this amendment which will protect the water rights, the domestic and irrigation rights of the people west of the 97th meridian.

Mr. WHITTINGTON. Mr. Chairman, I am sympathetic with the people of the West, and there is nothing in this bill that will interfere with any rights of appropriation that they enjoy. If I may characterize the pending amendment, I would say that under the commerce clause of the Constitution Congress has the authority for navigation work such as is embraced in this bill, and for flood control. The purport of the amendment

would be to undermine the legislation for navigation and irrigation that has been passed for the Columbia River, the Sacramento River, the Missouri River, the Willamette River, and other western rivers. Under the guise of water uses and prior water appropriations we would undertake by statute, if the amendment is adopted, to repeal the Constitution of the United States which vests in Congress the supervision of navigable waters. In my judgment the apprehensions advanced by my friends from the West, are not involved, because there is nothing in the bill which would interfere with their vested or statutory rights. These rights have been safeguarded in the bill. The Western States are protected in the continued utilization of the water resources under existing law. We would undertake to amend the Constitution by statute and render void legislation for navigation and irrigation, if the amendment were approved.

I extend by saying that under the commerce clause of the Constitution it was early held that the power to regulate commerce necessarily included power over navigation.

Congress has absolute power over navigation in rivers. At the same time the States possess control of the waters within their borders, but this possession under the Constitution is subject to the jurisdiction of the United States with respect to commerce and navigation of rivers.

Inasmuch as Congress has the power to improve for navigation, any statute that subordinated this power to domestic uses or industrial purposes would be ineffective inasmuch as the commerce clause of the Constitution cannot be amended by statute. Federal, and not State, laws control on navigable streams.

The people of the arid States are unduly apprehensive. I want to protect the States in the utilization of the waters within the States for domestic use and for irrigation. I want to protect the citizens of other parts of the country in their riparian privileges and in the enjoyment of their riparian rights. All such rights, however, whether in the West or elsewhere along navigable rivers, are subordinate to improvements in the discretion of Congress for navigation and flood control.

The pending amendment means the same as a similar amendment that has been circulated among the Members of the House. The words "for the maintenance of a navigable channel" have been omitted in the pending amendment, but the meaning of the amendment without words quoted is substantially as if the words were included. The words "heretofore or hereafter" in the amendment as generally circulated have been omitted and the word "wherever" inserted. The meaning again is the same.

It is said that the amendment is necessary to protect the arid West in view of the recent decision of the Supreme Court of the United States in the case of the *United States* v. *Appalachian Electric Power Co.* (311 U. S. Reports, 377). The decision is criticized because it held that improvements for navigation may be made not only on a navigable river but on its tributaries. The criticism is without merit. There could be no navigation of a river unless the waters were contributed by its tributaries. The tributaries are the source of waters for navigation. They are also sources of waters for floods. There could be no regulation for navigation without regulation of the tributaries.

If the pending amendment is adopted, it would make the use of water for navigation subordinate to other uses, including mining and industrial uses, that would be inconsistent with the constitutional provision giving Congress the power to provide for navigation, for flood control, for power, irrigation, and conservation, as the said case, page 426, holds that flood control or protection, watershed development, and power are parts of commerce control.

Congress has been appropriating money for navigable rivers in the West for navigation for years. No conflict with respect to the domestic use of water or the use of water for irrigation has ever arisen.

Again, as I have stated, the power of Congress to authorize dams and other works for flood control on navigable streams and their tributaries is based upon the commerce clause of the Constitution. The Court has held that this power is vested in the Federal Government because these works preserve and protect navigable waterways. Such preservation and protection is a proper function of the Federal Government.

The Supreme Court has held that in the improvement of navigation and in the protection of navigable waterways, Congress may provide for other beneficial uses of water such as irrigation, recreation, and power development. Multiple-purpose reservoirs provide for flood control and for irrigation. Penstocks are installed wherever there are power probabilities.

But if the other uses than navigation were declared to be superior to navigation, as is provided in the pending amendment, Congress by such declaration would be undertaking to destroy the constitutional basis upon which these works can be built by the United States. The adoption of the amendment would undertake to repeal the commerce clause of the Constitution with respect to the power of Congress to improve rivers for navigation west of the ninety-seventh meridian. Navigable waters west of the said meridian, as well as navigable waters east of the said meridian under the commerce clause of the Constitution are under Federal control.

The proposed amendment if adopted would be unconstitutional. Certainly if the proposed amendment were adopted, navigation and flood-control projects located west of the ninety-seventh meridian would be unconstitutional.

There is no real conflict between navigation, flood control, and irrigation. Those who undertake to promote discord among the advocates of reclamation on the one hand and flood control on the other are rendering a disservice.

The Supreme Court has held on navigable rivers that navigation is the supreme and not the subordinate or incidental question. The Supreme Court of the United States in the case of *United States* v. *Arizona* (295 U. S. 174), held that Congress could authorize a dam across the Colorado River without regard to the jurisdiction of an adjoining State in respect of the appropriation, use, and distribution of its equitable share of water. The decision is based upon the commerce clause of the Constitution. Navigation under the Constitution is superior and not subordinate to the use, appropriation, or distribution of water.

I repeat therefore that the pending amendment to make navigation subordinate under State law is in violation of the Constitution and would render void much beneficial legislation for the arid West, including legislation to provide not only for navigation but for flood control and reclamation. The amendment should be rejected.

Mr. MANSFIELD of Texas. Mr. Chairman, a person cannot make much of a speech on the Constitution within a minute and a half. But this amendment prohibits the use of the water for war purposes, while the war is on. It is for no purpose on earth which would benefit them. They are getting all the water they can use. They have 15,000,000 acre-feet in Fort Peck Dam now that they are not using. They could use it. Why do they not use it? The amendment would interfere with the effort of the War Department in the present war. The Secretary of War has put in the machinery there free of cost to the Reclamation Bureau, not only to pay for the cost of installing the machinery, but for its operation, all free of cost to the Reclamation Bureau. The water that is being released there now is for war purposes, to help take the ships down over the chain of rocks in the Mississippi River. It is appealed for by both the War Department and the Navy Department for that purpose. If you pass this amendment and put it in the statute then it will be left to the State law out there, which has already declared that the water cannot be used for navigation when they need it for irrigation.

The gentleman from California [Mr. CARTER] requests me to state that he is in thorough accord on the opposition to this amendment. I see no reason on earth for it. They cannot benefit by it. They are getting all the water they can use and more too; and they are not using it. Why do they not use it if they are so anxious for it? There is no reason in this amendment. There is none whatever. It is unnecessary, and on the other hand, it will work a great harm, perhaps, upon the Nation in time of war.

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

Mr. MANSFIELD of Texas. I yield.

Mr. HILL. May I inquire as to the statement of the gentleman about having all the water they need? The gentleman does not refer to Colorado, does he?

Mr. MANSFIELD of Texas. No.

Mr. HILL. We do not have all the water we need.

Mr. MANSFIELD of Texas. No, sir; you do not get water from Fort Peck Dam in Colorado, and you have no way of getting access to it.

Mr. HILL. We are now building a tunnel under the Rocky Mountains to bring water over from the west side to supply our dry lands, so we are not getting the amount of water we need.

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

Mr. MANSFIELD of Texas. I yield.

Mr. CURTIS. Inasmuch as this bill is not effective until 6 months after the war, how can this amendment affect the war effort?

Mr. MANSFIELD of Texas. It will be effective from the day of its approval if you pass this amendment. The only thing to be postponed until after the war will be the appropriation for the expenditures.

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

Mr. MANSFIELD of Texas. I yield.

Mr. BUFFETT. If this amendment is passed, is it not true that the States up the river can cut off the water supply of the cities downstream, the great cities of Sioux City, Omaha, St. Joseph, and Kansas City, by storing up water, and we would have no recourse, and we would be cut off from the water?

Mr. MANSFIELD of Texas. That would be possible, and before our committee some of them claimed the right to do that.

Mr. COCHRAN. Will the gentleman yield?

Mr. MANSFIELD of Texas. I yield.

Mr. COCHRAN. If the water that we are now getting in the Missouri River and Mississippi River is diverted, it would mean there would not be a 6-foot channel in the Missouri and a 9-foot channel in the Mississippi? We will not have sufficient water. Right now ships built for the Navy come down the Mississippi. Without a 9-foot channel they could not be delivered.

Mr. ROBINSON of Utah. Will the gentleman yield?

Mr. MANSFIELD of Texas. I yield.

Mr. ROBINSON of Utah. Does the gentleman contend that if this water is needed for the irrigation of crops, for culinary purposes in the upper regions of the Missouri River and in these other States, that those people should be deprived of that water in order to make navigation available?

Mr. MANSFIELD of Texas. I say that if it stops every farm in America, if it closes every port in my State, for war purposes, I am for it if it is necessary for the war. I am opposed to putting anything in the statute that would prevent this Government from exercising every power necessary to win this war.

Mr. DWORSHAK. Will the gentleman yield?

Mr. MANSFIELD of Texas. I yield.

Mr. DWORSHAK. Does not the gentleman believe that the production of essential food is highly important?

Mr. MANSFIELD of Texas. It is all important; yes, sir. It is also important for you to market that.

Mr. DWORSHAK. We have got to produce it before we can market it.

Mr. MANSFIELD of Texas. Absolutely, and if you produce it and cannot market it you might as well not produce it.

Mr. DWORSHAK. We will produce it all right.

The CHAIRMAN. The time of the gentleman from Texas [Mr. MANSFIELD] has expired.

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

The CHAIRMAN. Without objection, it is so ordered.

There was no objection.

Mr. SULLIVAN. Mr. Chairman, I favor the amendment to this bill (H. R. 3691) offered by the gentleman from Utah [Mr. ROBINSON]. As a Member at Large from Nevada, a typical arid-land State west of the ninety-seventh meridian, I feel that this Congress, by express inhibition incorporated into this bill, should terminate the executive and judicial legislation which is aimed at the destruction of the rights of the people to the use of flowing waters for irrigation and reclamation.

The only title the Federal Government has to control flowing waters springs from clause 3 of section 8 of article I of the Constitution, giving to Congress the power—

> To regulate commerce with foreign nations and among the several States, and with the Indian tribes.

That power has been exercised in the improvement of navigable streams in the interest of interstate commerce and the public safety. It has never been expressly extended in any statute to the control of any unnavigable stream. An unnavigable stream, by the force of the term itself, cannot serve commerce, whether interstate or local.

Under the riparian doctrine or the appropriation doctrine and under both doctrines combined, from the time of the Louisiana cession in 1803 and the Guadalupe-Hidalgo cession in 1848, and the admission of Nevada in 1864, governments never claimed the corpus of the water at all or the right to the use of water, except as subordinate to the right of the people to use it for agricultural, domestic, and power purposes. When Congress passed the Reclamation Act it provided that the Interior Department should conform to State laws in acquiring water rights to be held in trust for the use of settlers.

The abuse sought to be checked here is of modern origin. In the beginning navigability was defined as navigability in fact. But now it has been stretched to cover streams potentially navigable or formerly navigable, or to cover all the miscellaneous tributaries, headwaters, and creeks that might conceivably augment the firm or seasonal flow of a river capable of carrying commerce. Under recent decisions the definition of navigability has been so whittled away as to constitute a menace to all the rest of the public who make use of flowing waters for agricultural purposes. If this goes on farms may be dried up and farmers wiped out in aid of a mythical river-steamboat trade so remote that its smoke will never come within a hundred miles of the farmers' homes.

Mr. Chairman, we are in the arid-land States and do not oppose commerce, although, outside of the railways, the highways, and the air transport, we see very little of it west of the ninety-seventh meridian. What we ask is protection of irrigation and reclamation which has built up the West under rights and customs, enjoyed and followed under the riparian and appropriation doctrines. We want protection through a positive statutory inhibition, against a definition of navigable waters that has no basis in any statute thus far enacted. It seems to me that when it comes to definitions Congress should be the fountainhead—not the victim.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Utah [Mr. ROBINSON].

The question was taken; and on a division (demanded by Mr. ROBINSON of Utah) there were—ayes 45, noes 70.

Mr. ROBINSON of Utah and Mr. DWORSHAK demanded tellers.

Tellers were ordered, and the Chair appointed Mr. ROBINSON of Utah and Mr. PETERSON of Georgia to act as tellers.

The Committee again divided; and the tellers reported there were—ayes 48, noes 77.

So the amendment was rejected.

Mr. BARRETT. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

> Amendment offered by Mr. BARRETT: On page 21, strike out lines 11, 12, and 13, and the semicolon at the end of line 13.

Mr. BARRETT. Mr. Chairman, I am going to be brief about this matter. The House has been very patient.

The amendment that I have offered is to strike lines 11, 12, and 13 on page 21. The purpose of the amendment is to strike out all reference to the Missouri River. The reason I offer that amendment is this: The Bureau of Reclamation will submit a report within 60 days, which will deal primarily with the Missouri River Basin. I think that before the House takes any action on this bill, certainly on this section of the bill, we should have before us the report of the Bureau of Reclamation. Only when that report is submitted can we intelligently discuss a comprehensive plan for the development of the Missouri River Basin.

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

Mr. BARRETT. I yield.

Mr. DONDERO. Do I understand that that report will amount to something like $500,000,000?

Mr. BARRETT. As to the Missouri River Basin, I think it will amount to considerably less than the amount that is considered necessary to carry out the purposes of this particular section, which I understand is $125,000,000.

Mr. DONDERO. But the section the gentleman intends to strike out by his amendment amounts to only a few million dollars.

Mr. BARRETT. I may say to my distinguished colleague from Michigan that my understanding is that in order to

carry out effectively this particular section of the bill the committee is considering the advisability of asking for an appropriation of $125,000,000, which will include several dams on the main stem of the Missouri River.

Mr. MANSFIELD of Montana. Mr. Chairman, will the gentleman yield?

Mr. BARRETT. Certainly, I yield to my colleague from Montana.

Mr. MANSFIELD of Montana. The purpose of the gentleman from Wyoming is to let the Bureau of Reclamation get in its report before May 1.

Mr. BARRETT. That is right.

Mr. MANSFIELD of Montana. And on that basis perhaps some sort of reasonable agreement can be worked out between the Army engineers and the Bureau of Reclamation which will work to the interest of the Nation as a whole.

Mr. BARRETT. That is right. I thank the gentleman for his contribution.

Mr. Chairman, the over-all development of the Missouri River Basin comes before this House only after consideration by three separate and distinct committees of the House. In addition to the Rivers and Harbors Committee, the Flood Control and the Committee on Reclamation and Irrigation will submit reports on various phases of the entire problem. Certainly common sense and good business should dictate that the reports of each of these committees should be considered at the same time and with relation to each other. Accordingly it seems to me that this section should be stricken from the bill until the report of the Bureau of Reclamation on the development of the Missouri River Basin is completed.

Mr. Chairman, from February 22 to date I have endeavored to obtain from the Office of the Chief of Engineers a definite statement of the amount of water presently authorized for navigation purposes between Sioux City and the mouth of the Missouri River. Although I have repeatedly requested a specific statement as to the exact amount of water necessary to fulfill the demands of a 9-foot channel 300 feet wide, as authorized by this bill, I must confess that I am as much in the dark now as before I commenced this inquiry.

Because of the fact that the people of my State are afraid that the construction of this channel, having a capacity from 32,000 to 35,000 cubic feet per second at Kansas City, notwithstanding the fact that the average annual water supply of the Missouri River at that point over a 14-year period is only about 32,250 cubic feet per second, is a dangerous threat to the future development of the State of Wyoming, and we are fearful that if this legislation is passed that by use a priority will be built up whereby that amount of water will be required and that it will thereby prevent the complete development of the irrigable areas in the upper reaches of the Missouri in my State.

Under unanimous consent, I insert in the RECORD the correspondence in question:

CONGRESS OF THE UNITED STATES,
HOUSE OF REPRESENTATIVES,
Washington, D. C., February 22, 1944.

Maj. Gen. THOMAS M. ROBINS,
Acting Chief of Engineers, Office of the Chief of Engineers, War Department, Washington, D. C.

DEAR GENERAL ROBINS: In connection with H. R. 3961 and particularly in connection with the amendment voted by the committee, on line 13, page 21, of the bill reading as follows:

"*Provided*, That such improvements when accomplished shall not create any demand on the water resources of the Missouri Basin over that now authorized by existing law."

I shall appreciate it very much if you will let me know how much water is presently authorized for navigation purposes at Sioux City.

Sincerely yours,

FRANK A. BARRETT.

WAR DEPARTMENT,
OFFICE OF THE CHIEF OF ENGINEERS,
Washington, February 28, 1944.

Hon. FRANK A. BARRETT,
House of Representatives,
Washington, D. C.

MY DEAR MR. BARRETT: Reference is made to your letter of February 22, 1944, referring to the item in H. R. 3961 relating to the 9-foot navigation channel in the Missouri River below Sioux City, Iowa, and the amendment thereto providing that such improvements when accomplished shall not create any demand on the water resources of the Missouri River basin over that now authorized by existing law. You ask to be informed as to how much water is presently authorized for navigation purposes at Sioux City.

The physical control of the water resources of the Missouri River Basin for navigation purposes presently authorized by Congress is limited to that effected by the creation of the Fort Peck Dam and Reservoir in Montana, some 1,100 miles upstream from Sioux City. The completion of channel improvements from the mouth to Sioux City and the construction of the Fort Peck Dam were authorized in the River and Harbor Act approved August 30, 1935, in accordance with the plans recommended in House Document No. 238, Seventy-third Congress, second session, and subject to the conditions set forth in said document.

In House Document No. 238, the Chief of Engineers recommended that "* * * the reservoir at the site of Fort Peck be built to the maximum practicable capacity; and be operated primarily for navigation, with such arrangement for future installation of power as will permit the maximum production of hydroelectric power consistent with the primary demands of navigation * * *." The act of Congress approved May 18, 1938, providing for the installation of facilities for the generation of electric power, recognized the navigation improvement to be the primary purpose of this reservoir. The dam proper has been completed, forming a reservoir with a maximum storage capacity of 19,412,000 acre-feet and a normal operating storage capacity of 18,400,000 acre-feet. In general, the water impounded by the dam is released systematically during low water periods to augment the natural stream flow as may be required in the interest of commerce and navigation.

As indicated in the above-cited authorizations, there is no fixed amount of water authorized by statute for navigation purposes other than the capacity of the reservoir itself. The Department merely impounds a portion of whatever stream flow actually reaches the Fort Peck Reservoir and releases the stored waters in a manner consistent with the primary demands of navigation.

Sincerely yours,

E. REYBOLD,
Major General, Chief of Engineers.

CONGRESS OF THE UNITED STATES,
HOUSE OF REPRESENTATIVES,
Washington, D. C., March 3, 1944.

Mr. GLEN PARKER,
United States Geological Survey, Department of Agriculture,
Washington, D. C.

DEAR MR. PARKER: I would like very much to know the average annual yield of the waters above Fort Peck for the past 20 years.

I shall appreciate it if you will get this information for me as soon as possible.

Yours very truly,

FRANK A. BARRETT.

UNITED STATES DEPARTMENT OF
THE INTERIOR,
GEOLOGICAL SURVEY,
Washington, D. C., March 8, 1944.

Hon. FRANK A. BARRETT,
House of Representatives.

MY DEAR MR. BARRETT: In reply to your letter of March 3 to Mr. Parker requesting information on the flow of Missouri River above Fort Peck:

The principal inflow to the Fort Peck Reservoir is measured at the gaging station known as Missouri River at power-plant ferry, about 30 miles southeast of Zortman. The Musselshell River enters the reservoir below the station at the power-plant ferry, and records of its flow are obtained at Mosby. Records at the power-plant ferry were started in February 1934, and supplementary records have been obtained at the Mosby station.

A summary of the records for Missouri River and tributaries in Montana collected by the Geological Survey and cooperating State and Federal agencies up to September 30, 1938, was published last year as Water Supply Paper 917. I believe this paper will be useful to you and I am enclosing a copy. The records in the form of monthly and annual figures for the station on Missouri River at power-plant ferry will be found on pages 128–129, and those for the Mosby station on Musselshell River on pages 324 to 326. The available annual figures in acre-feet for the years after 1938 are as follows:

Water year	Power-plant ferry (acre-feet)	Mosby (acre-feet)
1938–39	4,718,000	121,800
1939–40	3,761,000	16,330
1940–41	3,502,000	49,010
1941–42	7,149,000	443,300

You will note that these records cover only 8 complete years. Records have been obtained, however, on the Missouri River at Fort Benton since 1882, and these afford a good indication of the supply available for the reservoir over a long period of years. The annual figures for the Fort Benton station will be found on pages 126–127 of Water-Supply Paper 917. The figures for the years following 1938 for this station are as follows:

Water year:	*Fort Benton*
1938–39	3,954,000
1939–40	3,136,000
1940–41	2,962,000
1941–42	5,776,000

The average annual flow for the Fort Benton station for the 61 years of record has been computed as 5,940,000 acre-feet, and the concurrent records indicate that the flow at Fort Benton is about 80 percent of the flow at the station at power-plant ferry.

The figures of annual flow for the years 1939 to 1942 have been inserted in the copy of Water-Supply Paper 917, which is enclosed.

Sincerely yours,

W. E. WRATHER,
Director.

CONGRESS OF THE UNITED STATES,
HOUSE OF REPRESENTATIVES,
Washington, D. C., March 9, 1944.

Maj. Gen. E. REYBOLD,
Chief of Engineers, War Department,
Washington, D. C.

DEAR GENERAL REYBOLD: I wrote your office on February 22 asking for information in connection with the amendment to H. R. 3961, agreed to by the Rivers and Harbors Committee of the House, providing that the 9-foot navigation channel on the Missouri River between Sioux City and the mouth when accomplished shall not create any demand on the water resources of the Missouri River Basin over that now authorized by existing law. I acknowledge receipt of your letter of February 28, and I appreciate your prompt and frank statement contained therein.

I might state that the people of Wyoming and other States in the upper Missouri River Basin are very much concerned that if a channel 300 feet wide and 9 feet deep, having a capacity of 32,000 cubic feet per second is constructed from Sioux City to the mouth of the Missouri River, that by use, a priority may be built up whereby that amount of water will be required for navigation purposes, and consequently will prevent the complete development of the irrigable areas in the upper reaches of the Missouri and its tributaries.

It seems, therefore, highly desirable that we determine very definitely the exact amount of water that is presently authorize for navigation purposes from Sioux City to the mouth of the Missouri, in the event H. R. 3961, with the amendment referred to above, is enacted into law. In your letter of February 28, you state that "The physical control of the water resources of the Missouri River Basin for navigation purposes presently authorized by Congress is limited to that effected by the creation of the Fort Peck Dam and Reservoir in Montana * * *." In order to know the average annual yield and inflow to Fort Peck Reservoir, I wrote the United States Geological Survey on March 3 and requested that information. I am enclosing herewith a copy of the letter of Mr. W. E. Wrather, Director of the United States Geological Survey, under date of March 8.

From this letter it appears that the average annual flow, as recorded at the Fort Benton station for the 61 years on record, is 5,940,000 acre-feet. From the records as supplied in Mr. Wrather's letter, and from Water-Supply Paper 917, I have computed the inflow to the Fort Peck Reservoir as measured at the gaging station known as Missouri River at power-plant ferry and the Musselshell River at Mosby station for the 8-year period from 1934 to 1942, inclusive, a copy of which I am herewith enclosing. Over that 8-year period, it appears that the average inflow into Fort Peck is 4,589,277 acre-feet. It appears that the computations as taken over this 8-year period should be more reliable than those taken over the 61-year period at Fort Benton.

If the average annual yield at Fort Peck is 4,589,277 acre-feet, I assume that this is the entire amount of water presently authorized for navigation purposes at Sioux City. Of course, there will be a certain amount of loss before the water reaches Sioux City, and so the exact amount available will be somewhat less than that figure. I assume also that more water could be released in one year than another, although over a period of years navigation would be compelled to restrict its use to the average inflow at Fort Peck.

I will appreciate it if you will advise as soon as possible if I am correct in my assumption.

Yours very truly,

FRANK A. BARRETT.

[Enclosures.]

Summary of the records for Missouri River and tributaries in Montana collected by the United States Geological Survey and cooperating State and Federal agencies from 1934 to 1942, showing the inflow to the Fort Peck Reservoir as measured at the gaging station known as the Missouri River at power-plant ferry, about 30 miles southeast of Zortman as well as at Mosby station:

Water year	Power-plant ferry (acre-feet)	Mosby (acre-feet)
1934-35	4,027,000	18,420
1935-36	3,851,000	96,500
1936-37	3,213,000	77,760
1937-38	5,397,000	272,200
1938-39	4,718,000	121,800
1939-40	3,761,000	16,330
1940-41	3,502,000	49,010
1941-42	7,149,000	443,300
Total	35,618,900	1,095,320

Totals for 8-year period

	Acre-feet
Power-plant ferry	35,618,900
Mosby station	1,095,320
Total	36,714,220
Average for 8-year period, both stations	4,589,277

DEPARTMENT OF THE INTERIOR,
BUREAU OF RECLAMATION,
Washington, D. C., March 11, 1944.

Hon. FRANK A. BARRETT,
House of Representatives.

DEAR MR. BARRETT: I have your letter of March 2, with the accompanying enclosures, in which you requested any comments regarding the probability of Fort Peck storage, if used wholly for navigation purposes, being sufficient to provide flow for a 6-foot channel at Sioux City.

Fort Peck Reservoir has a capacity of 19,400,000 acre-feet. The flow of the Missouri River at Wolf Point, Mont., according to the reports of the United States Geological Survey, has averaged for the period 1929–42, inclusive, 6,652 cubic feet per second or 4,816,000 acre-feet per year. Wolf Point, Mont., is about 40 miles below Fort Peck and also below the mouth of Milk River.

I do not have available the storage yield of the Milk River but perhaps 1,000,000 acre-feet a year would be a fair assumption and this would have to be deducted from the 4,816,000 acre-feet at Wolf Point to determine the amount which would enter Fort Peck Reservoir. Fort Pack Reservoir, therefore, has capacity to store about five times the mean yearly flow entering it.

With 3,816,000 acre-feet entering and being released from Fort Peck for a navigation season of 240 days, a flow of 7,950 c. f. s. could be maintained. This is not enough by itself to supply a 6-foot channel at Yankton. According to the Army engineers' report, House Document No. 238, Seventy-third Congress, second session, 20,000 c. f. s. is the requirement at Yankton for the 6-foot channel.

I assume therefore that it is expected to draw on other tributaries of the Missouri to furnish the additional over that made available by Fort Peck Reservoir to meet the requirements of the 6-foot channel. How the law might be construed as to the right to use such water for navigation is something which I cannot answer.

The situation appears quite complicated when one remembers that legislation for the Army engineers' work usually says that it is in accordance with plans and reports of the Chief of Engineers.

Very truly yours,

H. W. BASHORE, *Commissioner.*

DEPARTMENT OF THE INTERIOR,
BUREAU OF RECLAMATION,
Washington, March 13, 1944.

Hon. FRANK A. BARRETT,
House of Representatives.

DEAR MR. BARRETT: I have received your letter of March 10, with which you enclosed copies of recent correspondence on H. R. 3961.

With particular reference to the data which you enclosed from the United States Geological Survey, I note that the Survey record shows that the average annual inflow into Fort Peck Reservoir amounted to 4,589,277 acre-feet. This was for the period 1934 to 1942, inclusive. This is an average annual amount of 773,277 acre-feet in excess of the 3,816,000 acre-feet which I estimated in my letter to you of March 11, and would maintain a flow of 9,561 cubic feet per second at Yankton during the navigation period of 240 days. However, the comments which I made in my letter of March 11, regarding the sufficiency of the supply of 7,950 cubic feet per second apply as well to this amount.

Sincerely yours,

H. W. BASHORE,
Commissioner.

MARCH 14, 1944.

Maj. Gen. E. REYBOLD,
Chief of Engineers, War Department,
Washington, D. C.:

The Big Horn River flows from Wyoming into Montana; the North Platte River flows from Wyoming into Nebraska; both are tributaries of the Missouri River. Part of the stream flow of each of these rivers is presently used for irrigation of high-priced agriculture lands in Wyoming; the balance of the stream flow of each of these rivers must be conserved by storage and used for additional irrigation in Wyoming; naturally we in Wyoming are vitally concerned and accordingly I shall appreciate it very much if you will advise by wire if the present authorization for navigation on the Missouri River between Sioux City and the mouth or the proposed channel changes as provided in H. R. 3961 will hold static the present flow of the Big Horn and North Platte Rivers at the points where these rivers cross the State line of Wyoming.

FRANK A. BARRETT,
Member of Congress.

WASHINGTON, D. C., *March 15, 1944.*

Hon. FRANK A. BARRETT,
House of Representatives,
Washington, D. C.:

Reurtel dated March 14 I am pleased to inform you that maintenance of existing 6-foot channel or construction and maintenance of proposed 9-foot channel between Sioux City and mouth of the Missouri River will have no natural physical effect on the present flow of Big Horn and North Platte Rivers at the points where these rivers cross the State line of Wyoming. Spewr 262.

ROBINS, *Acting Chief of Engineers.*

MARCH 16, 1944.

Maj. Gen. E. REYBOLD,
Chief of Engineers, War Department,
Washington, D. C.:

Appreciate your wire of March 15. However am still seriously concerned as to effect of amendment to H. R. 3961 that improvements contemplated shall not create any demands on Wyoming and other waters over that now authorized by existing law. House Document 238, Seventy-third Congress, sec-

ond session, states that the operation of a 6-foot channel requires 20,000 cubic feet per second at Yankton. Do you consider that this amount of water must be supplied at Ynkton? If your reply is yes, how much is to be supplied from Fort Peck now and in the future and how much, if any, is to be supplied by the tributaries below Fort Peck? In supplying the 20,000 feet at Yankton, must developments in Wyoming for irrigation consumptive use be restricted in order to meet the requirements of the channel? Under the proposed 9-foot channel which H. R. 3961 authorizes, what additional demands on upstream water would be made? Appreciate answer to this and my letter of March 9 today by wire.

FRANK A. BARRETT,
Member of Congress.

WAR DEPARTMENT,
OFFICE OF THE CHIEF OF ENGINEERS,
Washington, March 17, 1944.

Hon. FRANK A. BARRETT,
House of Representatives,
Washington, D. C.

MY DEAR MR. BARRETT: Reference is made to your letter of March 9, 1944, relating to the amendment to the authorization item in H. R. 3961 for the 9-foot navigation channel in the Missouri River below Sioux City, providing that such improvements when accomplished shall not create any demand on the water resources of the Missouri River Basin over that now authorized by existing law. In referring to the Department's letter of February 28, 1944, in reply to your inquiry as to the amount of water presently authorized for navigation, you state that it seems desirable that you determine very definitely the exact amount of water presently authorized for navigation purposes below Sioux City. Your letter presents a figure, based on certain stream-flow records, reported to be the average annual inflow of water into the Fort Peck Reservoir, and states that you assume the figure is the entire amount of water presently authorized for navigation. You state that you assume more water could be released in 1 year than in another and that the amount available at Sioux City will be somewhat less than the figure mentioned in your letter as the average annual yield at Fort Peck due to losses before the water reaches Sioux City. You ask to be advised if you are correct in the assumption.

Since there is no fixed amount of water authorized by statute for navigation purposes on the Missouri River other than the capacity of the Fort Peck Reservoir, it cannot be assumed that the average annual inflow into that reservoir cited in your letter is the amount of water authorized for navigation between Sioux City and the mouth of the river. The stream-flow records for the past 50 years indicate that the period between 1934 and 1942, which was used as the basis for the average annual inflow into the reservoir cited in your letter, was embraced within a dry cycle. By interpolating discharges as recorded by the Fort Benton gaging station during the period prior to 1933, the average annual flow of the river at Fort Peck since 1890 is about 65 percent greater than that during the 8-year period ending 1942. As the flow may fluctuate considerably from year to year, the amount of inflow into the reservoir is unpredictable. Accordingly, it would appear that no equitable figure could be chosen as the definite amount of water available for navigation purposes.

It is true that more water can be released from the reservoir in 1 year than in another provided such regulation of the impounded water is consistent with the demands of navigation. During a dry period the amount and duration of the releases would necessarily be greater than during a wet year when it is possible no releases would be required for navigation. The water, instead of going to waste, is stored in the Fort Peck Reservoir for future use in the interest of navigation and other beneficial uses as now authorized by law. With respect to the volume for the releases from the Fort Peck Reservoir that actually reaches Sioux City, it may be stated that the run-off from the watershed between the dam and Sioux City, not otherwise appropriated for irrigation and related purposes, augments the reservoir releases to the extent that the average stream flow at the head of the recommended 9-foot channel is several times the amount of inflow into the reservoir.

You may be assured that the importance of conserving the water resources of the Missouri River Basin is recognized and that operation of the Fort Peck Reservoir is being so scheduled as to conserve all possible water consistent with providing for the requirements of navigation in accordance with the act of Congress authorizing its construction. In my opinion there is sufficient water supply available in the Missouri River Basin to meet all existent requirements. In order to meet the future requirements for irrigation additional reservoirs will be required. Any action in that direction, instead of restricting the use of water for navigation purposes, would advance the development of the Missouri Basin.

Sincerely yours,
THOMAS M. ROBINS,
Major General, Acting Chief of Engineers.

WAR DEPARTMENT,
OFFICE OF THE CHIEF OF ENGINEERS,
Washington, March 17, 1944.

Hon. FRANK A. BARRETT,
House of Representatives,
Washington, D. C.

MY DEAR MR. BARRETT: Reference is made to your letter of March 9, 1944, relating to the amendment to the authorization item in H. R. 3961 for the 9-foot navigation channel in the Missouri River below Sioux City providing that such improvements when accomplished shall not create any demand on the water resources of the Missouri River Basin over that now authorized by existing law. In referring to the Department's letter of February 28, 1944, in reply to your inquiry as to the amount of water presently authorized for navigation, you state that it seems desirable that you determine very definitely the exact amount of water presently authorized for navigation purposes below Sioux City. Your letter presents a figure, based on certain stream-flow records, reported to be the average annual in-flow of water into the Fort Peck Reservoir and states that you assume the figure is the entire amount of water presently authorized for navigation. You state that you assume more water could be released in one year than in another and that the amount available at Sioux City will be somewhat less than the figure mentioned in your letter as the average annual yield at Fort Peck due to losses before the water reaches Sioux City. You ask to be advised if you are correct in the assumption.

Since there is no fixed amount of water authorized by statute for navigation purposes on the Missouri River other than the capacity of the Fort Peck Reservoir, it cannot be assumed that the average annual in-flow into that reservoir cited in your letter is the amount of water authorized for navigation between Sioux City and the mouth of the river. The stream-flow records for the past 50 years indicate that the period between 1934 and 1942, which was used as the basis for the average annual in-flow into the reservoir cited in your letter, was embraced within a dry cycle. By interpolating discharges as recorded by the Fort Benton gaging station during the period prior to 1933, the average annual flow of the river at Fort Peck since 1890 is about 65 percent greater than that during the 8-year period ending 1942. As the flow may fluctuate considerably from year to year, the amount of in-flow into the reservoir is unpredictable. Accordingly, it would appear that no equitable figure could be chosen as the definite amount of water available for navigation purposes.

It is true that more water can be released from the reservoir in one year than in another provided such regulation of the impounded water is consistent with the demands of navigation. During a dry period the amount and duration of the releases would necessarily be greater than during a wet year when it is possible no releases would be required for navigation. The water, instead of going to waste, is stored in the Fort Peck Reservoir for future use in the interest of navigation and other beneficial uses as now authorized by law. With respect to the volume for the releases from the Fort Peck Reservoir that actually reaches Sioux City, it may be stated that the run-off from the watershed between the dam and Sioux City, not otherwise appropriated for irrigation and related purposes, augments the reservoir releases to the extent that the average stream flow at the head of the recommended 9-foot channel is several times the amount of in-flow into the reservoir.

You may be assured that the importance of conserving the water resources of the Missouri River Basin is recognized and that operation of the Fort Peck Reservoir is being so scheduled as to conserve all possible water consistent with providing for the requirements of navigation in accordance with the act of Congress authorizing its construction. In my opinion there is sufficient water supply available in the Missouri River Basin to meet all existent requirements. In order to meet the future requirements for irrigation additional reservoirs will be required. Any action in that direction, instead of restricting the use of water for navigation purposes, would advance the development of the Missouri Basin.

Sincerely yours,
THOMAS M. ROBINS,
Major General, Acting Chief of Engineers.

MARCH 18, 1944.

Maj. Gen. E. REYBOLD,
Chief of Engineers, War Department,
Washington, D. C.:

Re your wire March 17, 1944, navigation proposals for Missouri River. You express opinion these proposals will not adversely affect irrigation uses in Wyoming and I assume you mean also in other upper States. It would appear that in view of this opinion on your part you would have no objection to protective language in H. R. 3961 to insure such upper uses against possible adverse effects. Shall appreciate answer by wire today.

FRANK A. BARRETT,
Member of Congress.

WASHINGTON, D. C.,
March 20, 1944.

Hon. FRANK A. BARRETT,
House of Representatives,
House Office Building,
Washington, D. C.:

Reurtel 18 March under departmental regulations and practice of long standing official expressions of opinion of merits of proposed legislation are made only through established channels and in response to formal request from congressional committee having such legislation under consideration. Compliance with your request would therefore not be appropriate spewr 280.

ROBINS,
Acting Chief of Engineers.

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

Mr. Chairman, this proposed expenditure between Sioux City and Kansas City on the Missouri River is to complete work now in process. The work on this section, according to Colonel Freeman, the district engineer, is 91 percent completed. The total Missouri River project is a $200,000,000 development and is approximately 95 percent completed.

The appropriation involved is $6,000,000 on a small segment of the Missouri River. It is supplemental with the larger project of flood control throughout the entire basin.

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

Mr. Chairman, I am opposed to this amendment. The Army engineers have carefully gone into this Missouri River project, have issued their report, and have recommended that the project be authorized. As the gentleman from Nebraska just said, the project is 91 percent completed at this time. It seems to me that in considering this bill we should do so from the viewpoint that it is an over-all development of a particular program, and we should not let these sectional interests enter in. In my judgment, no section along the Missouri River, or any river, as far as that is concerned, has any priority on the rainfall which ultimately gets into the channels of the river.

Mr. MANSFIELD of Texas. Mr. Chairman, will the gentleman yield?

Mr. HOEVEN. I yield.

Mr. MANSFIELD of Texas. I may state, in regard to the amount of wheat and flour shipped in 1 year down the Missouri River, it has already saved over $400,000 to the farmers there.

Mr. HOEVEN. I thank the gentleman for his contribution. Judging from the official reports, it seems to me that there is going to be enough water in the Missouri River Valley to take care of all the needs for reclamation, irrigation, navigation, and whatever is involved in this particular program.

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

Mr. HOEVEN. I yield.

Mr. CASE. I should like to point out in that connection that an amendment which was adopted yesterday, the so-called committee amendment to the Missouri project, states that the accomplishment of this project shall be done without increasing the water demanded beyond the projects previously authorized by law. Those projects previously authorized by law as far as the Missouri River is concerned are a 6-foot channel and the Fort Peck Reservoir.

With that amendment in the bill this project does not change the water demands on the Missouri River one iota, and with that limiting amendment it should not be involved in any further consideration of the Missouri River; that is whatever the Bureau of Reclamation and the Corps of Army Engineers may agree upon for new uses of the river above Sioux City is not going to be affected by this project in view of the amendment which has been adopted, and I think the chairman of the committee will confirm that that was the interpretation of the amendment at the time it was discussed with the committee, and it has been the interpretation accepted here in the House during all the debate.

Mr. HOEVEN. In the light of all the amendments which have been introduced here it seems that there is some organized attempt to hamper the proposed Missouri River program.

Mr. PETERSON of Georgia. Mr. Chairman, I move that all debate on this amendment do now close.

The motion was agreed to.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Wyoming.

The amendment was rejected.

Mr. CASE. Mr. Chairman, I ask unanimous consent that at the point where I interrogated the gentleman from Iowa [Mr. HOEVEN] I may extend my own remarks.

The CHAIRMAN. Without objection, it is so ordered.

There was no objection.

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

Mr. Chairman, I take this occasion to call the attention of the House to what is perhaps the smallest item in this bill, but which in a way, nevertheless, is one of the most significant items.

You will find on page 25 of the bill a little item for the improvement of the Salmon River in Oregon. It is the smallest of the many projects in the State of Oregon which are authorized in this bill, and which range in cost from a few thousand dollars to several million dollars. It involves an expenditure of only $5,000 for the purpose of removing a large rock from the entrance of a very small coastal river in Oregon.

A few small fishing vessels, having a draft of 2 or 3 feet use the estuary of this little stream as a home port and sometimes as a harbor of refuge. Some of them have been wrecked in bad weather on this rock. There was no seaborne commerce, of course, on this little stream, and nobody had ventured a suggestion that there ever would or could be any. Likewise, on account of its small volume of water nobody ever suggested that it contained any hydro-electric power possibilities. Such a suggestion would have been ridiculous. We simply wanted that rock removed so that it would not wreck the fishing boats and that was the entire purpose and scope of the project.

This little project was first proposed by me in 1938, when I introduced a resolution authorizing a survey by the Army engineers with a view to improving the entrance to this stream by removing the rock. This resolution was approved and the survey was authorized by H. R. 10298, Public Law No. 685, Seventy-fifth Congress. The survey was made and the project was recommended by the district engineer, the division engineer and the Board of Army Engineers for Rivers and Harbors and was duly transmitted to the Congress by the Secretary of War, as provided by law, in 1940.

Now why, Mr. Chairman, do I say this simple little project is significant. It is significant because it was the first piece of legislation, so far as I can learn, with which an executive agency of the Government, unauthorized by any act of Congress, openly tried to interfere. That agency was the National Resources Planning Board, which the Congress has since abolished because of its unauthorized, pernicious interference with the orderly processes of legislation.

In the debate on the 1940 appropriation bill, in which I endeavored to prevent the appropriation of any further funds for this agency, I took occasion to cite this little Salmon River project as an example of the methods used by the National Resources Planning Board to interfere with and to undermine constitutional and orderly processes of Congressional legislation. The speech will be found on pages 4455–56 of the CONGRESSIONAL RECORD of April 12, 1940.

That was a long time ago. We have not had a general river and harbor bill since that time. And so I am going to briefly recite the facts here in connection with the pending bill, which again revives and authorizes this little project.

When the Secretary of War on January 8, 1940, transmitted to the Congress, through the Speaker of the House, the favorable report of the Army engineers on the Salmon River project (H. Doc. No. 551, 76th Cong., 3d sess.), his letter of transmittal contained this statement:

> In forwarding this report your attention is invited to the accompanying memorandum from the President in which he indicates his disapproval of the project on the ground that it is not justified by the population or water-borne commerce affected, and because it is a part of a larger comprehensive project on the Columbia and Salmon Rivers.

Knowing, of course, no comprehensive project either of power or navigation on this very small stream was involved in the engineers' report, and that all that was intended was to remove a rock so that small fishing boats could enter and leave the entrance without being destroyed, I undertook to find out, if I could, why the President should go out of his way, before the report even reached the Congress, to put in an objection to it. The memorandum to which the Secretary of War referred was printed at the very beginning of the engineers' report, and was boldly initialed, "F. D. R." This is what the memorandum said:

> I cannot approve this project for the entrance of the Salmon River. The population of less than 200 does not warrant it; existing water-borne commerce does not justify it, and this is essentially a part of a larger project which will undoubtedly be undertaken by the Government in connection with the development of navigation and power on the Columbia and Salmon Rivers. It should wait until then.

I found out that the President, of course, knew nothing about the Salmon River, and it was obvious that he could not have read the Army engineers' report to which he had attached this memorandum, and which was simple, plain, and unambiguous, and which comprehended only the removal of this rock. The President had undertaken, nevertheless, to veto this little item prior to the time it

was considered by the Congress. I learned he had done this upon the recommendation of the National Resources Planning Board, to whom the engineers' report had been submitted without any authority of law whatever. The law requires that these reports be submitted by the Secretary of War directly to the Congress. Not even the President is entitled to receive them, or in any way to interfere with their direct transmission to Congress. Yet here was the National Resources Planning Board, which had never been even authorized by Congress, holding up this report and recommending to the Congress what it ought to do about it.

I found also, upon further investigation, that this National Resources Planning Board had undertaken to interfere with other legislation in the same way, in connection with a half-dozen other similar bills, but, as I said in the beginning, it was in my speech of April 12, 1940, that this pernicious and illegal interference of the Board in legislation was first brought directly to the attention of the Congress and the country.

From that time to this I have overlooked no opportunity to make known the unauthorized and harmful activities of the National Resources Planning Board, one of the main objectives of which has been to interfere with the ordinary processes of legislation in this Congress, and I have never ceased in demanding that this agency be abolished.

I am glad to say that the Congress of the United States since that time has decided that this agency, which it never authorized in the first place, should no longer exist, and that in the last session of Congress we finally took away the appropriations from the National Resources Planning Board so that it could no longer operate.

I am particularly happy, Mr. Chairman, now that the National Resources Planning Board is a thing of the past, that this little Salmon River project is included in the pending bill. Its history, as I have said, is significant for the reason I have stated, but only for that reason. It is not, as the President's memorandum stated, an essential part of a larger and more comprehensive project involving navigation and power. It is just a project to remove a rock in a very small stream so that little fishing boats may safely use it; and yet I think it has played its part in contributing to the abolishment by Congress of one of the most harmful executive agencies the Congress has ever dealt with.

The CHAIRMAN. The time of the gentleman has expired.

The pro forma amendment was withdrawn.

The Clerk read as follows:

SEC. 2. That the Secretary of War is hereby authorized to allot not to exceed $300,000 from any appropriations heretofore or hereafter made for any one fiscal year for improvement of rivers and harbors, for removing accumulated snags and other debris, and for protecting, clearing, and straightening channels in navigable harbors and navigable streams and tributaries thereof, when in the opinion of the Chief of Engineers such work is advisable in the interest of navigation or flood control.

Mr. MANSFIELD of Texas. Mr. Chairman, I offer an amendment, which I send to the Clerk's desk.

The Clerk read as follows:

Committee amendment offered by Mr. MANSFIELD of Texas: On page 29, after line 21, insert new section, as follows:

"SEC. 3. That (a) the consent, permission, and authority granted to the Commissioners of Lincoln Park, now superseded by the Chicago Park District, a municipal corporation organized and existing under the laws of the State of Illinois to exercise jurisdiction over the navigable waters of Lake Michigan which lie within the following-described boundaries:

"Beginning at a point at the intersection of the existing bulkhead along Lake Shore Drive in Chicago, Ill., with the existing pier which is parallel to and north of Ohio Street extended and south of Ontario Street extended; thence easterly along said pier to a point in a line parallel to and 350 feet easterly of said bulkhead along the Lake Shore Drive; thence northwesterly along said last-described line to a point in a curve of 200 feet radius and tangent both to said last-described line and to a line 350 feet southerly from the southerly side of and parallel to the shore arm extension breakwater extending into Lake Michigan from a point near the intersection of Oak Street and Lake Shore Drive; thence along said curve to a point in said line last described; thence easterly along said line to a point in a line at right angles with said shore arm extension breakwater at the eastern extremity thereof; thence northward along said last-described line to said shore arm extension breakwater; thence westward along said shore arm extension breakwater to the shore line; and (b) the right granted to said The Commissioners of Lincoln Park, now superseded by the Chicago Park District, to destroy the navigability of the above-described waters altogether, and (c) the right granted to said The Commissioners of Lincoln Park, now superseded by the Chicago Park District, to erect an additional breakwater to connect the said shore arm extension breakwater near the intersection of Oak Street and Lake Shore Drive with the shore line, and (d) the transfer of possession of said shore arm extension breakwater to said The Commissioners of Lincoln Park, now superseded by the Chicago Park District, and the obligation for the permanent care, custody, and maintenance of said shore arm extension breakwater by The Commissioners of Lincoln Park, now superseded by the Chicago Park District, all as provided for by the act entitled "An act granting to The Commissioners of Lincoln Park the right to erect a breakwater in the navigable waters of Lake Michigan, and transferring jurisdiction over certain navigable waters of Lake Michigan to The Commissioners of Lincoln Park", approved March 3, 1931, be rescinded.

"The United States of America hereby resumes jurisdiction over the above-described waters and above-described shore arm extension breakwater, and hereby discharges the Chicago Park District, successor to the superseded The Commissioners of Lincoln Park, from its liability for the permanent care, custody, and maintenance of said shore arm extension breakwater.

"Said Chicago Park District shall signify its acceptance of this act by written notice to the Secretary of War within 60 days after the passage of this act, and this section shall become effective immediately upon its acceptance by said Chicago Park District. In the event of nonacceptance within 60 days this section shall become null and void."

Mr. MANSFIELD of Texas. Mr. Chairman, this merely involves property that was turned over to a local concern out there for certain purposes. The property belonged to the Government. This concern no longer wants to use it for that purpose and wants to return it to the Government free of cost.

Mr. O'BRIEN of Illinois. Mr. Chairman, this amendment is to rescind the act approved March 3, 1931, and to provide for resumption of jurisdiction by the United States over the waters and shore-arm extension breakwater, and for the discharge of the Chicago Park District from its liability for the permanent care, custody, and maintenance of said shore-arm extension breakwater. It requires acceptance by the said Chicago Park District, to be signified by written notice to the Secretary of War within 60 days after passage, and provides that upon failure of said Chicago Park District to so signify its acceptance this section shall become null and void.

The shore-arm extension breakwater was built by the United States in 1914–17 as part of the project authorized by Congress to provide an anchorage basin and protect the Navy pier. The maintenance of this breakwater is still necessary for the protection of the harbor, but is no longer required or being maintained by the Chicago Park District.

The item was originally included in H. R. 6264, river and harbor bill, which passed the Congress in April 1940, but was vetoed by the President on May 1, 1940. It was again included in the river and harbor bill introduced in the Seventy-seventh Congress. However, the bill died with the adjournment of the Seventy-seventh Congress. The War Department and the Bureau of the Budget have approved the proposed legislation—see letter from the War Department to the Honorable JOSEPH J. MANSFIELD, chairman, Committee on Rivers and Harbors, House of Representatives, dated May 15, 1939, printed in House Report 1431, Seventy-seventh Congress.

It is believed the proposed legislation is essential at this time, and I hope it will be adopted.

The CHAIRMAN. The question is on the committee amendment offered by the gentleman from Texas [Mr. MANSFIELD].

The committee amendment was agreed to.

Mr. MANSFIELD of Texas. Mr. Chairman, I offer another committee amendment which I send to the Clerk's desk.

The Clerk read as follows:

Committee amendment offered by Mr. MANSFIELD of Texas: Page 29, after line 21, insert the following section:

"SEC. 4. The excess-land provisions of the Federal reclamation laws shall not be applicable to lands which will receive a water supply from the Central Valley project, California, reauthorized by section 2 of the River and Harbor Act approved August 26, 1937."

Mr. VOORHIS of California. Mr. Chairman, I make a point of order against the amendment just offered on the ground that it modifies the fundamental reclamation laws, therefore is not germane to this bill.

The CHAIRMAN. Does the gentleman from Texas [Mr. MANSFIELD] desire to be heard?

Mr. MANSFIELD of Texas. Mr. Chairman, I yield to the gentleman from California [Mr. CARTER] to reply.

Mr. CARTER. Mr. Chairman, in regard to the point of order made by the gentleman from California [Mr. VOORHIS], permit me to say that the Central Valley project as stated in the amendment was reauthorized by section 2 of the River and Harbor Act approved August 26, 1937; therefore this amendment is germane to the pending bill.

Mr. MANSFIELD of Texas. It is an amendment to that act.

Mr. CARTER. Yes.

The CHAIRMAN (Mr. COSTELLO). The Chair is ready to rule.

In view of the fact that the amendment is directed to an amendment of the River and Harbor Act of 1937, the Chair believes the subject matter of the pending amendment is in keeping with the rules of the House regarding germaneness. For that reason the Chair overrules the point of order made by the gentleman from California [Mr. VOORHIS].

Mr. VOORHIS of California. Mr. Chairman, I offer a substitute for the committee amendment.

The Clerk read as follows:

Amendment offered by Mr. VOORHIS of California as a substitute for the committee amendment: Page 29, after line 21, insert the following section:

"SEC. 4. The excess-land provisions of the Federal reclamation lands shall not be applicable to any tract of land that may receive water from the Central Valley project, California, reauthorized by section 2 of the River and Harbor Act approved August 26, 1937, which is held by any one landowner having equitable or legal title on August 26, 1937, or by the heir or devisee of such owner, and which has been farmed by irrigation each crop season since and including 1937: *Provided*, That veterans shall, under suitable regulation, have preference in obtaining, under applicable legislation, the family-sized farms that will be made available on the Central Valley project."

Mr. VOORHIS of California. Mr. Chairman, I ask unanimous consent to proceed for 2 additional minutes.

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

There was no objection.

Mr. VOORHIS of California. Mr. Chairman, this amendment is a very important and serious proposition. First of all, I would like to say that I understand the purpose of its having been offered. It will be said by people who disagree with me, and with some justification, that there are already holdings in excess of 160 acres, some of them very, very much in excess of that amount, whose owners now are irrigating them, and that an application of this limitation would work a hardship on those holdings.

Mr. Chairman, my amendment, I want to point out clearly, will not affect any land that was already being irrigated on the date that the Central Valley Project Act was passed, but it will affect the possibility of thousands upon thousands of acres of undeveloped land belonging, in many instances, to large commercial land companies, being tremendously appreciated in value, because those companies will be able to take advantage of this reclamation water, made possible by expenditure of public money, in the first instance, at least, to enhance the value of those lands and sell to the working farmers at that greatly increased price.

It seems to me if we are looking forward to making it possible for the veterans of this war to settle on the lands of America, if we want to have family-sized farms be the rule under the reclamation projects, the committee amendment is vastly too broad and my substitute should be adopted instead.

In addition, the Reclamation Bureau is at the present time making a study of this whole question, and substantial legislation will, in the near future, be considered by the Committee on Irrigation and Reclamation, where this matter really belongs, and not as an amendment to a river and harbor bill. I agree there are problems. But they need mature and careful consideration, which cannot be given here.

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

Mr. VOORHIS of California. I yield to the gentleman from California.

Mr. CARTER. Is the gentleman aware that a similar provision has been enacted into law in connection with the Colorado-Big Thompson and other reclamation projects where the land was held in private ownership that was within the reclamation district?

Mr. VOORHIS of California. I know it was done in the case of the Colorado-Big Thompson. I do not know about the facts in that situation. I do believe, however, wherever that limitation is lifted and it is allowed to affect undeveloped land, that we are doing something that will cost the working farmer money—sometimes a lot of money—and that is what I want to prevent. I think the purpose of a reclamation project is to make it possible for this water to be used on family-sized farms and not for the purpose of enabling land companies to speculate as a result of the reclamation project.

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

Mr. VOORHIS of California. I yield to the gentleman from Idaho.

Mr. WHITE. Does the gentleman know that the very thing he advocates has been done by this House in passing a bill to prevent speculation in the great Columbia River district?

Mr. VOORHIS of California. That is right, and it seems to me that this committee amendment is a backward step from the action the House took in that connection.

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

Mr. VOORHIS of California. I will yield to the gentleman, and then I hope I will not be asked to yield again. I do not have much time and other people are going to get time after I am through.

Mr. ELLIOTT. Since he has mentioned it, will the gentleman name some of the large companies that will be benefited, as he says?

Mr. VOORHIS of California. I do not think it important to do that, but if the gentleman insists, the Kern County Land Co. is one of them, which would, I believe, be affected.

Mr. ELLIOTT. What other companies?

Mr. VOORHIS of California. I do not believe it makes any difference about the names of companies.

Mr. ELLIOTT. All right; that one company.

Mr. VOORHIS of California. That one company and others own a very considerable amount of land much of which is still undeveloped. If we are interested in our returning veterans, if we are interested in the small farmers, if we really want this reclamation project to be a benefit to the family-farm type of American agriculture, in which I believe, at any rate, my substitute ought to be put in instead of the committee amendment.

There has been a good deal of money expended on the Central Valley project, and irrigation is perhaps the most important single part of the whole project.

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

Mr. VOORHIS of California. I yield to the gentleman from South Dakota.

Mr. CASE. Would not the effect of the gentleman's amendment be to make this project conform to the general reclamation law?

Mr. VOORHIS of California. It would come a lot closer. I thank the gentleman for that contribution. My substitute would bring the thing into conformity with the reclamation law, with the exception that anyone who did have under irrigation lands in excess of 160 acres on the date when the Central Valley Act was first passed, and therefore when people were put on notice that the reclamation laws would in the future apply, could continue to get water on a larger acreage, but otherwise they could not go against the basic reclamation law.

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

Mr. VOORHIS of California. I yield to the gentleman from California.

Mr. IZAC. Do I understand the committee amendment to mean that it raises the limitation of 160 acres that anyone can take under the irrigation and reclamation law?

Mr. VOORHIS of California. That is right. The committee amendment is wide open. There would be absolutely no limit on the amount of land that any one owner could have and get reclamation water for, which means, of course, that the small man would be shut out; and not only that, if he did buy land he would pay the appreciated, higher value, due to the fact that the big holder had the water already.

Mr. IZAC. Does the gentleman think it will help the speculators who are out to sell land to the returning soldiers?

Mr. VOORHIS of California. That is exactly what it would do.

Mr. ANDERSON of New Mexico. Mr. Chairman, will the gentleman yield?

Mr. VOORHIS of California. I yield to the gentleman from New Mexico.

Mr. ANDERSON of New Mexico. Would the gentleman's amendment tend to bring the existing law into conformity with what we did in the Columbia River Basin situation?

Mr. VOORHIS of California. I thank the gentleman. That is precisely what it would do.

Mr. Chairman, there has not been very much time since I learned about the adoption of this amendment to work on the matter. My amendment is an attempt to see if we cannot do something within reason here in the House in order that the whole matter may be threshed out in some fundamental fashion, with due consideration being given to it. I realize there is a problem in certain instances here, but I certainly do not want to see the House in a moment of time "chuck" the whole basic reclamation law in regard to the Central Valley project, without raising my voice in protest.

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

Mr. ELLIOTT. Mr. Chairman, I rise in opposition to the substitute amendment to the committee amendment.

Mr. PETERSON of Georgia. Mr. Chairman, I ask unanimous consent that all debate on this amendment close in 5 minutes.

Mr. ELLIOTT. Mr. Chairman, reserving the right to object, I would like to have 5 additional minutes in opposition to the amendment to the amendment.

Mr. PETERSON of Georgia. Then I ask unanimous consent that all debate close in 10 minutes, the 10 minutes to be allotted to the gentleman from California.

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

There was no objection.

Mr. ELLIOTT. Mr. Chairman, I happen to be the one Member in Congress whose people the committee amendment would benefit and whose people the amendment offered by the gentleman from California [Mr. VOORHIS] would affect.

In the first place, the Central Valley project was authorized to give water to the south San Joaquin Valley. All of that territory, with the exception of a few acres, lies in my congressional district.

To date the Federal Government has spent $150,000,000 for an irrigation project to give the people water to produce food upon their land, yet to date not one gallon of water has been given to the farmer.

To show you that the gentleman from southern California [Mr. VOORHIS] does not know anything about this at all, he named one big company, the Kern County Land Co. The Kern County Land Co. will not need any of the water from the Central Valley project, I would like to inform the gentleman from southern California. I cannot conceive of any Member of Congress coming up out of his own congressional district to interfere with people whom he does not represent.

Mr. VOORHIS of California. Mr. Chairman, will the gentleman yield? He ought to yield to me.

Mr. ELLIOTT. I am not going to yield to the gentleman because he does not know anything about it.

Mr. VOORHIS of California. The gentleman has mentioned my name. I yielded to him in my time. If the gentleman does not want to yield, it is all right with me.

Mr. ELLIOTT. It is?

Mr. VOORHIS of California. Will the gentleman yield?

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

Mr. VOORHIS of California. I would like to ask the gentleman whether it is not true that a very considerable amount of the land that will be affected is owned in large holdings and undeveloped at the present time by various land owners?

Mr. ELLIOTT. That is not a true statement. There are about a million and a half acres of land that this project was set up to assist with a supplemental supply of water. The new acreage that the gentleman talks about amounts to 285,000 to 300,000 acres of land in the San Joaquin Valley. This project was set up to take care of all farmers that are already farming, and whose water tables are being depleted. Lord help this country if we have farmers today sacrificing all holdings more than 160 acres of land.

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

Mr. ELLIOTT. Yes.

Mr. DONDERO. When this came before our committee it was shown that 60 percent of the land was owned by people owning more than 160 acres of land.

Mr. ELLIOTT. That is correct.

Mr. DONDERO. And that 40 percent of the little owners were asking for this particular amendment in order to relieve them.

Mr. ELLIOTT. Yes. I hold in my hand telegrams and resolutions that represent practically every farmer in the San Joaquin Valley, asking that this provision be taken out, little and big all alike, and I have not one asking the opposite. My people, not the gentleman's people of Los Angeles—my people have been paying the bill, and paying it most dearly. We have been endeavoring to get water to help produce food, and it is this kind of propaganda being put out in the State of California that has today stopped the Central Valley project from going ahead—false propaganda, misrepresentations; and I hold in my hand again the plea of my people, and the time has come when we must listen to the people who will pay the bill. My people are going to pay for this water, not the gentleman's people in southern California, and when we had a fight on this issue in the State of California at the time one of the finest Governors we ever had was in office—his brother is now a Member in this House—Governor Rolph, he pleaded with the people of southern California to assist, and the southern California group voted against the project, but we were able to defeat them at that.

Mr. VOORHIS of California. Mr. Chairman, will the gentleman yield?

Mr. ELLIOTT. I yielded to the gentleman once, and I do not believe that he can enlighten me on this project any more.

Mr. VOORHIS of California. I just wanted to say that I supported that project strongly and was for it from the beginning.

Mr. ELLIOTT. And I point out to the House that 60 percent of our farmers own more than 160 acres. All of those farmers should have more than 160 acres of land to make a decent living. This project should not be held down to 40 percent of the small farmers, because the cost would be too great. Let us be sensible. Would I be in the well of this House pleading with you if I did not have the full support of my people who are going to pay for this project in the San Joaquin Valley? I certainly would not. I hold telegrams and resolutions from every water district, and you must have those water districts formed in order to purchase this water when the project is complete. But this project has been set up, so far, not to provide water for the farmers.

As recently as this week, before the Committee on Appropriations, members of the Interior Department Reclamation Division admitted that they had spent all the money for power and nothing for water. A group of five committee members visited that locality last summer. They saw the Friant Dam complete. It has been complete for practically 2 years, except for the gates, and they are available. Nine hundred thousand acre-feet of water wastes through the gates going to the sea. Twenty million dollars of your money has been spent, and not 1 dollar spent to open up the canal so that the farmers can get the water. It is imperative that we form these water districts. My people are not going to form them to be strangled by not being allowed to have more than 160 acres of land. I know the gentleman's program, but I do not go along on that sort of line—socialistic. If we would listen to some people in the United States, each farmer would be farming 5 and 10 and 15 acres, and we would be paying subsidies and asking the taxpayers to make up the difference. We have to get away from that. Let us give a man enough to make a living. Let us give a man enough to make a living, I say, so that he does not have to have a subsidy from the Government. I have been watching this project. I am a farmer, I own my own land, and I know what it is to till the land. The average man who can rear a family today in California in certain types of farming, dairying, needs more than 160 acres to operate a decent kind of a dairy. Anybody knows that. This is not anything new. All we ask is to take this limitation off, so that the small farmer can afford to pay for the water, and so that the large farmer will not have part of his land destroyed. He has been paying taxes and owns water rights. Let us give them all proper protection and pass the committee amendment and defeat the amendment that the gentleman from California [Mr. VOORHIS] offered as a substitute. I say to the House again, and I speak in all earnestness, that the Central Valley project is what I came

to Washington for and nothing else. It was to try to get water for the people of the San Joaquin Valley. In my congressional district last year, the richest in all the United States, we produced over $200,000,000 worth of food and fiber. We are helping to win the war. We have been strangled and sold down the river. We have been driven into a power project, from a water project supposed to be given to the farmers. There are Members sitting on the floor here who can stand up, members of the Committee on Appropriations, who will tell you that I am speaking the truth. I am not for large holding companies to make easy money out of this project, but, gentlemen, these companies have been farming out there for years. I have not seen anybody getting rich. People are trying to leave the farms, instead of coming to them. I saw a piece of property just after the first of the year, and we are talking about the big farmer, where they are operating today and where one man takes the place of 23 in their operation, and we could not feed the Nation if it were not for the large farmer and his operations. If we are going to limit the farmer, we might as well say to Henry Ford that he can only make 20 automobiles in a year, because Charlie across the road only wants to make that many.

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

Mr. PETERSON of Georgia. Mr. Chairman, a parliamentary inquiry. As I understand it a committee amendment is before the House, and the gentleman from California [Mr. VOORHIS] has offered an amendment to the committee amendment.

The CHAIRMAN. The gentleman from California has offered a substitute for the committee amendment. The question before the House is, Shall the substitute amendment offered by the gentleman from California be agreed to?

The question was taken, and the substitute was rejected.

The CHAIRMAN. The question now recurs on the committee amendment.

The committee amendment was agreed to.

Mr. MADDEN. Mr. Chairman, one of the most important duties of our Government and especially this Congress is to plan and prepare now for the after-war program of providing work and employment for the millions of boys who are today sacrificing everything to preserve free government in America.

I have the honor of representing one of the greatest industrial areas in the United States, located on the shores of Lake Michigan and immediately adjacent to the southern borders of the city of Chicago. At no spot in America are there greater possibilities for manufacturing expansion than the Calumet region of Indiana, with its present railroad and water transportation on Lake Michigan to the north, and its river and canal connections with the Mississippi to the southwest.

The provisions in H. R. 3961 calling for an authorization to develop the natural water transportation opportunities in the Illinois-Indiana Calumet area is of prime importance, and its construction would bring to this district hundreds of industries and the giving of employment to thousands of workers and returning war veterans. We hear a great deal of lip service, conversation, and resolutions about post-war planning and the necessity of giving employment to the millions of boys who in a short time will return from the battle front. The only practical way to provide jobs is to lay the foundation for industry and manufacturing. The authorization by Congress of this Indiana-Illinois river and canal project would be a major step in post-war planning in the Middle West.

This district is the center of steel manufacturing, and on the Indiana side we have East Chicago with fifty-odd important industries, the city of Hammond with approximately 80, and Whiting with its large oil refineries and other industries. Immediately to the southeast we have Gary with the Carnegie-Illinois Steel Corporation and its subsidiaries which produce millions of tons of steel per year. This corporation owns and maintains its own harbor, known as the Gary Harbor, on Lake Michigan and receives at this port many tons of iron, coal, and stone by deep-draft vessels on the Great Lakes.

The Universal Atlas Cement Co. is also located between Gary and Indiana Harbor with its Buffington Lake Harbor where it receives many tons of material by deep-draft vessel.

In addition to the above, the city of Gary has the American Bridge Co., the Tubular Alloy Steel Corporation, the Union Drawn Steel Corporation, the Standard Steel Spring Corporation, and the Gary Screw & Bolt Co. and other smaller industries shipping many thousands of tons annually out of this area. I am mentioning the above regarding the city of Gary because with a very small comparative expense the Army engineers could extend the barge canal along the Grand Calumet River from the juncture of the Indiana Harbor Canal in East Chicago to Clark Road at the city limits of Gary and afford these industries inland waterway transportation to points south.

I might say that the State of Indiana, the administrative and the State planning board, along with the municipalities of all the industrial cities in the Calumet area, their chambers of commerce, all civic organizations, and various labor groups have been advocating for years the development of the Calumet region's natural inland-waterway possibilities. Organized labor in my district can see the unlimited possibilities if this great Government improvement is made; it might prove to be the barrier which would protect us from another unemployment depression similar to 1930, 1931, and 1932.

If this additional transportation facility becomes a reality, grouped with our railroad and lake transportation, we would in 20 years see an industrial development along the south shore of Lake Michigan which will give employment to hundreds of thousands of American citizens. This development, based on its phenomenal growth in the last 25 years, undoubtedly will come. Heavy industry throughout the State of Indiana is confined greatly to the Calumet district, and this rapid growth has taken place in spite of only a limited, one-way water transportation.

The freight transportation problems of this region are common to both Indiana and Illinois, and the Army engineers who have given this area so much of their time and constructive thought are deserving of the thanks and gratitude of all our citizens.

This bill, as far as it pertains to the Illinois-Indiana Waterway and Canal, calls for the widening of the Calumet Sag Channel from 60 to 160 feet and keeping it at the present depth of 9 feet; the Grand Calumet River would be widened from 100 feet and depth to 6 feet, to 160 and 9 feet. It also calls for the replacement of an inadequate lock in the Little Calumet River and providing for railroad bridges. Local interests pay for the highway bridges and also provide for all adjacent land.

If this project receives the final approval of the Army engineers, within a short time after its completion there will be hundreds of new industries demanding perfect rail and water transportation move in to this Indiana Calumet district. In a short time the freight transportation of this area would be more than tripled. This great influx of industries will extend to our railroads a greater volume of business in freight transportation, far more than they enjoy in and out of this area at the present time. It was water transportation down Lake Michigan to Gary and East Chicago that provided the iron ore for the mammoth steel mills which produce the finished products for the railroads to transport in all directions. In numerous areas throughout our Nation railway and water transportation are interdependable. The growth of one assures the progress of the other and vice versa.

I am not familiar with all the proposed projects set out in this legislation, H. R. 3961, but I am thoroughly acquainted with the project referred to as the Illinois Waterway, Illinois, and Indiana Harbor and Canal, Indiana, House Document Number 145, in this bill. This project has been certified as economically sound after long study by the Corps of Engineers, United States Army.

We have found that the future of the democratic world depends upon ships and shipping; let us not retard commercial progress, as we would be in a deplorable condition today if it were not for our present Federal waterway system. When initiated, other waterway projects, vital to us now, were criticized or condemned by selfish interest and short-sighted groups.

I have every confidence that if there are any projects in this legislation not meritorious and economically sound, they will be refused by the War Department and Army engineers if Congress makes this authorization.

The CHAIRMAN. The Clerk will read.

Mr. MANSFIELD of Texas. Mr. Chairman, the next section in the bill is section No. 3 for surveys. I ask unanimous consent that the reading of section 3 be dispensed with and that it be printed at this point in the RECORD.

The CHAIRMAN. Is there objection?

There was no objection.

Section 3 reads as follows:

SEC. 3. The Secretary of War is hereby authorized to direct to cause preliminary examinations and surveys to be made at the following-named localities, the cost thereof to be paid from appropriations heretofore or hereafter made for such purposes: *Provided*, That no preliminary examination, survey, project, or estimate for new works other than those designated in this or some prior act or joint resolution shall be made: *Provided further*, That after the regular or formal reports made as required by law on any examination, survey, project, or work under way or proposed are submitted no supplemental or additional report or estimate shall be made unless authorized by law: *And provided further*, That the Government shall not be deemed to have entered upon any project for the improvement of any waterway or harbor mentioned in this act until the project for the proposed work shall have been adopted by law: *Provided further*, That reports of surveys on beach erosion and shore protection shall include an estimate of the public interests involved, and such plan of improvement as is found justified, together with the equitable distribution of costs in each case: *And provided further*, That this section shall not be construed to interfere with the performance of any duties vested in the Federal Power Commission under existing law:

Beals Harbor, Maine.

Blue Hill Harbor, Maine.

Macks Point, Searsport, Maine, with a view to the construction of a harbor.

Scarboro River, Maine, between Prouts Neck and Pine Point.

Bunganuc Creek, Maquoite Bay, Maine.

Cathance River, Maine.

Winterport Harbor, Maine.

Cundys Harbor, Maine.

Wood Island Harbor, Maine, and the pool at Biddeford.

For a continuous waterway between Portland, Maine, and Boston, Mass., inland where possible.

Waterway from Plum Island Sound to the Annisquam River, Essex County, Mass.

Ipswich River, Plum Island Sound and Fox Creek, Mass.

Fall River Harbor, Mass.

Channel to Hog Island, Hingham Bay, Mass.

Eightmile River, Conn.

Moriches Inlet, N. Y.

Centerport Harbor, Long Island, N. Y.

Shinnecock Inlet, Long Island, N. Y.

Fire Island Inlet, N. Y.

Saw Mill River, N. Y.

Bronx River, N. Y.

Westchester Creek, N. Y.

Hutchinson River, N. Y.

Steinway Creek, Astoria, N. Y.

Champlain Canal, N. Y., with a view to its improvement without taking title to said canal and its appurtenances.

Hudson River, at or near North Germantown, Columbia County, N. Y.

Hudson River at the mouth of Endikill Creek, N. Y., with a view to constructing a small boat anchorage basin.

Mohawk River, N. Y.

Hackensack River, N. J.

Salem River, Salem County, N. J.

Fishing Creek, Cumberland County, N. J.

Cheesequake Creek, N. J.

Schuylkill River, Pa., to determine whether navigation conditions may be improved, and if the increasing cost of maintenance due to silting in the channels of the Schuylkill and Delaware Rivers may be lessened, and flood heights controlled, by the construction of impounding and settling reservoirs to prevent the encroachment of mining wastes.

Waterway from Indian River Inlet to Rehobeth Bay, Del.

Marumsco Creek, lower Somerset County, Md.

Websters Cove, Somerset County, Md., with a view to constructing a jetty in the project channel.

Taylors Landing, Worcester County, Md.

Channel from Charlestown, Northeast River, Md., to Havre de Grace.

Channel from Havre de Grace, Md., to Red Point, via Stump Point and Carpenter Point.

Honga River and Tar Bay, including channel into and harbor in Back Creek, Hooper Island, Md.

Channel in Honga River, to the plant of White and Nelson, Hoopersville, Md.

Harbor at Public Landing, Worcester County, Md.

Cambridge Harbor, Md.

Rockhall Harbor, Md.

Ross Cove (Magothy River), Md.

Cambridge Harbor, Md.

Coxes Creek, tributary of Stony Creek, Md.

Channels to Lake Ogleton and Walnut Lake, Anne Arundel County, Md.

Channel from Kent Island Narrows to Well Cove, Chester River, Md.

Port Tobacco Creek, Md.

Hellens Creek, Calvert County, Md.

Channel from Rhodes Point to Tylerton, Somerset County, Md.

St. Patricks Creek, Md.

Big Kingston Creek, St. Marys County, Md.

Tanners Creek, St. Marys County, Md.

Parkers Creek, Calvert County, Md.

Chester River Channel, Md.

Potomac and Anacostia Rivers and adjacent waters in and near the District of Columbia, with a view to attaining a comprehensive and coordinated improvement and development of such waters and their shores. In determining the recommendations to be made with respect to such improvement and development, consultations shall be had with, and consideration given to the recommendations of, the National Capital Park and Planning Commission and the Commissioners of the District of Columbia.

Potomac River and tributaries at and below Washington, D. C., with a view to elimination of the waterchestnut.

Potomac River at and near Washington, D. C.

Potomac and Anacostia Rivers at and near Washington, D. C., with a view to providing a municipal sailing base.

Farnham Creek, Richmond County, Va.

Southwest side of Rappahannock River, in vicinity of Bowlers Wharf, Essex County, Va., to secure harbor of refuge and connecting channels.

Finneys Creek, Accomac County, Va., and the channel connecting said creek with Wachapreague Inlet and the Atlantic Ocean.

Jackson Creek, Westmoreland County, Va.

Bonum Creek, Westmoreland County, Va.

Kings Creek, Northampton County, Va.

Bransons Cove, lower Machodoc River, Va.

Taskmers Creek, Northumberland County, Va.

Davis Creek, Mathews County, Va.

Dyer Creek, Mathews County, Va.

Deep Creek, Accomac County, Va.

Browns Bay, Gloucester County, Va., and the channel connecting said bay with Mobjack Bay.

Parrotts Creek, Middlesex County, Va.

The Hague (Smith Creek), Va.

Southern Branch of Elizabeth River, Norfolk Harbor, Va.

Chuckatuck Creek, Nansemond and Isle of Wight Counties, Va.

Little Creek, Princess Anne County, Va.

Channel from the Thoroughfare to Albemarle Sound, N. C., either by way of lower Cashie River, Middle River, and Bachelors Bay, or by way of any other route.

Purviance Creek, New Hanover County, N. C.

Little Pee Dee River, S. C., from junction of the Lumber River to the Great Pee Dee River, with a view to removing logs, debris, and other obstructions.

Jefferys Creek, Florence County, S. C.

Murrells Inlet, S. C.

North River, Ga.

St. Marys River, Ga. and Fla.

Intracoastal Waterway from Jacksonville to Miami, Fla., with a view to providing an auxiliary side channel from the Intracoastal Waterway near Titusville through, and easterly of, Merritt Island via Banana Creek and River, to, or near, Eau Gallie, Fla.

Side channels, or spur channels, leading from the Intracoastal Waterway from Jacksonville to Miami, Fla., to, and turning basins or harbors at, the various communities on or near the banks of said waterway, having particular reference to providing such improvements to and at Titusville, Flagler Beach, New Smyrna, Fort Pierce, and to the Lighthouse Service Depot at Taylor Creek, adjacent to Fort Pierce Harbor.

St. Augustine Harbor, and vicinity, Fla.

Kissimmee River, Fla.

Jupiter Inlet, Fla.

Oklawaha River, Fla., from Lake Apopka through Lake Dora to Lake Eustis and adjoining waterways.

Oklawaha River, Fla., from Lake Eustis to Lake Griffin, and thence from Lake Griffin to Silver Springs Run.

Oklawaha River and its tributaries, Fla., with a view to improvement in the interest of navigation, flood control, and related purposes.

Orange Lake Basin, Fla.

Wacasassa River and its tributaries, Fla., with a view to improvement in the interest of navigation, flood control, and related purposes.

Channel and harbor at Everglades, Collier County, Fla.

Bakers Haulover Inlet, Fla.

Waterway from packing house and railroad terminal at Belle Glade, Fla., to Lake Okeechobee and to the Intracoastal Waterway through the Hillsboro and West Palm Beach Canals.

Peace River, Fla.

Channel to Pahokee, on Lake Okeechobee, Fla.

Lake Okeechobee and its tributary streams, Fla., with a view to removing the waterhyacinth.

Fisheating Creek, Fla.

Channel from bridge at Bradenton, Fla., to deep water in Gulf of Mexico (Tampa Bay).

Channel from Tampa Bay to Safety Harbor, Fla.

Channel from Old Tampa Bay to Oldsmar, Fla.

Channel leading from Tampa Bay Channel directly north to the vicinity of Maximo Point near St. Petersburg, Fla.

St. Petersburg Harbor, Fla., to provide for a channel up to the depth of 30 feet from the main Tampa Bay ship channel past the port of St. Petersburg in front of the recreation pier.

Channels through Big Pass and Little Pass, from Clearwater Bay, Fla., to deep water in the Gulf of Mexico.

Sarasota Bay, Fla.: Channel from Caseys Pass (Venice Inlet), through Dona Bay to the bridge on the United States Highway No. 41, including a turning basin at the eastern terminus of the channel.

Hudson River, Fla.

Channel from the deep water in St. Joseph Sound to, and turning basin at, Ozona, Fla.

Chassahowitska River, Fla.

Channel, turning basin, and improvements at Horseshoe, Dixie County, Fla.

Sante Fe River, from bridge on Federal Highway No. 41, near High Springs, to the Suwannee River, and from this bridge upstream to Camp Blanding, Kingsley Lake, Fla.

Waterways from Camp Blanding, Kingsley Lake, Fla., via Black Creek to St. Johns River, and (or) via Black Creek and Doctors Inlet to St. Johns River.

Canal from Saint Marks to Tallahassee, Fla.

Chipola River, Ala. and Fla., with a view to its improvement in the interest of navigation, flood control, power, and other related purposes.

Waterway from the Intracoastal Waterway south across Santa Rosa Island, Fla., to a point at or near Deer Point Light.

La Grange Bayou, Fla.

St. Josephs Bay, Fla.

Entrance to Perdido Bay, Ala. and Fla., from the Gulf of Mexico to deep water in Perdido Bay, via the most practicable route.

Waterway from the Escambia River to the Alabama River, Fla., and Ala.

Tennessee, Tombigbee, and Mobile Rivers, with a view to securing a through waterway of 12 feet depth and suitable width between the Ohio River and the Gulf of Mexico.

Fly Creek, Fairhope, Ala.

Grand Bayou Pass, La., from the Gulf of Mexico to Buras and Empire.

Bayou Schofield, La., from the Gulf of Mexico to Buras and Empire.

Ship canal to extend from the Mississippi River at a point at or near the city of New Orleans, La., to the Gulf of Mexico, by way of the best available route or routes.

Grand Bayou, connecting Bayou Boeuf and Bayou Chevreuil, La.

Barataria Bay and connecting channels, La., to provide a continuous waterway from the Gulf of Mexico to the intracoastal waterway.

Bayou Boeuf, La Fourche Parish, La.

Lake Pontchartrain, La., with a view to the construction of a seaplane base in the vicinity of New Orleans.

Mermentau River, La., from Grand Chenier to the Gulf.

Bell City Drainage Canal, La.

Bayou La Fourche, La., from the Gulf of Mexico to Leeville or to Golden Meadow.

Bayou La Fourche, La., from Donaldsonville to the Intracoastal Waterway, via Bayou Boeuf, Assumption Parish.

The shore of Galveston Bay, Tex., with a view to preventing its erosion.

Pine Island Bayou, Tex.

Cedar Bayou Pass, Corpus Christi Pass, and Pass at Murdocks Landing, Tex.

Little Bay, Tex.

Sabine River, Tex.

Neches River, Tex.

Big Sandy Creek, Tex.

Cypress Creek, Tex.

Sabine-Neches Waterway, Tex., with a view to further improvements in the interest of navigation and the prevention of damage by floods.

Waterway from the Neches River, by way of Pine Island Bayou and extension, to Trinity River, Tex.

Colorado River, Tex.

Waterway from Alvin, Tex., to the Intracoastal Waterway.

Ouachita River, with a view to the construction of a dam at or near Rockport, Ark., in the interest of navigation, flood control, and the development of hydroelectric power.

Loosahatchie River, Tenn., from its mouth to the O. K. Robertson Road and including the area west of the Illinois Central Railroad and north of Wolf River, with a view to extending the navigation facilities of Memphis Harbor.

Mississippi River: Davenport (Iowa) harbor of refuge.

Mississippi River at Cassville, Wis.

Mississippi River at Prairie du Chien, Wis.

Mississippi River at Alma, Wis.

Mississippi River at Maiden Rock, Wis.

Illinois and Mississippi Canal, Ill.

St. Croix River Basin, Minnesota and Wisconsin, including consideration of the construction of dam below the mouth of Kettle River.

Red River of the North Drainage Basin, Minnesota, South Dakota, and North Dakota.

Missouri River in South Dakota.

Tofte Harbor, Minn.

Lake Kabetogama, Minn.

Waterway connecting Lake Superior and Lake Michigan, from Au Train Lake to Little Bay de Noc, Mich.

Harbor at mouth of Au Train River, Mich.

Shelldrake Harbor, Mich.

St. Marys River at Sault Sainte Marie, Mich., with a view to providing facilities for light-draft navigation.

Algoma Harbor, Mich.

Galien River, Berrien County, Mich.

Pine River, Mich.

Pinconning River, Mich.

Waterway from Lake Erie, at or near Toledo, Ohio, to the southerly end of Lake Michigan by way of the Maumee River and the city of Fort Wayne, Ind., or other practicable route.

St. Marys River, Ohio and Ind.

Maumee River, Ind. and Ohio.

Harbor at Ballast Island, Ohio.

Vermilion Harbor, Ohio, with a view to improvement in the interest of navigation and related purposes.

Rocky River, Ohio.

At or near North East, Pa., with a view to constructing a harbor of refuge.

Harbor at Hamburg Township, N. Y.

Little River (branch of Niagara River), at Cavuga Island, Niagara Falls, N. Y.

Port Bay, N. Y.

Chaumont River, N. Y.

At and in the vicinity of Henderson, N. Y., with a view to constructing a harbor.

At and in the vicinity of Sacketts Harbor, N. Y., with a view to providing additional harbor facilities.

Point Dume, Calif.

Santa Monica Harbor, Calif.

The coast of southern California, with a view to the establishment of harbors for light-draft vessels.

Pillar Point, Half Moon Bay, San Mateo County, Calif.

Nelscott, Oreg., with a view to protection of the beach.

Harbor at Empire, Oreg.

Alsea Bay, Oreg., with a view to the construction of a harbor of refuge.

Channel at Charleston, South Slough, Oreg.

Grays Harbor, Wash., with a view to constructing a channel into Bay City.

Grays Harbor, Wash., with a view to providing a breakwater and other improvements at and near Westport.

Friday Harbor, Wash.

Sitka Harbor, Alaska.

Cordova Harbor, Alaska.

Kodiak Harbor, Alaska.

Neva Strait and Olga Strait, Alaska.

Upper Kvichak River, Alaska.

Skagway Harbor, Alaska.

Kalaupapa Landing, Island of Molokai, Hawaii.

Kalepolepa Boat Harbor, Island of Maui, Hawaii.

Aguadillo Harbor, P. R.

Humacao Playa, Punta Santiago, P. R.

Mr. MANSFIELD of Texas. Mr. Chairman, I will state there are 28 amendments to be offered to section 3. I ask unanimous consent they may be considered en bloc and printed at this point in the RECORD.

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

There was no objection.

The committee amendments are as follows:

Committee amendment offered by Mr. MANSFIELD of Texas: Page 29, line 22, strike out "3", and insert in lieu thereof "5."

Committee amendment offered to the preliminary examination and survey section of the pending bill by Mr. MANSFIELD of Texas: Insert the following items on the pages and places hereinafter designated:

Page 31, after line 13:

"New Bedford and Fairhaven Harbors, Mass.; particularly with a view to providing greater depth in the eastern portion of the anchorage basin."

Page 31, after line 17:

"The southern coast of Long Island, from the New York City line to Montauk Point, N. Y., with a view to the improvement and protection of the beaches along said coast, such examination and survey to be made under the provisions of section 2 of the River and Harbor Act approved July 3, 1930, and the act entitled 'An act for the improvement and protection of the beaches along the shores of the United States,' approved June 26, 1936."

Page 32, after line 6:

"Arthur Kill, N. Y. and N. J., between a point 1,000 feet north of the mouth of Smiths Creek and a point 1,000 feet south of Buckwheat Island."

Page 32, after line 7:

"Coast of New Jersey, from Sandy Hook to Cape May, with a view to the improvement and protection of the beaches along said coast, such examination and survey to be made under the provisions of section 2 of the River and Harbor Act approved July 3, 1930, and the act entitled 'An act for the improvement and protection of the beaches along the shores of the United States,' approved June 26, 1936."

Page 32, after line 17:

"Mispillion River, Del., up to Milford."

Page 32, after line 22:

"Pocomoke River, Md., from Old Rock Buoy to Williams Point."

Page 33, after line 14, insert:

"Walnut Creek, Anne Arundel County, Md., lying between Bay Ridge and Arundel-on-the-Bay."

Page 36, after line 25:

"For a system of interlocking open-river and canalized channels having a depth of 12 feet, and of suitable width, to be constructed through rivers and lakes, and by land cuts, as follows: From Palatka, Fla., to the Indian River at Sebastian, Melbourne, Eau Gallie, Cocoa, or such other locality as may be found most suitable; from Titusville westerly to the St. Johns River, thence to Lake Tohopekaliga; from Lake Tohopekaliga to Leesburg, on Lake Harris; from Lake Harris to the St. Johns River near Dexter Lake, or alternately from Lake Harris to the Wekiwa River, thence to the St. Johns River; and from Lake Tohopekaliga via the Kissimmee River and Lake Okeechobee to a connection with the Okeechobee Cross-Florida Channel; all with a view to improvement in the interest of navigation, flood control, and water conservation."

Page 38, after line 2:

"Hillsboro Inlet, Fla., in the vicinity of Pompano."

Page 39, after line 5:

"Aucilla River, Fla.

"Bayou Texar, Fla."

Page 40, after line 13:

"Gulf Intracoastal Waterway and connecting streams, lakes, and bays in Louisiana between Bayou Sale ridge and the Calcasieu River in the interest of navigation, flood control, irrigation, and drainage."

Page 41, after line 2:

"Dickinson Bayou, Tex.

"Jones Creek, Tex., with a view to improvement in the interest of navigation and flood control."

Page 42, after line 3:

"Allegheny River, up to Warren, Pa."

Page 42, after line 4:

"Grand Portage Harbor, Minn."

Page 42, after line 11:

"Harbor at St. Ignace, Mich.

"Mackinac Harbor, Mich."

Page 42, line 12: Strike out "Algoma Harbor, Mich."

Page 42, after line 15:

"Clinton River, Mich."

Page 42, after line 21:

"The coast of Lake Erie, with a view to the establishment of harbors of refuge for light-draft vessels for commercial and, or, recreational purposes."

Page 42, after line 24:

"Minnesota River, Minn., up to a point 10 miles above New Ulm, with a view to improvement in the interest of navigation and related purposes.

Page 43, after line 6:

"Oswego Harbor, N. Y."

Page 43, after line 17:

"Monterey Harbor, Calif.

"Carquinez Strait and Alhambra Creek, Calif., with a view to providing harbor improvements at, and in the vicinity of, Martinez."

Page 43, after line 22:

"Willapa Harbor, Wash., with a view to providing a channel to, and turning basin at, Tokeland dock; also with a view to providing a mooring basin and breakwater at and near Nahcotta dock, Nahcotta."

Page 44, after line 9:

"Valdez Harbor, Alaska, with a view to its improvement, and particularly with respect to the expansion of facilities for harborage of small boats.

"Cook Inlet, Alaska, with a view to improvement for navigation, providing harbor facilities for the city of Anchorage, and the development of hydroelectric power.

"Anchorage Harbor, Alaska, with a view to its improvement, and with the view of determining the advisability of providing additional harbor facilities for small boats."

The CHAIRMAN. The question is on agreeing to the committee amendments.

The committee amendments were agreed to.

Mr. ANDREWS of New York. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. ANDREWS of New York: On page 43, line 4, change the letter "v" in the last word to the letter "y", so that it will read:

"Cayuga Island, Niagara Falls, N. Y."

The amendment was agreed to.

The CHAIRMAN. Are there any further amendments to section 3? The Chair hears none. Under the rule, the Committee will rise.

Accordingly the Committee rose; and the Speaker having resumed the chair, Mr. COSTELLO, Chairman of the Committee of the Whole House on the state of the Union, reported that that Committee had had under consideration H. R. 3961, a bill authorizing the construction, repair, and preservation of certain public works on rivers and harbors and for other purposes, and pursuant to House Resolution 464, reported the same back to the House, with sundry amendments agreed to in the Committee of the Whole.

The SPEAKER. Under the rule, the previous question is ordered. Is a separate vote demanded on any amendment?

Mr. RANKIN. Mr. Speaker, I demand a separate vote on the Tombigbee Inland Waterway amendment.

The SPEAKER. Is a separate vote demanded on any other amendments? If not, the Chair will put them in gross.

The other amendments were agreed to.

CALL OF THE HOUSE

Mr. RANKIN. Mr. Speaker, I make a point of order that there is no quorum present.

The SPEAKER. The Chair will count. [After counting.] Evidently no quorum is present.

Mr. PETERSON of Georgia. Mr. Speaker, I move a call of the House.

A call of the House was ordered.

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

[Roll No. 47]

Allen, Ill.	Gale	Monroney
Andresen, August H.	Gamble	Morrison, La.
Baldwin, Md.	Gibson	Morrison, N. C.
Baldwin, N. Y.	Gifford	O'Connor
Barry	Green	O'Toole
Bates, Mass.	Hall, Edwin Arthur	Phillips
Bonner	Harless, Ariz.	Plumley
Buckley	Hendricks	Price
Bulwinkle	Horan	Rees, Kans.
Burgin	Kee	Rizley
Busbey	Kelley	Scanlon
Celler	Lambertson	Short
Chenoweth	Lane	Smith, Maine
Disney	Larcade	Stearns, N. H.
Feighan	LeFevre	Sullivan
Fernandez	Luce	Taylor
Fogarty	McGehee	Thomas, N. J.
Fuller	McLane	Vorys, Ohio
Fulmer	Manasco	Vursell
Furlong	Merrow	Winter

The SPEAKER. Three hundred and fifty-seven Members are present, a quorum.

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

THE RIVER AND HARBOR ACT

The SPEAKER. The Clerk will report the amendment on which a separate vote is demanded.

The Clerk read as follows:

On page 17 strike out all of lines 10 to 14, inclusive.

Mr. DONDERO. Mr. Speaker, a parliamentary inquiry.

The SPEAKER. The gentleman will state it.

Mr. DONDERO. A vote to sustain the amendment would be a vote "aye," and a vote against the amendment would be a vote "no"; is that correct?

The SPEAKER. That is always the case.

Mr. RANKIN. A parliamentary inquiry, Mr. Speaker.

The SPEAKER. The gentleman will state it.

Mr. RANKIN. A vote "aye" would be against the committee; a vote "no" would be to sustain the committee.

The SPEAKER. That is hardly a parliamentary inquiry, but it is undoubtedly true.

The question is on agreeing to the amendment.

The question was taken; and on a division (demanded by Mr. DONDERO) there were—ayes 113, noes 122.

Mr. DONDERO. Mr. Speaker, I demand the yeas and nays.

The yeas and nays were ordered.

The Clerk called the roll; and there were—yeas 195, nays 157, answered "present" 1, not voting 75, as follows:

[Roll No. 48]

YEAS—195

Andersen, H. Carl.	Gossett	Norrell
Anderson, Calif.	Graham	Norton
Andrews, N. Y.	Grant, Ind.	OBrien, Ill.
Arends	Griffiths	O'Brien, N. Y.
Arnold	Gross	O'Hara
Auchincloss	Gwynne	O'Konski
Beall	Hale	Plumley
Beckworth	Hall, Leonard W.	Poage
Bender	Halleck	Poulson
Bishop	Hancock	Powers
Blackney	Harness, Ind.	Pracht, C. Frederick
Bolton	Herter	Pratt, Joseph M.
Boren	Hess	Ramey
Bradley, Mich.	Hill	Randolph
Bradley, Pa.	Hoch	Reece, Tenn.
Brehm	Hoeven	Reed, Ill.
Brown, Ohio	Hoffman	Reed, N. Y.
Brumbaugh	Holmes, Mass.	Rizley
Buffett	Howell	Robertson
Burch, Va.	Hull	Robsion, Ky.
Butler	Jeffrey	Rockwell
Carrier	Jenkins	Rodgers, Pa.
Carson, Ohio	Jennings	Rogers, Mass.
Carter	Jensen	Rohrbough
Celler	Johnson, Anton J.	Rolph
Chapman	Johnson, Ind	Russell
Chiperfield	Johnson, J. Leroy	Sauthoff
Church	Johnson, Ward	Schiffler
Clevenger	Jones	Schwabe
Cochran	Jonkman	Scott
Cole, Mo.	Judd	Shafer
Cole, N. Y.	Kean	Sheppard
Compton	Kearney	Simpson, Ill.
Costello	Keefe	Smith, Ohio
Crawford	Kilday	Smith, Va.
Crosser	Kinzer	Smith, W. Va.
Cunningham	Kunkel	Smith, Wis.
Curtis	Landis	Snyder
Day	LeCompte	Springer
Dewey	Lesinski	Stanley
Dickstein	Lewis	Stefan
Dingell	Ludlow	Stevenson
Dirksen	McConnell	Sumner, Ill.
Dondero	McCowen	Sundstrom
Douglas	McGregor	Taber
Durham	McWilliams	Talbot
Dworshak	Mass	Talle
Eaton	Madden	Tibbott
Eberharter	Mahon	Towe
Elliott	Maloney	Treadway
Ellis	Martin, Iowa	Troutman
Ellison, Md.	Martin, Mass.	Vincent, Ky.
Elston, Ohio	Mason	Wadsworth
Fellows	May	Ward
Fenton	Michener	Wasielewski
Fish	Miller, Conn.	Weiss
Fisher	Miller, Mo.	Wigglesworth
Flannagan	Miller, Nebr.	Willey
Gavin	Miller, Pa.	Wilson
Gerlach	Monkiewicz	Wolcott
Gilchrist	Mruk	Wolfenden, Pa.
Gillette	Mundt	Wolverton, N. J.
Gillie	Murray, Wis.	Woodruff, Mich.
Goodwin	Myers	Woodrum, Va.
Gordon		Worley
Gorski		

NAYS—157

Abernethy	Barry	Boykin
Allen, La.	Bates, Ky.	Brooks
Anderson, N. Mex.	Bell	Brown, Ga.
Andrews, Ala.	Bennett, Mich.	Bryson
Angell	Bennett, Mo.	Burchill, N. Y.
Barrett	Bland	Burdick
	Bloom	Byrne

Camp	Holifield	Peterson, Fla.
Cannon, Fla.	Holmes, Wash.	Peterson, Ga.
Cannon, Mo.	Hope	Pfeifer
Capozzoli	Horan	Philbin
Carlson, Kans.	Izac	Pittenger
Clark	Jackson	Ploeser
Clason	Jarman	Priest
Coffee	Johnson, Luther A.	Ramspeck
Colmer	Johnson, Lyndon B.	Rankin
Cooley	Johnson, Okla.	Rees, Kans.
Cooper	Kefauver	Rivers
Courtney	Kennedy	Robinson, Utah
Cox	Keogh	Rogers, Calif.
Cravens	Kerr	Rowan
Curley	Kilburn	Sasscer
D'Alesandro	King	Satterfield
Davis	Kirwan	Scrivner
Delaney	Kleberg	Sikes
Dies	LaFollette	Slaughter
Domengeaux	Lanham	Sparkman
Doughton	Lea	Spence
Drewry	Lemke	Starnes, Ala.
Ellsworth	Lynch	Stewart
Elmer	McCord	Stockman
Fay	McCormack	Sullivan
Fitzpatrick	McKenzie	Sumners, Tex.
Folger	McMillan	Tarver
Forand	McMurray	Thomas, Tex.
Ford	Magnuson	Thomason
Fulbright	Mansfield, Mont.	Tolan
Gathings	Mansfield, Tex.	Torrens
Gearhart	Marcantonio	Vinson, Ga.
Gore	Mills	Voorhis, Calif.
Granger	Mott	Walter
Grant, Ala.	Murdock	Weaver
Gregory	Murphy	Weichel, Ohio
Hagen	Murray, Tenn.	Welch
Hare	Newsome	Wene
Harris, Ark.	Norman	West
Harris, Va.	O'Brien, Mich.	White
Hart	Outland	Whitten
Hays	Pace	Whittington
Hébert	Patman	Wickersham
Heffernan	Patton	Winstead
Heidinger	Peterson, Fla.	Wright
Hinshaw	Peterson, Ga.	Zimmerman
Hobbs	Pfeifer	

ANSWERED "PRESENT"—1

Rowe

NOT VOTING—75

Allen, Ill.	Gale	Merrow
Andresen, August H.	Gallagher	Monroney
Baldwin, Md.	Gamble	Morrison, La.
Baldwin, N. Y.	Gibson	Morrison, N. C.
Barden	Gifford	O'Connor
Bates, Mass.	Green	O'Neal
Bonner	Hall, Edwin Arthur	O'Toole
Buckley	Harless, Ariz.	Phillips.
Bulwinkle	Hartley	Price
Burgin	Hendricks	Rabaut
Busbey	Johnson, Calvin D.	Richards
Canfield	Kee	Sabath
Case	Kelley	Sadowski
Chenoweth	Klein	Scanlon
Dawson	Knutson	Sheridan
Dilweg	Lambertson	Short
Disney	Lane	Simpson, Pa.
Engel, Mich.	Larcade	Smith, Maine
Engle, Calif.	LeFevre	Somers, N. Y.
Feighan	Luce	Stearns, N. H.
Fernandez	McGehee	Taylor
Fogarty	McLean	Thomas, N. J.
Fuller	Manasco	Vorys, Ohio
Fulmer	Merritt	Vursell
Furlong		Whelchel, Ga.
		Winter

So the amendment was agreed to.

The Clerk announced the following pairs:

On this vote:

Mr. Rabaut for, with Mr. Manasco against.

Mr. Canfield for, with Mr. Buckley against.

Mr. LeFevre for, with Mr. Baldwin of Maryland against.

Mrs. Smith of Maine for, with Mr. Klein against.

Mr. Hartley for, with Mr. Gibson against.

Mr. Fuller for, with Mr. Merritt against.

Mr. Gallagher for, with Mr. Fernandez against.

Mr. Simpson of Pennsylvania for, with Mr. O'Toole against.

Mr. Thomas of New Jersey for, with Mr. Somers of New York against.

Until further notice:

Mr. Green with Mr. Short.

Mr. Whelchel of Georgia with Mr. Knutson.

Mr. Bonner with Mr. Lambertson.

Mr. Feighan with Mrs. Luce.

Mr. Sadowski with Mr. Busbey.

Mr. Hendricks with Mr. Allen of Illinois.

Mr. Price with Mr. Gifford.

Mr. Burgin with Mr. Edwin Arthur Hall.

Mr. Furlong with Mr. Vursell.

Mr. Lane with Mr. Calvin D. Johnson.

Mr. Morrison of Louisiana with Mr. Gamble.

Mr. Bulwinkle with Mr. Chenoweth.

Mr. Scanlon with Mr. Vorys of Ohio.

Mr. Barden with Mr. August H. Andresen.

Mr. Dilweg with Mr. Taylor.

Mr. Fogarty with Mr. Winter.

Mr. Engle of California with Mr. Case.

Mr. O'Connor with Mr. Phillips.

Mr. Fulmer with Mr. Stearns of New Hampshire.

Mr. Sabath with Mr. McLean.

Mr. O'Neal with Mr. Merrow.

Mr. Kee with Mr. Engel of Michigan.

Mr. Disney with Mr. Bates of Massasetts.

Mr. Harless of Arizona with Mr. Baldwin of New York.

Mr. KING changed his vote from "yea" to "nay."

Mr. ROGERS of California changed his vote from "yea" to "nay."

Mr. KEOGH changed his vote from "yea" to "nay."

Mr. COLE of Missouri changed his vote from "nay" to "yea."

Mr. PLUMLEY changed his vote from "nay" to "yea."

Mr. CARTER. Mr. Speaker, a parliamentary inquiry.

The SPEAKER. The gentleman will state it.

Mr. CARTER. Mr. Speaker, how is the gentleman from New Jersey [Mr. McLEAN] recorded?

The SPEAKER. He is recorded as voting "nay."

Mr. CARTER. Mr. Speaker, I am certain there is an error, inasmuch as Mr. McLEAN, as I understand, is not present and is not in the city.

The SPEAKER. Without objection, the roll call will be corrected accordingly.

There was no objection.

The result of the vote was announced as above recorded.

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

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

The SPEAKER. The question is on the passage of the bill.

The question was taken; and on a division (demanded by Mr. SMITH of Ohio) there were—ayes 213, noes 46.

So the bill was passed, and a motion to reconsider was laid on the table.

Mr. HARE. Mr. Speaker, the Savannah River project, better known as the Clark Hill Dam project, carried in the bill we have just passed upon, was considered by my predecessors in Congress from the standpoint of navigation and flood control for many years, but no definite action was taken looking to a final solution of the problems until 1927, 2 years after I first came to Congress, when the River and Harbor Act carried a provision for a survey and study of these problems as they related to rivers in the southeastern United States. The report was to be prepared and submitted to Congress under the direction of the Secretary of War and the Chief of the Board of Engineers.

The survey and report on the Savannah River were not completed and submitted to Congress until November 1934. The feasibility of flood control, navigation, and power development by one or more reservoir dams above Augusta was recommended, the reasons therefor being set out at considerable length and detail in the report.

On August 15, 1935, the President of the United States addressed a communication to the Secretary of War, the Secretary of the Interior, and the Chairman of the Federal Power Commission, directing that a three-member board be created, consisting of one representative from the Board of Engineers, one from the National Resources Committee, and one from the Federal Power Commission, to make further study and prepare a report on the advisability of proceeding the following year with the Savannah River improvement by erecting a dam at a point approximately 21 miles above the city of Augusta. On February 29, 1936, this Board submitted its report and filed same with the Rivers and Harbors Committee for consideration. In November following, the National Resources Committee, in a report entitled "Comprehensive Report on the Savannah River Drainage Basin," made further reference and suggestions relative to this proposal in cooperation with a report of the Eastern Georgia Planning Council.

In April 1937, the Federal Power Commission submitted a report entitled "Power Market" showing that approximately 400,000,000 kilowatt-hours of primary electric current annually and 200,000,000 kilowatt-hours of secondary power could be generated and fully disposed of on the local market and still not satisfy the demands. That is, the National Resources Committee and the Federal Power Commission, after careful study and consideration, have concluded that the industrial possibilities of the Savannah River Valley and adjacent territory are practically in their infancy and insist there is ample and suitable markets for all the power to be generated at this plant when completed.

Mr. Speaker, this is a project in which I have been interested for approximately 20 years, and my interest has been based on the grounds that the proposal was fully justified from the standpoint of flood control and navigation, and when we add to that the tremendous economic value of electric power to be furnished, coupled with the extraordinary necessity for such power, in the section of the country to be accommodated, I am convinced the proposal is not only justified from every standpoint but well commanded the favorable consideration just shown by the Congress.

The record will show that surveys have been made by engineers of the War Department time and time again for the

past 15 or 20 years and without exception favorable reports have been submitted in each instance. In addition the proposal has been considered on several occasions by the National Resources Planning Board, the United States Federal Power Commission, and representatives of the War Department, all of which have concluded without exception that it is a worthy project and well justified by facts and evidence submitted by the different disinterested investigators.

The initial cost will approximate $28,000,000 but the undisputed evidence is that it will be a self-liquidating and self-supporting project and the Government will be fully repaid for all expenditures made, and that the added income from industrial developments and contributions otherwise will add greatly to our national wealth and national economy.

I am very grateful for the interest manifested in this project and the highly valued services rendered by my friend and neighbor, the gentleman from Georgia, the Honorable PAUL BROWN, who represents the district adjoining me across the Savannah River since he came to Congress 10 years ago, including a number of others who have manifested a great deal of interest in this proposal. I am also grateful to members of the Rivers and Harbors Committee for the patient and fair consideration given to the justifications submitted, and I am deeply grateful for the favorable consideration taken by the House of Representatives in authorizing an appropriation for the development of this project.

FURTHER MESSAGE FROM THE SENATE

A further message from the Senate, by Mr. Gatling, one of its clerks, 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. 4410. An act to extend for an additional 90 days the period during which certain grains and other products to be used for livestock and poultry feed may be imported from foreign countries free of duty.

UNITED NATIONS RELIEF AND REHABILITATION ADMINISTRATION

Mr. BLOOM. Mr. Speaker, I call up the conference report on the resolution (H. J. Res. 192) to enable the United States to participate in the work of the United Nations relief and rehabilitation organization and I ask unanimous consent that the statement be read in lieu of the report.

The SPEAKER. Is there objection?

There was no objection.

The Clerk read the statement.

The conference report and statement are as follows:

CONFERENCE REPORT

The committee of conference on the disagreeing votes of the two Houses on the amendments of the Senate to the joint resolution (H. J. Res. 192) to enable the United States to participate in the work of the United Nations relief and rehabilitation organization, having met, after full and free conference, have agreed to recommend and do recommend to their respective Houses as follows:

That the Senate recede from its amendment numbered 6.

That the House recede from its disagreement to the amendments of the Senate numbered 1, 7, and 8; and agree to the same.

Amendment numbered 2: That the House recede from its disagreement to the amendment of the Senate numbered 2, and agree to the same with an amendment, as follows: At the beginning of said amendment insert "Sec. 5."; and the Senate agree to the same.

Amendment numbered 3: That the House recede from its disagreement to the amendment of the Senate numbered 3, and agree to the same with an amendment, as follows: Strike out the section number "5" and insert in lieu thereof "6"; and the Senate agree to the same.

Amendment numbered 4: That the House recede from its disagreement to the amendment of the Senate numbered 4, 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:

"Sec. 7. In adopting this joint resolution the Congress does so with the following reservation:

"That it is understood that the provision in paragraph 11 of resolution numbered 12 adopted at the first session of the council, referred to in section 3 of this joint resolution and reading "The task of rehabilitation must not be considered as the beginning of reconstruction—it is coterminous with relief", contemplates that rehabilitation means and is confined only to such activities as are necessary to relief."

And the Senate agree to the same.

Amendment numbered 5: That the House recede from its disagreement to the amendment of the Senate numbered 5, 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:

"Sec. 8. In adopting this joint resolution the Congress does so with the following reservation:

"That the United Nations Relief and Rehabilitation Administration shall not be authorized to enter into contracts or undertake or incur obligations beyond the limits of appropriations made under this authorization and by other countries and receipts from other sources."

And the Senate agree to the same.

SOL BLOOM,
LUTHER A. JOHNSON,
CHARLES A. EATON,
Managers on the part of the House.

TOM CONNALLY,
WALTER F. GEORGE,
ARTHUR CAPPER,
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 joint resolution (H. J. Res. 192) to enable the United States to participate in the work of the United Nations relief and rehabilitation organization, submit the following statement in explanation of the effect of the action agreed upon by the conferees and recommended in the accompanying conference report:

Amendment No. 1: The House bill provided that in expressing its approval of this joint resolution it is the recommendation of Congress that insofar as funds and facilities permit, any area important to the military operations of the United Nations which is stricken by famine or disease may be included in the benefits to be made available through the United Nations Relief and Rehabilitation Administration. This amendment excepts from the application of this recommendation areas "within enemy territory and while occupied by the enemy." The House recedes.

Amendment No. 2: This amendment provides that no amendment under article VIII (a) of the agreement involving any new obligation for the United States shall be binding upon the United States without approval by joint resolution of Congress. The House recedes with an amendment inserting a section number.

Amendment No. 3: This amendment provides that in adopting this joint resolution the Congress does so with a reservation that in the case of the United States the appropriate constitutional body to determine the amount and character and time of the contributions of the United States is the Congress of the United States. The House recedes with an amendment changing the section number.

Amendment No. 4: This amendment provides that in adopting this joint resolution the Congress does so with the reservation that it is understood that the provision in paragraph 11 of resolution numbered 12 adopted at the first session of the Council, referred to in section 3 of the joint resolution and reading "The task of rehabilitation must not be considered as the beginning of reconstruction—it is coterminous with relief," contemplates that rehabilitation means and is confined to relief only. The House recedes with an amendment providing that the provision in question contemplates that rehabilitation means and is confined only to such activities as are necessary to relief, in lieu of "relief only".

Amendment No. 5: This amendment provides that in adopting this joint resolution the Congress does so with a reservation that the United Nations Relief and Rehabilitation Administration shall not be authorized to enter into contracts or undertake or incur obligations beyond the limits of appropriations made therefor. The House recedes with an amendment to the effect that such authority shall not extend beyond the limits of appropriations made under this authorization and by other countries and receipts from other sources.

Amendment No. 6: This amendment provides that none of the funds appropriated in pursuance of the authorization shall be expended in the promotion of any educational, religious, or political program in any country in which rehabilitation is carried on. The Senate recedes.

Amendment No. 7: This amendment changes a section number; and the House recedes.

Amendment No. 8: The House bill provided that the authorization contained in this joint resolution shall expire at the conclusion of 2 years following the termination of hostilities on all fronts unless specifically extended by an act of Congress. This amendment provides that this authority shall expire on June 30, 1946. The House recedes.

SOL BLOOM,
LUTHER A. JOHNSON,
CHARLES A. EATON,
Managers on the part of the House.

Mr. BLOOM. Mr. Speaker, I yield 10 minutes to the gentleman from Texas [Mr. LUTHER A. JOHNSON].

Mr. LUTHER A. JOHNSON. Mr. Speaker, I think there should be no difficulty in the House adopting the conference report on this U. N. R. R. A. resolution. The only changes that have been made in the resolution will serve to satisfy rather than displease those who were not in favor of the resolution before. I do not believe that in any substantial respect there has been any

change made except to make clearer the meaning of Congress with reference to our participation therein.

The Senate adopted several amendments, none of which materially changed the resolution as it passed the House, but they were limitations which were designed to clarify, somewhat, and to check upon the power of U. N. R. R. A. insofar as our participation in it is concerned. I think the amendments do not change its meaning. I think the resolution as it passed the House has not been materially changed, or in fact changed at all insofar as its intent is concerned, by the Senate amendments that have been agreed to by the conferees.

Amendment No. 1, which was adopted by the Senate, was with reference to an amendment offered by the gentleman from South Dakota [Mr. MUNDT]. The amendment as we passed it said:

> That in expressing its approval of this joint resolution it is the recommendation of Congress that, insofar as funds and facilities permit, any area important to the military operations of the United Nations which is stricken by famine or disease may be included in benefits to be made available through the United Nations Relief and Rehabilitation Administration.

The Senate amendment left that amendment intact except it added this limitation:

> Except within enemy territory and while occupied by the enemy.

In other words, U. N. R. R. A. cannot operate in any country while it is occupied by the enemy, and while our military forces are there.

Mr. MUNDT. Will the gentleman yield?

Mr. LUTHER A. JOHNSON. I yield.

Mr. MUNDT. Does not the gentleman agree with me that the Senate amendment, while it can in no way interfere with my amendment, seems to be unnecessary?

Mr. LUTHER A. JOHNSON. I think so. I think the meaning of the amendment as it passed the House is clearly expressed. I think the Senate amendment is surplusage, but to satisfy the Senate, we agreed. I see no objection to it.

Mr. FISH. Will the gentleman yield?

Mr. LUTHER A. JOHNSON. I yield.

Mr. FISH. Does the gentleman propose to discuss the amendment that limits rehabilitation and reconstruction?

Mr. LUTHER A. JOHNSON. Yes; that is one of the amendments that will be reached in just a moment.

Amendment No. 2 was a new amendment placed by the Senate, which says "that no amendment under article VIII (a) of the agreement involving any new obligation for the United States shall be binding upon the United States without approval by joint resolution of Congress." The language of the resolution as it passed the House referred to "constitutional authorities" rather than by Congress. We placed that in there in language which I think anyone could understand. That limitation was already applied. We said "constitutional authorities." Everyone familiar with our Government knows that the constitutional authority of the United States is vested in the Congress of the United States, but we had no objection to the resolution specifically naming the Congress. So that amendment was accepted with the understanding that the amendment, instead of being a subsection, should be a different numbered section. That is the only change made with reference to that.

Amendment No. 3 was a Senate amendment which reads:

> In adopting this joint resolution the Congress does so with a reservation that in the case of the United States the appropriate constitutional body to determine the amount and character and time of the contributions of the United States is the Congress of the United States.

What I have said with reference to the preceding amendment applies to this one also.

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

Mr. LUTHER A. JOHNSON. I yield.

Mr. REED of New York. In the Senate there was some discussion in regard to the use of these funds for educational purposes.

Mr. LUTHER A. JOHNSON. That is one of the amendments I will reach in a moment, if my time permits.

The next amendment is amendment No. 4, in which the Senate said in section 6:

> In adopting this joint resolution the Congress does so with the reservation that it is understood that the provision in paragraph 11 of resolution No. 12 adopted at the first session of the Council, referred to in section 3 of the joint resolution and reading "The task of rehabilitation must not be considered as the beginning of reconstruction—it is coterminous with relief," contemplates that rehabilitation means and is confined to relief only.

The language of this amendment does not in the slightest degree change the meaning of the resolution as it passed the House, but merely reemphasizes that the funds and activities of U. N. R. R. A. are to be used for relief, and the only rehabilitation involved would be that confined to relief only. This is what U. N. R. R. A. proposes to do and the resolution in no respect changes the proposed and declared intention of U. N. R. R. A. in its Atlantic City meeting.

Mr. BLOOM. And it further states, "that such activities as are necessary to relief."

Mr. LUTHER A. JOHNSON. Yes. That is all there is to it. "Only such activities." That means just what it says, that this is not a rehabilitation measure. We are not going to rehabilitate Europe. These funds are to be used for relief in the distressed areas for temporary relief, and anything else that is so spent must grow out of relief. There is no permanent rehabilitation as such.

Mr. REED of New York. Will the gentleman yield further?

Mr. LUTHER A. JOHNSON. I yield.

Mr. REED of New York. With reference to rehabilitation, just what is that limited to? Is that understood as we use the term in rehabilitation of injured human beings?

Mr. LUTHER A. JOHNSON. It would be primarily with reference to human beings. That is, food, medicine, clothing; and it might be for a temporary shelter where they had to be taken care of.

Mr. REED of New York. Would it include rehabilitation as we know it?

Mr. LUTHER A. JOHNSON. No; it does not. The only rehabilitation would be that incident and necessary in administering relief to those in stricken areas.

Mr. FISH. Will the gentleman yield?

Mr. LUTHER A. JOHNSON. I yield.

Mr. FISH. To be a little more specific, does this mean that any reconstruction can be made at the expense of this $1,350,000,000?

Mr. LUTHER A. JOHNSON. No.

Mr. FISH. No reconstruction at all?

Mr. LUTHER A. JOHNSON. No. Relief only, or expense incidental to granting relief. No reconstruction.

Mr. FISH. That means there can be no building of factories?

Mr. LUTHER A. JOHNSON. Oh, no. That is absolutely clear both in the resolution and also in the meeting at Atlantic City, which set forth this meaning.

Mr. REED of New York. Will the gentleman yield further?

Mr. LUTHER A. JOHNSON. I yield.

Mr. REED of New York. It may be perfectly clear, but I would like to have the record show whether this is so broad that it would require the shipment of farm machinery and things of that kind for the rehabilitation of the farms.

Mr. LUTHER A. JOHNSON. Well, it might include some small amount of farm machinery, but in limited quantities only. U. N. R. R. A. is designed to help these people help themselves, and funds will be used to supply and equip them with farm implements, but only in such small quantities as might be necessary for a temporary emergency, and such quantities will be infinitesimally small.

Mr. REED of New York. Then there has been some talk and plans along that line.

Mr. LUTHER A. JOHNSON. Yes; there has been some talk, and speeches made in the House that are erroneous and not based upon facts. I think there has been a misunderstanding about the question of farm machinery, because there was a speech made by one Member a short time back, in which he talked about our already having spent and contracted for large sums for farm machinery under U. N. R. R. A. The truth is there have been no commitments, no allocations made. There has been nothing done with reference to that. I can give the gentleman the facts fully about that.

Mr. REED of New York. I think they should be in the RECORD.

Mr. LUTHER A. JOHNSON. I will be glad to do that. The gentleman from Illinois [Mr. CALVIN D. JOHNSON] recently made a statement in which he said that already there had been allocated to certain countries——

Mr. CALVIN D. JOHNSON. If the gentleman will permit, I have a photo-

static copy, a complete record, which I intend to present concerning my statements as soon as I am given time.

Mr. LUTHER A. JOHNSON. On which subject?

Mr. CALVIN D. JOHNSON. Farm machinery.

Mr. LUTHER A. JOHNSON. I have here a letter from Mr. Donald Nelson, Chairman of the War Production Board, of this date in which he states that there has been no allocation to U. N. R. R. A. with reference to any farm machinery. The War Production Board does this; it plans ahead with reference to the allocation of steel for the ensuing year and there was an allocation made which might be used if called upon. Nothing has been done so far, but it could be used with reference to farm machinery abroad if it became necessary so to do. That amounted to about 30,000 tons of steel to cover the period from July 1, 1944, to June 30, 1945.

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

Mr. BLOOM. Mr. Speaker, I yield the gentleman from Texas 8 additional minutes.

Mr. LUTHER A. JOHNSON. That 30,000 tons of steel would be used by the countries that wanted to buy machinery for cash, that is, foreign countries. It also would include any supplies that might be sent to our armed forces in the occupied countries if that occasion should arise. It would also include any demands that should come from U. N. R. R. A. That allocation to foreign countries represents less than 2 percent of the allocation for the same period for steel for farm implements to be used in the United States; in other words the War Production Board has already allocated 1,799,573 tons of steel for the production of farm machinery for American farmers for the period from July 1, 1944, to July 1, 1945, and if, therefore, this 30,000 tons which has been only tentatively allocated for abroad should be used it would be less than 2 percent—about 1½ percent—of that allocation, but none of it may be used. It is simply planning ahead if the occasion should arise.

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

Mr. LUTHER A. JOHNSON. I yield.

Mr. PACE. Can the gentleman give the House and the farmers of the Nation the assurance that as long as they are in such crying need for farm machinery no greater allotment than this 30,000 tons will be made to foreign nations?

Mr. LUTHER A. JOHNSON. I may say to the gentleman from Georgia that I am in thorough sympathy with his position because I have a farming district myself and I know the shortage and the great need of farm implements at this time. I have gone into this question very thoroughly with Mr. Nelson and Mr. Crowley. I believe the gentleman need have no fear but what that is the maximum amount that will be allocated for the next year; and it may not be used. The reason I say that is because U. N. R. R. A. will not use anything until an occupied country has been evacuated by the military. When that time comes demands for steel will grow less for military needs in this country, and there will be plenty of steel for farm implements everywhere when the fighting stops.

Mr. PACE. On the basis of conferences the gentleman has had he gives us the assurance that this 30,000 tons is the maximum?

Mr. LUTHER A. JOHNSON. That is the assurance given us as to the year July 1, 1944, to July 1, 1945.

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

Mr. LUTHER A. JOHNSON. I yield.

Mr. WRIGHT. If I understand correctly, this farm machinery is of the type that could also be used here.

Mr. LUTHER A. JOHNSON. Yes.

Mr. WRIGHT. And, first, U. N. R. R. A. must come before the Committee on Appropriations. The Committee on Appropriations must approve the appropriation. There is no pending commitment made until that time, but the steel is ready.

Mr. LUTHER A. JOHNSON. The resolution we are now considering is an authorization measure; and when it becomes the law, Congress will then appropriate funds for participation in U. N. R. R. A., and until Congress appropriates the money U. N. R. R. A. will make no contracts or commitments for the expenditure of money which is to be secured from the United States Government.

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

Mr. LUTHER A. JOHNSON. I yield.

Mr. CASE. What has the gentleman to say as to the definite statement that has been made in responsible circles that orders have already been placed for so many yards of cloth or woolens to be made from foreign wools?

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

Mr. LUTHER A. JOHNSON. I yield.

Mr. BLOOM. There is no commitment made by U. N. R. R. A. There has been no money spent by U. N. R. R. A. in any way, shape, or form up to the present time. That is positive. U. N. R. R. A. has not spent one penny of the money they are supposed to get under this authorization, and they have not made any commitments.

Mr. CASE. I may say that Dean Ackerman, who is secretary of the Wool Association, has made that positive statement.

Mr. BLOOM. That is in error. I wish the gentleman from Texas would read the letter from Mr. Donald Nelson so we can get that clear.

Mr. LUTHER A. JOHNSON. This relates to steel. I will read the letter if the gentleman wishes, but I was trying to save time. I will read it anyway. It reads as follows:

WAR PRODUCTION BOARD,
Washington, D. C., March 22, 1944.

Mr. SOL BLOOM,
House of Representatives,
Washington, D. C.

DEAR MR. BLOOM: This will refer to your inquiry concerning the recent allocation made by the War Production Board to the Foreign Economic Administration of 30,000 tons of carbon steel to meet a portion of the farm machinery requirements of the liberated areas.

understand that in the course of making this allocation we came to refer to it as a U. N. R. R. A. program and I would like to make clear to you just what we had in mind in using this phrase.

As you can well appreciate, the War Production Board must, if it is adequately to meet the essential demands placed upon it, plan a long way in advance the production of such complicated items as farm equipment and machinery. In establishing recently a farm-machinery program for the coming fiscal year, we found that no provision whatsoever had been made for the needs of the liberated areas, en during the initial period of military responsibility. Although the U. N. R. R. A. had not submitted any such requirements to us, it seemed clear that they might later on develop in considerable proportions. Accordingly, we arranged to allocate to F. E. A. for this purpose some 30,000 tons of steel, this being an amount which we could make available during the farm-machinery program year starting on July 1, 1944, without interfering with essential programs.

Strictly speaking, therefore, the phrase "U. N. R. R. A. program" was a misnomer, since no farm-machinery program was or has yet been submitted to us by U. N. R. R. A. I hope this will clarify the matter for you, but if you wish further details, please do not hesitate to let me know.

Sincerely,

DONALD M. NELSON.

While I am discussing farm machinery, I want to read a letter of this date to me from Leo T. Crowley, Administrator of Foreign Economic Administration, which is as follows:

FOREIGN ECONOMIC ADMINISTRATION,
Washington, D. C., March 22, 1944.

Hon. LUTHER JOHNSON,
House of Representatives,
Washington, D. C.

DEAR CONGRESSMAN JOHNSON: You have inquired as to the production of farm machinery in the current year particularly in comparison with the years preceding the war.

The current farm-machinery-program year ends on June 30, 1944, and it is now estimated that the production of farm machinery for this year will be something in excess of $500,000,000. This means that production of farm machinery in the current year is at a level as high as that of any year immediately preceding the war. Current farm-machinery production, in fact, is substantially higher than production in the pre-war years with the possible exception of 1937 when about $514,000,000 of farm machinery was produced domestically.

Notwithstanding the high level of current farm-machinery production there have been domestic shortages of certain types of farm machinery. These shortages are accounted for to a considerable extent by the increased need for mechanization resulting both from shortages of manpower and from the increased production of food.

Sincerely yours,

LEO T. CROWLEY.

With reference to the inquiry in regard to cloth I will say that no commitments whatever have been made by U. N. R. R. A. Until an appropriation is made by Congress and the funds are authorized to be spent there will be no obligation, no commitments of any kind for any material whatever. We are assured of that.

Mr. CASE. But according to what Jesse Jones, of the Reconstruction Finance Corporation, and others at this meeting said, whereas we have some 900,000,000 pounds of wool in this country, a great portion of which has come from abroad and which we bought up to keep out of the hands of the enemy, that all attempts to get U. N. R. R. A. to agree that when they place orders they will use this wool have been refused, yet at the same time orders have been placed for some 8,000,000 pounds of wool elsewhere.

Mr. LUTHER A. JOHNSON. Some tentative plans may have been drawn up, but I feel sure there has been no contract made and no commitments made.

Mr. CASE. There may have been some secret understanding.

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

Mr. LUTHER A. JOHNSON. I yield.

Mr. BARRETT. I might say to my colleague from Texas that it is my understanding that the Procurement Division of the Treasury the first of this month asked for bids or commitments for something over 4,000,000 yards of part-wool textiles on behalf of U. N. R. R. A.

I am advised that the specifications require only 20 percent of new wool of 58's grade or lower; 30-percent reused wool or shoddy; and 50 percent cotton or rayon.

Furthermore, during January and February of this year U. N. R. R. A. asked for bids on about 8,000,000 additional yards of part-wool fabrics, which makes 12,000,000 yards over a period of 3 months, or at the rate of 50,000,000 yards a year. As may be seen the quality of goods being ordered is of the lowest grade. The clothing made from these goods will be unhealthful and generally unsatisfactory and with the American trade-mark will give us a bad name all over the world. We have a tremendous surplus of wool in this country. With the new clip coming on it is estimated that the United States will own over 1,500,000,000 pounds of wool. By just a little increase in the cost of garments the U. N. R. R. A. could use some of our surplus wool and at the same time get a fabric that will wear 50 percent longer and give us good instead of bad advertising.

Mr. LUTHER A. JOHNSON. The gentleman's understanding that the Procurement Division of the Treasury has asked for bids for cloth for U. N. R. R. A. is not correct. The Treasury has not asked for bids for cloth for U. N. R. R. A., so I am informed. The Treasury, I understand, has asked for bids for some cloth within the general Army requirement for use in the liberated areas during the period of military responsibility, and it will be distributed under the direction of the commanding generals. U. N. R. R. A. will not operate in any of the countries until after the evacuation of the military authorities, and U. N. R. R. A. at this time has not made any commitments or attempted to buy cloth or any other commodities, so I am reliably informed by the authorities of that organization. And the statement by the gentleman from South Dakota [Mr. CASE] about wool is incorrect, insofar as U. N. R. R. A. is concerned.

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

Mr. LUTHER A. JOHNSON. I yield.

Mr. WRIGHT. My understanding is that the United States has not put any money in U. N. R. R. A. at all. Is that right?

Mr. LUTHER A. JOHNSON. Not a cent.

Mr. WRIGHT. There has not been any appropriation by the United States, but some other nations have put money in.

Mr. LUTHER A. JOHNSON. I do not know what other countries may have contributed to U. N. R. R. A.

Mr. WRIGHT. It might be possible that some of the money that has been put in by other nations might have been used to place orders for some of these things.

Mr. LUTHER A. JOHNSON. That may be true; there may have been some other funds from other countries, of this I am not advised, but we are not concerned with funds coming from other countries. We are concerned only with what comes from our own country.

The SPEAKER. The time of the gentleman from Texas has again expired.

Mr. EATON. Mr. Speaker, I yield 7 minutes to the gentleman from Illinois [Mr. CALVIN D. JOHNSON]; and I want to say that the gentlewoman from Massachusetts [Mrs. ROGERS], a member of the committee, asked for time but very courteously allowed the gentleman from Illinois to proceed first.

Mr. CALVIN D. JOHNSON. Mr. Speaker, on March 3 I disclosed to the Congress the farm machinery program of the United Nations Relief and Rehabilitation Administration and charged that it was the intention of the crystal gazers heading that organization to send hundreds of thousands of pieces of farm machinery to Europe, although every item demanded was needed by American farmers. At that time I placed in the CONGRESSIONAL RECORD a list of approximately one-half million pieces of farm equipment which these world planners had marked for export to 15 nations—every one of which is now wholly or in part occupied by the Axis.

I disclosed that their program called for 30,000 tractors to be sent to all parts of Europe where, in many instances, the intended recipient had never seen one; 30,000 plows were to be scattered all over Europe and paid for with American dollars; 30,000 separators; 50,000 mowers; 17,000 reapers; 22,900 horse-drawn hay rakes; 40,000 harrows and harrow sections; and 12,000 binders—every item of which Members of Congress have endeavored to obtain for needy American farmers.

Thirty thousand pieces of machinery were to be sent to the Netherlands, 15,000 pieces of equipment to Belgium and Luxemburg, 14,000 to Czechoslovakia, 21,000 to Denmark, 212,000 to France, 8,900 to Greece, 12,000 to Norway, 115,000 to Poland, 36,000 to Yugoslavia, 20,000 to the Baltic states, and 10,000 to Italy. In addition they had listed 13,000 tons of spare parts to repair machinery in Europe although our American farmers are using baling wire to hold their equipment together.

I further stated that despite the critical shortage of farm machinery in this country that these Utopian dreamers were demanding delivery of portions of this machinery by August 1, 1944.

Subsequent to my charges, Mr. Leo Crowley, Director of Lend-Lease and head of the Foreign Economic Administration, appeared before the House Committee on Foreign Affairs and stated:

> I am surprised that there is a list made available at all, because I imagine that what has appeared is merely this, that those people are just listing items that might be helpful for these people to help themselves.

Mr. Crowley further stated:

> I read this Congressman's statement but I did not think it had anything in it of what we are doing.

On March 22, in a statement addressed to Congressman SOL BLOOM, chairman of the Committee on Foreign Affairs, Mr. Crowley further disclaimed any knowledge of an U. N. R. R. A. program.

Mr. Speaker, such statements appear to be a clear-cut case in which the right hand knoweth not what the left hand doeth.

It appears, Mr. Speaker, that through an oversight, Mr. Crowley's member on the Foreign Machinery and Equipment Division Requirements Committee, Mr. H. Swanburg, has neglected to keep Mr. Crowley informed as to what was happening in his own agency. It is very apparent from Mr. Crowley's statement that Mr. Swanburg neglected to notify him that a meeting was held by the Division Requirements Committee, under date of January 22, 1944. He further neglected to inform him that under decision No. 8, which was unanimously approved by the committee, farm machinery was to be built for U. N. R. R. A. He neglected to inform him that this machinery was to be built from a 15,000-ton allotment made to O. F. R. R. A. for the first quarter of 1944. He further neglected to inform him that it was the decision of the committee to stock-pile this machinery, if necessary, because of the shortage of crating materials.

Mr. Speaker, it is not my intention to embarrass any one in this matter. My desire is to save this machinery for American farms and American farmers. Al-

though the fathers of this program have denied its paternity, it was prepared by the Office of Foreign Agricultural Relations, United States Department of Agriculture, for Liberated Areas Branch, Bureau of Areas, Foreign Economic Administration, as is attested by the photostatic copy which I submit for the RECORD. I also submit for the RECORD a copy of the official order placing this program into operation, and charge that manufacturers were called before the committee and inquiry was made as to what portion of this machinery they could produce.

I also charge that certain portions of this machinery are being produced at the present time. It is my hope that this machinery, since this exposure, will be diverted into regular American channels.

The material I submit for the RECORD contains the date upon which the committee met, it contains their decision, and its number. It contains a list of machinery that was slated for delivery by August 1 and the program determination number by which the steel was allotted O. F. R. R. A., and the order that stated it should be used for U. N. R. R. A. It also contains a list of 7,500 tractors that were to be taken from an allotment to War Foods Administration to supplement this program.

From the statements of Mr. Crowley and of various other officials of Government, namely, Mr. Cox, attorney for F. E. A., and Mr. Acheson, Assistant Director of U. N. R. R. A., it is apparent that the administration is rapidly getting out from under this farm machinery program. I feel that my mission has been accomplished.

I shall, however, Mr. Speaker, continue to oppose this program and try to prevent its adoption until safeguards protecting the American public are adopted, for, as it is now constituted, these globe-girdling globats can spread our wealth as a lush green carpet over the entire earth.

I submit my proof.

At the bottom of this photostat which I hold in my hand, and which I submit as proof that there was a definite U. N. R. R. A. program that had been placed in operation, appears this statement:

Total number of machines equals the number agreed upon by the Combined Supply Committee. Does not include items not classified as farm machinery by W. P. B. One part of this machinery, at the most corresponding to 30,000 tons of steel, may be delivered from the 1944 United States production. Another part may be delivered from Canadian and British factories. The size of these countries' contribution is to be determined by the Combined Production and Resources Board. The major part of the machinery is to be scheduled for production by United States manufacturers during the first part of the 1945 production year—July 1, 1944–June 30, 1945. This machinery will be needed in Europe in the fall of 1944 and early spring of 1945.

The total tonnage of machinery listed is about 186,000 tons, including approximately 100,000 tons of carbon steel.

Prepared by Office of Foreign Agricultural Relations, United States Department of Agriculture, for Liberated Areas Branch, Bureau of Areas, Foreign Economic Administration.

The order that placed this program in effect reads thus:

Agricultural machinery rehabilitation requirements for European countries [1]

[Number of machines and tons of spare parts]

Item No.		Belgium and Luxemburg	Czechoslovakia	Denmark	France	Greece	Netherlands	Norway	Poland	Yugoslavia	Albania	Baltic states	Italy	Total [2]
	Grain drill:													
24	3-7 disk					150								150
25	Fertilizer						50							50
26	Plain	100		250	4,900		250	200	11,575	200	25		100	17,600
30	Planters, hand	250												250
32	Fertilizer distributors	500					1,250							1,750
42, 43	Plows, moldboard, walking				5,000	2,500	2,300		5,000	10,000	200			25,000
	Plows, moldboard, tractor (total)													30,000
48	2-bottom, drawn	250	550	800	7,395	25	870	600	2,300	200		850	265	14,105
53	2-bottom, mounted	30	100	100	1,200	50	130	50	700	50		150	175	2,735
49	3-bottom, drawn	70	350	300	5,020	25	500		3,700	250		750	195	11,160
50	4-bottom, drawn				500				1,500					2,000
	Extra shares, 2 per bottom	1,540	4,700	5,400	68,500	450	7,000	2,600	46,200	2,500		8,500	2,930	150,320
63	1-way disk plow with seeding attachment				3,600								100	3,700
	Harrow sections:													
78	Spike	180	1,200	200	6,000	300	530	100	4,100	2,300		300		15,210
79	Spring	170		1,000	8,600		970	800	4,100		50	1,450		17,140
80	Harrow, disk with tandem	100	200	400	2,475		715	325	3,000	50		250	635	8,150
82	Rollers								1,200					1,200
91	Cultivators, 1-horse								2,000					2,000
96	Field cultivators	200	350	800	5,102		300	250	1,048	50				8,100
99	Mounted toolbar		150		800	75		75		100		250		1,450
108	Power sprayers						1,000							1,000
111	Hand sprayers	2,300				4,500	2,500			13,500	200			23,000
	Reapers								6,500					6,500
	Binders:													
129	Ground-drive	965		3,500	4,445	150	550	200		500			315	10,625
130	Power take-off	70		250	400		150		415					1,285
139	Potato diggers	50			400		50	50	175					725
141	Beet lifter	150			500		150		350					1,150
146	Mowers, ground-drive	5,000	1,965	4,000	26,400	200	4,000	2,000	2,000	800		3,000	635	50,000
	Rakes:													
148	Sulky dump	1,000	485	800	12,000		1,000	1,000		200		1,500	315	18,300
149	Combination, side-delivery	200			3,900		500							4,600
157	Reaping attachments—mowers	1,000		535	2,300	50	100	200	450	50			315	5,000
	Threshers:													
158	Power	120				50		100	250	100		50	100	770
	Hand									3,000				3,000
	Tractors:													
194	Under 30 horsepower	280	650	900	8,280	75	1,000	650	3,000	250		1,000	500	16,585
195	30-horsepower and over	70	350	300	5,520	25	500		5,200	250		750	450	13,415
209	Trailers, farm, 2-wheel	350	1,000	1,200	13,800	100	1,500	650	8,200	500		1,750	950	30,000
	Separators:													
238	Under 250 pounds		2,000	800	13,800	200	1,500	1,500	2,500	1,000			1,800	25,100
239	Over 250 pounds			200	2,000		1,500	500	500				200	4,900
274	Incubators							150		300				450
	Parts for—													
	New machinery (tons)	230	253	492	4,063	49	540	219	2,597	289	1	430	258	9,421
	Present machinery (tons)	297		45	3,331		230	7					45	3,955

[1] Total number of machines equals the number agreed upon by the Combined Supply Committee. Does not include items not classified as farm machinery by the War Production Board. 1 part of this machinery, at the most corresponding to 30,000 tons of steel, may be delivered from the 1944 United States production. Another part may be delivered from Canadian and British factories. The size of these countries' contribution is to be determined by the Combined Production and Resources Board. The major part of the machinery is to be scheduled for production by United States manufacturers during the first part of the 1945 production year (July 1, 1944–June 30, 1945). This machinery will be needed in Europe in the fall of 1944 and early spring of 1945.

[2] The total tonnage of machinery listed is about 186,000 tons, including approximately 100,000 tons of carbon steel.

Prepared by Office of Foreign Agricultural Relations, U. S. Department of Agriculture, for Liberated Areas Branch, Bureau of Areas, Foreign Economic Administration.

Mr. Speaker, I also submit for the RECORD a copy of the order that placed this program into effect. This copy contains a list of machinery to be delivered by August 1 and is self-explanatory. It also contains the directives and order numbers and I contend it proves my statement completely. It refutes the contention of Mr. Crowley and various other persons that no U. N. R. R. A. farm machinery program existed, and nails to the cross various and sundry statements made on this floor to that effect.

Mr. Speaker, I herewith submit as evidence a copy of the order which reads as follows:

To program implementation officer, War Production Board.

From Farm Machinery and Equipment Division Requirements Committee.

Subject: Divisional Requirements Decision No. 8, U. N. R. R. A. program, to be built in the third quarter of 1944 from a 15,000-ton first-quarter steel allotment to O. F. R. R. O.

I. This decision relates to an application from the Office of Foreign Relief and Rehabilitation Organizations to have built for the United Nations Relief and Rehabilitation Administration, certain items of farm machinery and equipment and repair parts therefor, to be exported to liberated European countries for farm use. This program is hereinafter referred to as the U. N. R. R. A. program. The subject program was approved unanimously at the Divisional Requirements Committee meeting held January 22, 1944.

The U. N. R. R. A. program, described in detail, hereinafter, provides for delivery of the products during the third quarter of 1944 or prior thereto, if possible. It further provides that the allotments of controlled materials to producers shall be made from the allotment of 15,000 tons of carbon steel and complementary quantities of other controlled materials made to O. F. R. R. O. by the W. P. B. Requirements Committee by Program Determination No. 494, for the first quarter of 1944.

II. An allotment of 15,000 tons of steel to O. F. R. R. O. in the fourth quarter has not yet been implemented. The allocation was combined with the War Food Administration program subject to later adjustment depending upon U. N. R. R. A.'s needs. The implementation of this portion of the rehabilitation program has been presented to the Program Bureau for recommendation and decision.

III. *Controlled materials required first quarter, 1944*

	Code 450	Code 471	Code 813	Total
Carbon steel (tons) 2001-2061	6,801	4,356	1,529	12,686
Alloy steel (tons) 2501-2561	123	1,533	73	1,729
Copper (pounds) 3011	3,041	27,151	3,930	34,122
Copper (pounds) 3021	5,617	1,529	4,677	11,823
Copper (pounds) 3041	6,472	659	9,124	16,255
Copper (pounds) 3051-71	26	8,018	1,299	9,343
Copper (pounds) 3101	19	5,902	1,080	7,001
Copper (pounds) 3201-3211	12,090	14,102	25,923	52,115
Aluminum (pounds) 4021-4151	6		11	17
Aluminum (pounds) 4202-4218	340	1,220	77	1,637
Aluminum (pounds) 4251-4311			20	20
Aluminum (pounds) 4351-4601		9	7	16

III. *Statement of approved production schedule of farm machinery and equipment for U. N. R. R. A. for delivery in the third and fourth quarters of 1944, or prior thereto, if possible*

L-257 items	Equipment	Total units	Delivery date
	TILLAGE AND PLANTING EQUIPMENT		
24	Grain drill, 3-7 disk	150	Aug. 1
26	Grain drill, plain, 14-run and under	2,175	Do.
42	Plow, moldboard, horse walking, steel bottom	2,000	Do.
48	Plow, moldboard, tractor-drawn, 2-bottom	3,225	Do.
49	Plow, moldboard, tractor-drawn, 3-bottom	1,675	Do.
63a	1-way disk plow	900	Do.
63b	1-way disk plow, seeding attachments for 1-way plow	900	Do.
79	Harrow section, spring tooth	5,900	Do.
80e	Harrow, disk	1,000	Do.
80d	Harrow, disk—tandem attachment for disk harrow	1,000	Do.
96	Field cultivator	1,200	Do.
96a	Do	700	Do.
194	Tractors, wheel, all-purpose under 30 belt horsepower	[1] 3,300	Do.
195	Tractors, wheel, all purpose over 30 belt horsepower	[1] 2,200	Do.
	Parts (tons)	1,425	Do.
	HARVESTING AND MISCELLANEOUS EQUIPMENT		
111	Sprayers, knapsack	4,000	Dec. 30
129	Binder, ground-drive	2,250	Do.
146	Mower, ground-drive	4,700	Do.
148	Rakes, dump	2,000	Do.
149	Rakes, combination, side delivery and tedder	1,700	Do.

[1] As indicated in par. I (a), the tractors will be supplied from the production under the War Food Administration program.

IV. Controlled materials required for first and subsequent quarters of 1944

	Code 450	Code 451	Code 813	Total
Carbon steel (tons), 2001-2061	5,339	3,175	1,360	9,874
Alloy steel (tons), 2501-2561	97	24	65	186
Copper (pounds), 3011	2,387	4,527	3,496	10,410
Copper (pounds), 3021	4,932	304	4,160	9,396
Copper (pounds), 3041	5,081	574	8,116	13,771
Copper (pounds), 3071	20	454	1,156	1,630
Copper (pounds), 3101	15	582	960	1,557
Copper (pounds), 3201-3211	9,491	1,798	23,058	34,347
Aluminum (pounds), 4021-4121-4151	5	0	10	15
Aluminum (pounds), 4202-4218	267	10	69	346
Aluminum (pounds), 4251-4301-4311	0	0	18	18
Aluminum (pounds), 4351-4361-4601	0	1	6	7
Aluminum (pounds), 4401-4411	0	15	0	15

IV. *Statement of approved production schedule of farm machinery and equipment for U. N. R. R. A. for delivery in the third quarter of 1944 or prior thereto if possible.*

L-257a item	Description	Units
26a	Grain drills, plain, over 14-run	2,148
48	2-bottom, 12-inch, tractor-drawn plows	4,697
49	3-bottom, 12-inch, tractor-drawn plows	2,025
50	4-bottom, 12-inch, tractor-drawn plows	300
53	2-bottom, 12-inch, tractor-mounted plows.	478
63a	One-way disk plows, 5 feet and under 8 feet.	250
63b	One-way disk plows, 8 feet and over	250
78	Spike-tooth harrow sections, tractor-drawn.	6,830
79	Spring-tooth harrows, tractor-drawn	2,448
80d	Disk harrows, single and tandem, 6 feet and under.	387
80e	Disk harrows, single and tandem, over 6 feet and under 11 feet.	2,090
96	Field cultivators, spring tooth, 7 feet and under.	1,076
96a	Field cultivators, spring tooth, over 7 feet.	280
96b	Field cultivators, stiff tooth, 7 feet and under.	1,612
96c	Field cultivators, stiff tooth, over 7 feet.	420
194	Tractors, under 30 horsepower	5,100
195	Tractors, over 30 horsepower	2,400
	Repair parts (total tons of steel)	1,602

Mr. Speaker, the foregoing is the actual record. It is taken from the files of the departments who have denied its very existence.

I have listened to the statements made by the gentlemen of the committee that such procedure will not continue, and I sincerely hope they are right. I ask the Congress to join with me in opposing this measure and serve notice that I will not, as an individual, approve such programs for these crystal-gazing Pied Pipers who lead us onward toward bankruptcy.

Mr. BLOOM. Mr. Speaker, I yield 3 minutes to the gentleman from Texas [Mr. LUTHER A. JOHNSON].

Mr. LUTHER A. JOHNSON. Mr. Speaker, in answer to what the gentleman has just stated, I want to call your attention to a statement that was placed in the CONGRESSIONAL RECORD yesterday by the gentleman from New York [Mr. BLOOM], chairman of the Committee on Foreign Affairs, which sets forth fully and in detail a letter with accompanying statement from Mr. Leo T. Crowley, Administrator of the Foreign Economic Administration, found on page A1527. This goes thoroughly into the question.

I will just read the first paragraph:

1. No farm machinery has yet been procured for U. N. R. R. A. and no United States funds will be used for that purpose until money is appropriated for U. N. R. R. A. by the Congress.

2. The so-called U. N. R. R. A. program for which the War Production Board made an allocation to F. E. A. of 30,000 tons of steel is a misnomer. This allocation, when put into production, is primarily intended to meet the farm-machinery requirements of the liberated areas during the period of military responsibility, when the equipment will be distributed under the authority of the theater commander.

This bears out what I have said that that amount will be used only for three different purposes, if foreign countries should buy or have the money to buy, or the areas under military domination should require it, or U. N. R. R. A. should have need of it.

Mr. POAGE. Will the gentleman yield?

Mr. LUTHER A. JOHNSON. I yield to the gentleman from Texas.

Mr. POAGE. I understand that no commitments have been made and I believe the House understands that, but do we also understand that the gentleman and his committee understand at least from those in authority and who will have the disposition of this matter that it will be a breach of faith on their part as to what they have told you if they authorize the use of more than 30,000 tons of steel during the next year for the manufacture of farm machinery to be shipped or sold to U. N. R. R. A.?

Mr. LUTHER A. JOHNSON. That is our understanding, and I may say the Appropriations Committee can safeguard that when they go to appropriating the money. They may make any limitations they desire.

Mr. CALVIN D. JOHNSON. Will the gentleman yield?

Mr. LUTHER A. JOHNSON. I yield to the gentleman from Illinois.

Mr. CALVIN D. JOHNSON. I believe the statement of Mr. Crowley and the statement I made agree in this, that the fathers of this particular legislation are denying its paternity in the very fact this letter has come through.

Mr. LUTHER A. JOHNSON. There is no question about the statement. It was labeled for U. N. R. R. A. and it was not so intended for U. N. R. R. A. It was 30,000 tons for military areas and U. N. R. R. A., only if they used any. The chances are there will be none used by U. N. R. R. A. in the coming year because it looks now as if it will be some time before we get into those countries and U. N. R. R. A. cannot begin to operate until our military authorities evacuate.

The SPEAKER. The time of the gentleman has expired.

Mr. BLOOM. Mr. Speaker, I yield 2 minutes to the gentleman from Pennsylvania [Mr. WRIGHT].

Mr. WRIGHT. Mr. Speaker, I do not know whether I can shed any further light after my colleague, the gentleman from Texas [Mr. JOHNSON] has spoken. My understanding from the testimony we have had is that we have a certain amount of steel production in the country. We plan and program that steel production. We allocate it to the various essential uses. It is necessary to plan in advance to give this 30,000 tons of steel either to lend-lease or U. N. R. R. A., either one or the other, depending upon whether the military still occupies the territory. There is no commitment, there is nothing binding, there is no procurement, there is no obligation until there is an appropriation agreed to by Congress, and there cannot be. There is no money in U. N. R. R. A. for the appropriation.

Another question arose as to whether the Lend-Lease Administration might be buying this equipment and turning it over to U. N. R. R. A. We were given to understand very definitely and very clearly by Mr. Crowley and by Mr. Cox that no such thing had been done; that no business has been done by U. N. R. R. A. up to the present time, and will not be until Congress has acted.

Mr. CALVIN D. JOHNSON. Mr. Speaker, will the gentleman yield?

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

Mr. CALVIN D. JOHNSON. Would the gentleman be interested in obtaining the names of manufacturers that were called in and asked how much U. N. R. R. A. machinery they could produce in addition to the regular allotment of American machinery?

Mr. WRIGHT. That does not disprove my point unless there is an obligation and a definite order—of course, they call in manufacturers, otherwise how could they find out what the potentialities of the plants are? Possibly they want to increase their production. That does not mean to say there is any order binding on the United States Treasury.

Mr. BLOOM. Mr. Speaker, I yield 10 minutes to the gentlewoman from Massachusetts [Mrs. ROGERS].

Mrs. ROGERS of Massachusetts. Mr. Speaker, in the testimony before us on lend-lease it was stated that in Australia today men are diverted from certain work and, reading between the lines, I can see that they were diverted from the Army, many thousands of them, to raise agricultural products. If that is true at the present time, you can imagine what will happen when they are asked to raise agricultural products for U. N. R. R. A.

The House knows, Mr. Speaker, that I voted against U. N. R. R. A. in committee, although it was stated repeatedly that the bill came out reported unanimously. I appeared before the Rules Committee against it, not that I did not want to cooperate and help other nations that are starving, for that is only decent. After all, it is rather to our self-interest to do that. But today relief and even reconstruction are being administered and administered well by the military, who know what pestilence and famine mean. They know how to administer relief wisely.

The military will never for one instant give away a military secret. Today there are many persons in U. N. R. R. A. who have never had any experience in any foreign country and know nothing about international relations. Think of the possibilities of what could happen in the way of giving information to the enemy.

I would like to have the House think for a minute just what the grocery bill will be that this country will pay under U. N. R. R. A., the military, lend-lease, and the bill that has already come out of the Foreign Affairs Committee and passed the Senate, to feed the starving and hungry of many nations. We are going to have quadruple groups administering relief.

Under U. N. R. R. A., no relief agency can operate without the permission of U. N. R. R. A. The International Red Cross even cannot function without their permission.

I pointed out in the House when the bill came up that the military should continue to administer relief and then turn it over to the Red Cross, to persons who are used to handling relief, persons who want every religion to have its chance and the people to have the sort of education they want. The Red Cross administers impartially.

Mr. Speaker, the House remembers that I offered an amendment that would prohibit the use of funds for the control of education or religion. That would be the thing that should be done under the Atlantic Charter, and the way things are done in our own country. It failed. Senator WILLIS, of Indiana, secured the adoption of a somewhat similar amendment to the bill when it passed the Senate. Unfortunately that was thrown out in conference. Many of you have read in the CONGRESSIONAL RECORD the proceedings of yesterday in the Senate, and all through it the debate is upon this very amendment by Senator WILLIS as to control of religion and education. If they do not intend to try to control religion and education, why did they refuse to put it in? Senator after Senator said there is nothing in U. N. R. R. A. that provides for control of religion or education, and yet, if that were true, why did they not accept that amendment? The Senate accepted it once. What is the mysterious something that prevents it? Senator CONNALLY states, if you will refer to page 2803, that it could be done in the Appropriations Committee. I am awfully tired of having the Appropriations Committee legislate for the House. Why does not the House legislate for itself?

Mr. REED of New York. Mr. Speaker, will the gentlewoman yield?

Mrs. ROGERS of Massachusetts. I yield to the gentleman from New York.

Mr. REED of New York. Did I correctly understand that the Senate said this fund would not be used for control of education or religion in foreign countries?

Mrs. ROGERS of Massachusetts. That is correct.

Mr. REED of New York. Is the gentlewoman aware that a survey is being made to see how many refugee students can be taken by the universities of this country that will be financed by U. N. R. R. A.?

Mrs. ROGERS of Massachusetts. That is correct. At the present time I understand that U. N. R. R. A. is operating by means of the War Refugee Board. U. N. R. R. A. has already taken a good many of our doctors that we need so much for the care of our men. There is and will be a greater shortage in the Veterans' Administration of many doctors.

Mr. REED of New York. In many of our universities we educated Japanese, who have been fighting and killing our boys ever since.

Mrs. ROGERS of Massachusetts. That is true. I repeatedly warned the House when the neutrality legislation was under consideration, and I warned against cash-and-carry, that Japan would do the very thing she did, get our scrap iron and get our war commodities very likely to use against us. There are many boys

from my own district that were killed in the South Pacific and at Pearl Harbor.

Mr. PACE. Mr. Speaker, will the gentlewoman yield?

Mrs. ROGERS of Massachusetts. I yield to the gentleman from Georgia.

Mr. PACE. Does the gentlewoman mean to state that she understands that some of this money is going to be used to bring boys from foreign countries over here and educate them?

Mrs. ROGERS of Massachusetts. That is my understanding of the plan.

I called up two persons in the State Department and spoke about my amendment, and said I would like to put it in, and I was asked not to, because we might want to reeducate the people, we might want to give them a different form of religion. After all, we may not like the religions in other countries but we certainly do not want to control them, neither do we want their ideologies to be be given to our own people. Think of the power of the purse and the tremendous influence U. N. R. R. A. can exercise.

Mr. BLOOM. Mr. Speaker, will the gentlewoman yield?

Mrs. ROGERS of Massachusetts. I yield to the gentleman from New York.

Mr. BLOOM. Is it not a fact that none of this money can be spent in any country unless it has been an occupied country or an occupied territory of that country?

Mrs. ROGERS of Massachusetts. Unless it is a liberated area.

Mr. BLOOM. The gentlewoman does not want to convey the idea that any of this money can be spent over here in this country?

Mrs. ROGERS of Massachusetts. They can be exchanged with students of this country. That is my understanding.

Mr. STEFAN. Mr. Speaker, will the gentlewoman yield?

Mrs. ROGERS of Massachusetts. I yield to the gentleman from Nebraska.

Mr. STEFAN. I was very much interested in the gentlewoman's amendment regarding education and religion. Has the gentlewoman looked at page 17 of the bill, as amended by the Senate, section 8, amendment No. 6? Was that stricken out in conference?

Mrs. ROGERS of Massachusetts. It was stricken out in conference.

Mr. STEFAN. I feel that this amendment ought to remain in the bill. It reads:

> That none of the funds appropriated in pursuance of this authorization shall be expended in the promotion of any educational, religious, or political program in any country in which rehabilitation is carried on.

Do I understand that the Senate debated that amendment, and that it was stricken out in conference?

Mrs. ROGERS of Massachusetts. It was debated carefully and adopted by a vote of 45 to 18, but it seems the Senate was apologetic about throwing out that amendment in conference, because they repeatedly said there was nothing in the bill that provided for it. However, in our own national W. P. A., we know that both religious and educational philosophies and other types were attempted and somewhat promulgated under the W. P. A. I leave it to the membership of the House to decide exactly what will happen in the countries abroad when any such thing is attempted under this international W. P. A., and this is a huge international W. P. A. By the way, Governor Lehman, the Administrator of U. N. R. R. A., is not a representative of the United States, but he is a representative of U. N. R. R. A. In the hearings I asked him if he was asked to go out and get supplies, natural resources in the United States, if there was a shortage in this country, if he would do so, and his reply was, "Yes." Then I said to him, "You are a creature of U. N. R. R. A.?" and he replied, "Yes."

Miss SUMNER of Illinois. Mr. Speaker, will the gentlewoman yield?

Mrs. ROGERS of Massachusetts. Yes.

Miss SUMNER of Illinois. Take items 1 and 2, dealing with relief supplies and relief services, rehabilitation supplies and services; materials such as seeds, fertilizers, raw materials, and so forth, and the money can be used in procuring such material.

Mr. BLOOM. Mr. Speaker, I rise to a point of order. It is not in order to refer to statements or speeches or arguments made in the Senate.

Miss SUMNER of Illinois. I am referring to hearings on U. N. R. R. A. Is that out of order?

The SPEAKER. Statements from the hearings in the Senate are out of order.

Miss SUMNER of Illinois. Hearings before the Senate committees?

The SPEAKER. Certainly, if the hearings were used in the proceedings of the Senate.

Miss SUMNER of Illinois. Very well. That is in our own hearings, about rehabilitation of public utilities and services. Some of the money can be used in securing material and equipment for the rehabilitation of educational institutions. That is in our own hearings. Also, I would call attention to the fact that the Director General in charge of the Bureau of Areas is a Russian, Mr. Menshikov.

Mrs. ROGERS of Massachusetts. The gentlewoman is correct, and I ask unanimous consent at this point to insert information that I have as to U. N. R. R. A. regarding the personnel and the background of the personnel already engaged.

The SPEAKER. Is there objection?

There was no objection.

The following is the information requested:

UNITED NATIONS RELIEF AND REHABILITATION ADMINISTRATION,
Washington, D. C., March 20, 1944.

The Honorable EDITH NOURSE ROGERS,
House of Representatives,
Washington, D. C.

MY DEAR MRS. ROGERS: I am transmitting herewith a list of the employees of the United Nations Relief and Rehabilitation Administration, recently requested by your office.

Sincerely yours,
W. B. PHILLIPS,
Acting Chief, Division of Public Information.

Employees of United Nations Relief and Rehabilitation Administration

Name	American—legal residence	Non-American, national of—
Abbot, Adeline	New Jersey	
Abbott, Lucy	New York	
Adams, Wayne W	New Mexico	
Alband, William C	New York	
Alcorn, Virginia N	North Dakota	
Alden, Frances Burke	Maine	
Alt, Freda H	Kansas	
Anderson, Dewey H	California	
Applebee, Francis B	New York	
Archer, Laird	(In field)	
Aquino, Virginia	Illinois	
Arnstein, Margaret	New York	
Bacot, Dixie	South Carolina	
Bagby, Jessie Bell	Arkansas	
Baron, Anna	New York	
Bass, Gertrude	Ohio	
Bates, Victoria J	Washington, D. C.	
Beall, Jane A	Arkansas	
Beckelman, Moses	Washington, D. C.	
Bell, Edwina Mary	Florida	
Bell, Hazel M	New York	
Bellows, Fredrick M	do	
Benjamin, Jessie P	Maryland	
Bennett, Mary J	Mississippi	
Berger, Marie	Illinois	
Berry, Bessie	Maryland	
Bettman, Carol Helen	Ohio	
Bewley, Thomas	California	
Blaisdell, Catharine M	Washington, D. C.	
Blinn, Robert K	California	
Bonk, Stella N	Massachusetts	
Boorady, Edna A	New York	
Booz, Paul	Kansas	
Borders, Karl	Illinois	
Borne, Dorothy M	Louisiana	
Bornne, Ethel	(Not shown)	
Brennan, Mary Virginia	Washington, D. C.	
Bridges, Marion	Pennsylvania	
Brock, Myron R	Nebraska	
Brookbank, Richard	Washington State.	
Brown, Aldean	Michigan	
Brown, Emerson M	do	
Brownbridge, Albert E	New York	
Brunkard, Thomas V	do	
Buffmire, Dorothy E	Wisconsin	
Burd, Treva M. E	Virginia	
Burton, Mortimer	Florida	
Byron, Gertrude	New York	
Caustin, H. E		England.
Caldwell, Elsie M	North Carolina	
Campbell, Ned	Arizona	
Campbell, Stuart	Virginia	
Cantrell, Catherine	Arkansas	
Chace, Mary G	Virginia	
Chamberland, N. C	Massachusetts	
Chamoud, Simone	New York	
Chan, Yau-Pik		China.
Cheplak, Mitzi F	Washington, D. C.	
Childress, William C	Virginia	
Chubbuck, Kathryn	New York	
Chudson, Walter A	do	
Church, Irene	Kansas	
Cissna, Elsie D	Mississippi	
Clark, Carnzu	Massachusetts	
Clark, Virginia	Georgia	
Coddington, Edna	New York	
Cohen, Myer	California	
Cohn, Emma	New York	
Cole, Mary C	Alabama	
Compton, Carl C	Massachusetts	
Condliffe, John B		Australia.
Conley, L. Ann	Massachusetts	
Conhaim, Herbert J	New York	
Connel, Howard Joseph	Pennsylvania	
Conroy, Abagail	Massachusetts	
Cover, John	Illinois	
Cowell, Charles C	Ohio	
Crawford, Vera	Virginia	
Dalton, Margaret	Massachusetts	
Darling, George S	New York	
Davies, Dilys Mary		England.
Dayton, Kenneth	New York	
Dean, Vera M	do	
Decatur, Anne	New Jersey	
Dees, Lola	Alabama	
Delgado, Frank	Florida	
Denbo, Beatrice Shirley	New York	
Dennis, Madison	Ohio	
Diamond, Lillian	New York	
Dickens, Elizabeth J	Washington State.	
Dickinson, Edwin Dewit		
Donovan, Lucile	Indiana	
Dorr, Laurie D	New York	
Douglass, Bette M	Iowa	

Employees of United Nations Relief and Rehabilitation Administration—Con.

Name	American—legal residence	Non-American, national of—
Doull, James A	Ohio	
Dula, John Edmond	New York	
Dunkleberger, Mildred L.	California	
Dykstra, Walling		Netherlands.
Edwards, Margueritte M	Maryland	
Ekings, Mary C	(Not shown)	
Eiklebery, Helen B	South Dakota	
Eliot, Lois A. J	Massachusetts	
Elkinton, Charles M	Virginia	
Elliott, John E	Maryland	
Elwin, Atha C	do	
Emrich, Marion Vallat	New York	
Erickson, Florence	Pennsylvania	
Fackt, Elizabeth	Colorado	
Factor, Norma	New York	
Feonov, Nicolai		Russia.
Falck, James	New York	
Feller, Abraham H	Connecticut	
Filbert, Robert B	(Not shown)	
Fillman, Gwendolyn	Nebraska	
Fingeroth, Elizabeth	New York	
Finley, Alice	(Not shown)	
Fisher, Dorcas	Maryland	
Flexner, Carolin	New York	
Flynn, Jane Mary	do	
Fox, Grace E	Washington, D. C.	
Franc, Helen M	New York	
Franklin, Gladys J	Washington, D.C.	
Franklin, Harry Lee	Kentucky	
Frazier, Frances	Virginia	
Fried, Anthony		Czechoslovakia.
Fritch, Jessie	Illinois	
Funkhouser, Richard L	New Hampshire	
Garrett, Doris Yvonne	Ohio	
Gaumnitz, Richard K	Minnesota	
Gaus, John M	Wisconsin	
Gerstenzang, Leo	New York	
Gill, Olive A	Texas	
Girard, Stephan	Illinois	
Glassey, Helena	New York	
Gold, Estelle	Washington, D. C.	
Goldberger, Leo Julius	New York	
Goodloe, Jane	Tennessee	
Gordon, Alexander	New York	
Graham, Helen V	do	
Grantham, Josephine K	Alabama	
Greene, James D	Washington, D. C.	
Greene, Katrine	(Not shown)	
Greenestein, Harry	Maryland	
Gregg, Florence	Tennessee	
Grosvenor, Gordon	Pennsylvania	
Gubin, Justice F	Indiana	
Gulick, Luther	District of Columbia.	
Gumpper, Ada L	Pennsylvania	
Gumpper, Evelynita	do	
Gunn, Selskar M	Connecticut	
Hackman, Abe	New York	
Hammer, Phillip G	Virginia	
Handy, Martin A	Maryland	
Harakas, James T	(In field)	
Harrell, Elizebeth	North Carolina	
Harris, Joseph P	California	
Harrison, Leslie H	Washington, D. C.	
Hartlove, Emacita	Hawaii	
Huang, Robert T		China.
Harvey, Frances H	Illinois	
Helmers, Gladys	North Dakota	
Hendrickson, Roy F	Iowa	
Hedquist, Enid	(Not shown)	
Henson, Edwin R	Texas	
Herwitz, Harry K	Illinois	
Higgins, Doris M	(Not shown)	
Hill, Edna Margaret	Indiana	
Hobson, Gertrude	New York	
Hoehler, Fred Kenneth	(In field)	
Holland, Amy C	Massachusetts	
Holzmann, Margaret	New York	
Hooper, Patricia	Illinois	
Howard, Donald S	New Jersey	
Hyde, Alice	Washington, D. C.	
Iberg, Lowell	New York	
Isikoff, Harry L	do	
Jackson, Hugh	do	
Jacobs, Samuel	do	
Janus, C. George	Illinois	
Jerchower, Ottilie	New York	
Johnson, James G. Jr	Maryland	
Johnson, Warren J	Washington, D. C.	
Johnston, Lillian Jane	New York	
Jonisch, Sylvia	Washington, D. C.	
Jones, Mary Bagot		England.
Kalichstein, Rita E	Washington, D. C.	
Kay, Hildred	(Not shown)	

Employees of United Nations Relief and Rehabilitation Administration—Con.

Name	American—legal residence	Non-American, national of—
Keenan, Harold E	Massachusetts	
Keene, Mabel L	Maryland	
Keeny, Spurgeon M	New York	
Keller, Eugenia	Indiana	
Kelsey, Lincoln D	New York	
Kent, Martin	do	
Kenworthy, Jane C	Indiana	
Kerr, Peyton	California	
Kerr, Sybil P	Georgia	
Kerze, Therese	New York	
Kettle, Fletcher	Illinois	
Kiernan, C. Jean	(Not shown)	
King, Viola	Washington, D. C.	
Kirkbride, Mary E	Colorado	
Kolodny, Leo	New Jersey	
Krane, Jay B	(In the field, England).	
Krause, Mary	Washington, D. C.	
Kugaczewska, Wanda	Maryland	
Lancaster, James B	Washington, D. C.	
Lapin, Raye	New York	
Lariviere, Frances	Iowa	
Lawford, Geoffrey	(Not shown)	
Lay, Elizabeth	Washington State.	
Lazarus, Theodore	New York	
Leff, David	California	
Lehman, Herbert H	New York	
Leibovitz, Roberta	Rhode Island	
Leslie, Grey	New York	
Levin, Mable Foy	Maryland	
Lewis, Virginia B	do	
Line, Myrtle	Iowa	
Longley, Elizabeth	Maryland	
Lott, Eleanor	Illinois	
Leonard, Larry	New York	
Loucheim, Kathleen	Washington, D. C.	
Loewy, Harris	New York	
Luloff, Elaine	Connecticut	
Luria, Dorothy	do	
Lynch, Eleanor	Massachusetts	
MacMonnies, Wallace	New Jersey	
McMillen, Frederick	Washington State.	
Manley, Claudine	North Carolina	
Manley, Odell	do	
Manusuaki, Antigone	New Jersey	
Marburg, Jean	West Virginia	
Marclay, Elsie	Arkansas	
Mattern, Edith	South Dakota	
Matthews, John B	Massachusetts	
Mattox, F. Annabella	Alabama	
May, Arthur	Michigan	
Mayo, Sara H	(Not shown)	
McAllister, Pauline	Florida	
McCandlish, George E	Washington	
McCann, Grace E	West Virginia	
McCloskey, Janet	New York	
McDonald, Norma		Canada.
McGeachy, Craig		Do.
McKeever, Bernard	Pennsylvania	
McMakin, Edythe	Maryland	
Mellett, Jeane	(Not shown)	
Menshikov, Michail		Russia.
Merryman, Nina	Maryland	
Metropol, Bannia	South Carolina	
Meyer, John L	Virginia	
Miles, Helen	Iowa	
Miller, Alice	New York	
Moller, Eleanor M	do	
Montgomery, Katherine	Pennsylvania	
Moore, Marjorie	Minnesota	
Moore, William C	New Jersey	
Morris, Annie	Washington, D. C.	
Morris, Pearl	(In field, England).	
Morrison, Bessie E	(Not shown)	
Moy, Thelma		China.
Munder, Mabel	Washington, D. C.	
Murphy, Aura Lee	do	
Nadzo, Guido	New York	
Nash, Mary L	Texas	
Neil, Helen N	New York	
Netzorg, Elizabeth W	Michigan	
Newcomb, Annabelle	Massachusetts	
Nickas, Mary	Ohio	
Norelli, Benson	Washington, D. C.	
Norris, Corinne	Pennsylvania	
Nugent, Rolf	New York	
Olinger, Lucienne	do	
Osborne, Lithgow	do	
Otto, Elma	(Not shown)	
Owens, Esther	Massachusetts	
Page, Irene	(Not shown)	
Patterson, James	Connecticut	
Peck, Millard	Iowa	
Powell, Annie	Washington, D. C.	

Employees of United Nations Relief and Rehabilitation Administration—Con.

Name	American—legal residence	Non-American, national of—
Preston, Gene Isobel	Maine	
Peck, Naida	Kansas	
Pecot, Rebecca	Washington, D. C.	
Penery, Anne H	California	
Perazich, George	New Jersey	
Perry, Agnes		
Peters, Lenita D	Maryland	
Peterson, George L	Minnesota	
Phillips, Bozie C. J	Georgia	
Phillips, William B	Illinois	
Pierce, Clarence	New York	
Plimpton, Jane F	Massachusetts	
Plummer, Alina	Washington, D. C.	
Porter, Doris	Mississippi	
Purvis, Frances M	Montana	
Racich, Ann	California	
Railey, Battaille	Alabama	
Rathje, Elnora	Nebraska	
Reed, Layle	South Dakota	
Rezak, Nicholas	New York	
Rhatigan, Edward	do	
Richards, Catherine	Massachusetts	
Richards, Gordon S	do	
Rifkin, Ruth S	New York	
Roberts, Dorothy F	Missouri	
Robinson, Horace	Washington, D. C.	
Rodger, Mary		England.
Rogers, Clifton Paul	New York	
Rohrbach, Dorothy	Indiana	
Rooby, George	New York	
Roseman, Alvin	Ohio	
Rosenberg, Samuel	Virginia	
Rosenstein, Abraham	Connecticut	
Rosner, Alice	(Not shown)	
Rubin, Mary	New York	
Rubins, William	Pennsylvania	
Ruda, Frances	New York	
Rusk, Minnie	South Carolina	
Russell, Johnie Mae	do	
Ryshpan, Cicely	New York	
Ryther, Willie	North Carolina	
Sadow, Sue	Massachusetts	
Salter, Arthur (Sir)		Do.
Sayre, Francis B	Washington, D. C.	
Seaaf, Carl Hart	Virginia	
Schachter, Oscar	do	
Schaefer, Lorainne	Montana	
Schenker, Herbert	Pennsylvania	
Schmitter, Lyle L	Illinois	
Scranton, Laurell	Nebraska	
Semaske, Gertrude	South Carolina	
Semelisky, Ruth	New York	
Sender, Tony	do	
Servison, Gertrude	Washington, D. C.	
Sevareid, Lois	Maryland	
Sexton, Mary Ellen	Tennessee	
Shack, Mildred	New York	
Shafer, Marian	Washington, D. C.	
Shannon, Wilma	New York	
Sheriff, Alice	Maryland	
Shiamanna, Dena	Wyoming	
Shurcliff, Alice	Massachusetts	
Sibley, Hiram	New York	
Simmons, Charles	Washington, D. C.	
Singerman, Sylvia	Pennsylvania	
Slagsvold, Peter	Montana	
Sluchan, Miram	New York	
Smith, Jane Horbart	Pennsylvania	
Smith, Leonidas R. Jr	Washington, D. C.	
Smith, Lorenzo	do	
Smith, Linton	California	
Sorieri, Antonio	New York	
Spellacy, Bette	do	
Spinks, Francis	California	
Staley, A. Eugene	Massachusetts	
Stanski, Mary	New Jersey	
Steckel, Grace P	Kansas	
Steel, Herbert	Missouri	
Stillwell, Ray	Texas	
Strogonova, Nadejda		Russia.
Sulzberger, David	New York	
Swisher, Janice	Texas	
Synhorst, Alice	Iowa	
Taris, Frances	New York	
Tellier, Grace W	Arkansas	
Thompson, Doris	New York	
Thomas, Thalia	Maryland	
Tolley, Grant	California	
Tull, Ray Ashbrook	Colorado	
Tyson, Winifred	New York	
Uhlmann, Martin S	Michigan	
Underhill, Louise	New York	
Valentine, John	Illinois	
VanGelder, H. P		Canada.
Vassardaki, Lucille	New York	
Veatch, Ray	Oregon	

Employees of United Nations Relief and Rehabilitation Administration—Con.

Name	American—legal residence	Non-American, national of—
VonThurn, Elizabeth	Washington, D. C.	
Wadsworth, Lisa	New York	
Warren, George	Connecticut	
Washburn, Eleanor	Washington, D. C.	
Watson, Louise	(Not shown)	
Weber, Milton	New York	
Weigel, John	Illinois	
Weintraub, David	New York	
Welk, William	Washington, D. C.	
Whipple, Francis M. (Mrs).	(Not shown)	
Whitaker, Margaret	do	
Whitman, Mary	do	
Wickland, Eleanore	do	
Wilbur, Virginia	Pennsylvania	
Williams, Edward	(Not shown)	
Williams, Elizabeth M	North Carolina	
Williams, Rita	(Not shown)	
Williams, Ruth	New York	
Wilson, Theodore	Illinois	
Wilson, Wayne	do	
Wingert, A. Leonella	(Not shown)	
Wolff, F. Richard	New York	
Wyant, Nina	West Virginia	
Xanthaky, George	New York	
Yalch, Margaret J	Pennsylvania	
Youdin, Richard	(In field, Egypt).	
Young, Dora	Massachusetts	
Zamoyska, Morag		Poland.
Zimmerman, Opal	Illinois	
Zorich, Mayre	South Dakota	

Mr. CALVIN D. JOHNSON. Mr. Speaker, I ask unanimous consent to revise and extend the remarks I made and include material I used in my remarks.

The SPEAKER. Is there objection?

There was no objection.

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

Mr. WADSWORTH. Mr. Speaker, taking up this point that has been discussed in respect to U. N. R. R. A. interfering with educational activities, or attempting to control religious and educational teachings, let me call attention to one or two matters in that connection. A debate was held in another body and one of the participants in that debate is a member of the committee of that body that passed upon the terms of the agreement before that agreement was submitted to the several nations, and he has a very excellent conception of the meaning of that agreement and its objectives. In that debate in the other body, and I use that phrase "the other body" lest somebody may make the point of order that I am referring to the Senate.

Miss SUMNER of Illinois. Mr. Speaker, I make the point of order that the gentleman's remarks directed to the other body are out of order.

The SPEAKER. The gentleman from New York should be cognizant of the rules governing references to the other body.

Miss SUMNER of Illinois. And what is sauce for the goose is sauce for the gander.

Mr. WADSWORTH. In any event, here is a statement from the Secretary of State of the United States, and I think I can mention the title of that office at this time. He wrote to that other body, direct from the State Department, to this effect:

The U. N. R. R. A. has no power whatever to enter into educational, religious, or political activities.

That is the conception of the Government of the United States, as represented by the State Department.

Now, with respect to the omission of this amendment from the conference report, it is admitted that some difficulty was encountered in a special instance, and that difficulty, if resolved, would not in my judgment indicate that U. N. R. R. A. is going to try to run the schools and teach political philosophy or religious concepts. I quote from a memorandum in connection with this particular section B:

The only connection that U. N. R. R. A.'s work may have with education is by virtue of paragraph 4, section II, of resolution 1 of the U. N. R. R. A. Council, which provides that one of the U. N. R. R. A.'s functions may be "assistance in procuring material equipment for the rehabilitation of educational institutions." This provision was inserted at the instance of the Chinese delegation, who referred to the systematic effort of the Japanese armies to destroy Chinese schools and institutions. For your confidential information the following is an excerpt from the résumé of the meeting of the subcommittee of the Council at Atlantic City at which this provision was adopted:

"During the course of the discussion on this amendment, the member for China indicated that under this provision U. N. R. R. A. would not itself procure materials but that it would assist in such procurement. Moreover, the use of the word 'material' would limit the assistance to the procurement of books, laboratory equipment, and other similar items, without requiring the Director General to interfere in anyway with the educational system of the particular liberated area. Under this provision, the Director General might serve as a middleman in obtaining, on the one hand, information as to material available in the countries that have not been occupied, and on the other, information as to the material needed for the rehabilitation of educational institutions within the various liberated areas. In this way the Director General could be of great assistance without placing any large burden on the resources of the U. N. R. R. A."

So, as a matter of fact, the omission of that amendment from this conference report was decided upon because, had it been stated as written, it might have been construed to forbid U. N. R. R. A. to repair broken glass windows in a half-wrecked school, on the ground that that was interfering with educational institutions. I can assure the Members of the House that U. N. R. R. A. has not the slightest intention of controlling education, much less religion. We have been assured of that over and over again, and I think we can dispel that fear from our minds.

The SPEAKER. The question is on agreeing to the conference report.

The question was taken; and on a division (demanded by Mrs. ROGERS of Massachusetts) there were—ayes 68, noes 31.

Mrs. ROGERS of Massachusetts. Mr. Speaker, I object to the vote on the ground that no quorum is present.

The SPEAKER. Evidently no quorum is present. The Doorkeeper will close the doors, the Sergeant at Arms will notify absent Members, and the Clerk will call the roll.

The question was taken; and there were—yeas 287, nays 57, not voting 84, as follows:

[Roll No. 49]

YEAS—287

Abernethy	Gossett	Mruk
Andersen, H. Carl	Graham	Mundt
Anderson, Calif.	Granger	Murdock
Anderson, N. Mex.	Grant, Ala	Murphy
Andrews, Ala.	Grant, Ind.	Murray, Tenn.
Andrews, N. Y.	Gregory	Murray, Wis.
Angell	Gross	Myers
Arends	Gwynne	Newsome
Auchincloss	Hagen	Norman
Barrett	Hale	Norton
Barry	Hall, Leonard W.	O'Brien, Ill.
Bates, Ky.	Halleck	O'Brien, N. Y.
Beall	Hancock	O'Neal
Beckworth	Hare	Outland
Bell	Harris, Ark.	Patman
Bender	Harris, Va.	Patton
Bennett, Mich.	Hart	Peterson, Fla.
Bennett, Mo.	Hartley	Peterson, Ga.
Blackney	Hays	Pfeifer
Bland	Heffernan	Pittenger
Bloom	Herter	Ploeser
Bolton	Hess	Plumley
Boykin	Hill	Poage
Bradley, Pa.	Hinshaw	Poulson
Brehm	Hobbs	Powers
Brown, Ga.	Hoch	Pracht, C. Frederick
Brown, Ohio	Hoeven	Priest
Bryson	Holifield	Ramey
Burch, Va.	Holmes, Mass.	Ramspeck
Burchill, N. Y.	Holmes, Wash.	Randolph
Burdick	Horan	Rankin
Butler	Howell	Reece, Tenn.
Byrne	Hull	Rees, Kans.
Cannon, Fla.	Jackson	Richards
Cannon, Mo.	Jarman	Rivers
Capozzoli	Jeffrey	Robertson
Carson, Ohio	Jenkins	Rockwell
Chapman	Jennings	Rodgers, Pa.
Church	Jensen	Rogers, Calif.
Clark	Johnson, Ind.	Rohrbough
Clason	Johnson, J. Leroy	Rolph
Cochran	Johnson, Luther A.	Rowan
Coffee	Johnson, Lyndon B.	Rowe
Cole, N. Y.	Johnson, Okla.	Russell
Colmer	Jonkman	Sasscer
Compton	Judd	Sauthoff
Cooley	Kean	Schwabe
Cooper	Kearney	Scott
Costello	Keefe	Sheppard
Courtney	Kefauver	Simpson, Pa.
Crosser	Kennedy	Slaughter
Cunningham	Keogh	Smith, Va.
D'Alesandro	Kerr	Smith, W. Va.
Davis	Kilburn	Snyder
Delaney	Kilday	Somers, N. Y.
Dewey	King	Sparkman
Dickstein	Kinzer	Spence
Dies	Kirwan	Springer
Dilweg	Kleberg	Stanley
Dingell	Kunkel	Stevenson
Dirksen	LaFollette	Stewart
Domengeaux	Landis	Sullivan
Dondero	Lanham	Sundstrom
Doughton	Lea	Taber
Douglas	LeCompte	Talbot
Drewry	Lesinski	Talle
Durham	Lewis	Tarver
Eaton	Ludlow	Thomas, Tex.
Eberharter	Lynch	Thomason
Elliott	McConnell	Tibbott
Ellison, Md.	McCord	Tolan
Ellsworth	McCormack	Torrens
Elston, Ohio	McCowen	Towe
Engle, Calif.	McGregor	Treadway
Fay	McKenzie	Troutman
Fellows	McMillan	Vincent, Ky.
Fenton	McMurray	Voorhis, Calif.
Fish	McWilliams	Wadsworth
Fisher	Madden	Walter
Fitzpatrick	Magnuson	Ward
Flannagan	Mahon	Wasielewski
Folger	Maloney	Weaver
Forand	Mansfield, Tex.	Weichel, Ohio
Ford	Marcantonio	Weiss
Fulbright	Martin, Iowa	Welch
Gale	Martin, Mass.	Wene
Gathings	Michener	Whitten
Gavin	Miller, Conn.	Whittington
Gerlach	Miller, Mo.	Wigglesworth
Gilchrist	Miller, Pa.	Willey
Gillette	Mills	Winstead
Gillie	Monkiewicz	Wolfenden, Pa.
Goodwin	Morrison, La.	Wolverton, N. J.
Gordon	Mott	Woodrum, Va.
Gore		Worley
Gorski		Wright
		Zimmerman

NAYS—57

Allen, La.	Griffiths	Reed, Ill.
Arnold	Harness, Ind.	Reed, N. Y.
Bishop	Heidinger	Rizley
Boren	Hoffman	Robsion, Ky.
Bradley, Mich.	Hope	Rogers, Mass.
Brooks	Johnson, Anton J.	Scrivner
Brumbaugh	Johnson, Calvin D.	Shafer
Buffett	Jones	Simpson, Ill.
Camp	Lemke	Smith, Ohio
Carrier	Maas	Smith, Wis.
Case	Mason	Stefan
Clevenger	Miller, Nebr.	Stockman
Cole, Mo.	Norrell	Sumner, Ill.
Cravens	O'Brien, Mich.	West
Crawford	O'Hara	White
Curtis	O'Konski	Wickersham
Day	Pace	Wilson
Dworshak	Philbin	Wolcott
Ellis		Woodruff, Mich.
Gearhart		

NOT VOTING—84

Allen, Ill.	Furlong	Monroney
Andresen, August H.	Gallagher	Morrison, N. C.
Baldwin, Md.	Gamble	O'Connor
Baldwin, N. Y.	Gibson	O'Toole
Barden	Gifford	Phillips
Bates, Mass.	Green	Pratt, Joseph M.
Bonner	Hall, Edwin Arthur	Price
Buckley	Harless, Ariz.	Rabaut
Bulwinkle	Hébert	Robinson, Utah
Burgin	Hendricks	Sabath
Busbey	Izac	Sadowski
Canfield	Johnson, Ward	Satterfield
Carlson, Kans.	Kee	Scanlon
Carter	Kelley	Schiffler
Celler	Klein	Sheridan
Chenoweth	Knutson	Short
Chiperfield	Lambertson	Sikes
Cox	Lane	Smith, Maine
Curley	Larcade	Starnes, Ala.
D'Alesandro	LeFevre	Stearns, N. H.
Dawson	Luce	Sumners, Tex.
Disney	McGehee	Taylor
Elmer	McLean	Thomas, N. J.
Engel, Mich.	Manasco	Vinson, Ga.
Feighan	Mansfield, Mont.	Vorys, Ohio
Fernandez	May	Vursell
Fogarty	Merritt	Whelchel, Ga.
Fuller	Merrow	Winter
Fulmer		

So the conference report was agreed to.

The Clerk announced the following pairs:

On this vote:

Mr. Satterfield for, with Mr. Short against.
Mr. Sikes for, with Mr. Lambertson against.
Mr. Gallagher for, with Mr. Gibson against.
Mr. Merritt for, with Mr. Vursell against.
Mr. Buckley for, with Mr. Whelchel of Georgia against.
Mr. O'Toole for, with Mr. Disney against.

Until further notice:

Mr. Kelley with Mr. Carlson of Kansas.
Mr. Sheridan with Mr. Elmer.
Mr. Morrison of North Carolina with Mr. Fuller.
Mr. Klein with Mr. Chiperfield.
Mr. Monroney with Mr. Gamble.
Mr. Hébert with Mr. Joseph M. Pratt.
Mr. Celler with Mr. Ward Johnson.
Mr. Vinson of Georgia with Mr. Knutson.
Mr. Curley with Mr. Bates of Massachusetts.
Mr. Larcade with Mr. LeFevre.
Mr. May with Mr. Canfield.
Mr. Starnes of Alabama with Mrs. Smith of Maine.
Mr. Robinson of Utah with Mr. Merrow.
Mr. Izac with Mr. Thomas of New Jersey.
Mr. McGehee with Mr. Taylor.

The doors were opened.

The result of the vote was announced as above recorded.

A motion to reconsider was laid on the table.

EXTENSION OF TIME DURING WHICH CERTAIN GRAINS AND OTHER PRODUCTS TO BE USED FOR LIVESTOCK MAY BE IMPORTED FROM FOREIGN COUNTRIES FREE OF DUTY

Mr. DOUGHTON. Mr. Speaker, I ask unanimous consent to take from the Speaker's table the bill (H. R. 4410) to extend for an additional 90 days the period during which certain grains and other products to be used for livestock and poultry feed may be imported from countries free of duty, with Senate amendment thereto, and agree to the Senate amendment.

The Clerk read the title of the bill.

The Clerk read the Senate amendment as follows:

Page 2, after line 15, insert "(3) Oats to be used for purposes of human consumption if the entry or withdrawal is after the date this paragraph takes effect."

The SPEAKER. Is there objection to the request of the gentleman from North Carolina [Mr. DOUGHTON]?

There was no objection.

The Senate amendment was agreed to.

A motion to reconsider was laid on the table.

Mr. DOUGHTON. Mr. Speaker, I ask unanimous consent that notwithstanding the adjournment of the House the Speaker may be authorized to sign the enrolled bill, H. R. 4410.

The SPEAKER. Is there objection to the request of the gentleman from North Carolina [Mr. DOUGHTON]?

There was no objection.

PERMISSION TO ADDRESS THE HOUSE

Mr. PRIEST. Mr. Speaker, I ask unanimous consent that on Monday next after disposition of business on the Speaker's desk and at the conclusion of 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 Tennessee [Mr. PRIEST]?

There was no objection.

EXTENSION OF REMARKS

(Mr. JACKSON asked and was given permission to extend his own remarks in the Appendix of the RECORD.)

Mr. ROGERS of California. Mr. Speaker, I ask unanimous consent to extend my own remarks in the Appendix of the RECORD and to include therein an editorial from the New York Times.

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

There was no objection.

Mr. MADDEN. Mr. Speaker, I ask unanimous consent to extend my own remarks on the bill H. R. 3961, and to have them placed following the remarks of the gentleman from California in the Committee of the Whole.

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

There was no objection.

Mr. BURCHILL of New York. Mr. Speaker, I wish to bring to the attention of the Members of the House an editorial which appeared in the Binghamton Sun, March 18, concerning the St. Patrick's Day speech delivered by the Honorable James A. Farley, chairman of the New York State Democratic Committee, and I ask unanimous consent to include this speech in my remarks.

The SPEAKER. Is there objection to the request of the gentleman from New York [Mr. BURCHILL]?

There was no objection.

Mr. MARCANTONIO. Mr. Speaker, I ask unanimous consent to extend my remarks in the RECORD on two subjects, in one to include a resolution and in the other to include a poem.

The SPEAKER. Is there objection to the request of the gentleman from New York [Mr. MARCANTONIO]?

There was no objection.

Mr. HAGEN. Mr. Speaker, I ask unanimous consent to extend my own remarks in the RECORD and to include therein copy of the Minnesota law on the soldiers' vote.

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

There was no objection.

(Mr. SCOTT, Mr. KEFAUVER, and Mr. MURRAY of Wisconsin asked and were given permission to extend their own remarks in the Appendix of the RECORD.)

Mr. JENSEN. Mr. Speaker, I ask unanimous consent to extend my own remarks in the Appendix of the RECORD on the bill, H. R. 3961.

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

There was no objection.

Mr. BARRETT. Mr. Speaker, I ask unanimous consent to revise and extend my own remarks in the RECORD at that point in the RECORD where I spoke today on H. R. 3961, and to include therein some correspondence between myself and the Corps of Engineers.

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

There was no objection.

Mr. WICKERSHAM. Mr. Speaker, I ask unanimous consent to extend my own remarks in the RECORD and to include therein a certain exhibit.

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

There was no objection.

Mr. WHITE. Mr. Speaker, I ask unanimous consent to extend my own remarks in the RECORD, first, in reference to international currency. I have an estimate on this of $195 from the Public Printer. I also ask unanimous consent to extend my own remarks in the RECORD and to include an article by B. M. Anderson. On that I have an estimate of $495. I desire to combine these two in one article and I ask unanimous consent that these articles may be included, notwithstanding the estimate of the Public Printer.

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

There was no objection.

DEPARTMENT OF AGRICULTURE APPROPRIATION BILL—1945

Mr. TARVER. Mr. Speaker, I move that the House resolve itself into the Committee of the Whole House on the state of the Union for the consideration of the bill H. R. 4443, making appropriations for the Department of Agriculture for the fiscal year ending June 30, 1945, and for other purposes, and pending that

motion, Mr. Speaker, I ask unanimous consent that general debate may continue throughout the day and close not later than 3 p. m. on tomorrow, the time to be equally divided between the gentleman from Illinois [Mr. DIRKSEN] and myself.

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

There was no objection.

The SPEAKER. The question is on the motion offered by the gentleman from Georgia [Mr. TARVER].

The motion was agreed to.

Accordingly the House resolved itself into the Committee of the Whole House on the state of the Union for the consideration of the bill H. R. 4443, with Mr. WHITTINGTON in the chair.

The Clerk read the title of the bill.

The first reading of the bill was dispensed with.

Mr. TARVER. Mr. Chairman, I yield myself 30 minutes.

Mr. Chairman, notwithstanding the lateness of the hour, I hope as many members of the Committee of the Whole as can do so remain during the attempt on my part to present as briefly as I may the facts about this bill.

The Subcommittee on Agricultural Appropriations began its hearings on the 7th day of February and since that time has been engaged almost continuously in morning and afternoon sessions in the completion of hearings on the bill which, as you will observe from examining them, are of a rather voluminous character, and in the work of writing up the bill we are anxious to have you understand as clearly as possible the reasons which have actuated us in taking certain actions in connection with the formulation of the bill, especially those which have been taken either in reduction or in the increase of Budget estimates. The bill, in our judgment, will prove a less fruitful source of controversy than has any agricultural appropriation bill presented to this House during the last several years.

The subcommittee is practically in unanimous agreement. Of course, there are some items in the bill concerning which we were not able to reach entire agreement on the part of all members of the subcommittee, but the subcommittee is more nearly in unanimous agreement regarding the provisions of this bill than it has been in regard to any agricultural appropriation bill presented to this House since I have served as a member of the subcommittee.

I desire at this time to express the very deep appreciation which I feel for the fine spirit shown by all members of the subcommittee, including the chairman of the full committee, the gentleman from Missouri [Mr. CANNON], who is also a member of this subcommittee, the gentleman from California [Mr. SHEPPARD], the gentleman from New Jersey [Mr. WENE], the gentleman from Kansas [Mr. LAMBERTSON], the gentleman from Illinois [Mr. DIRKSEN], and the gentleman from Vermont [Mr. PLUMLEY], who have been so cooperative in connection with the preparation of the bill and for the very large amount of work faithfully performed, which has been necessary on the part of all of them in its preparation.

We have, of course, had the assistance of one of the most able employees of the House Committee on Appropriations who, throughout many years of service, has demonstrated his extraordinary efficiency and who has perhaps had more to do with the preparation of the bill than has any individual member of the subcommittee. I refer, of course, to our genial clerk, Mr. Arthur Orr.

I wish to point out in the beginning of my remarks, as shown by the summary contained on pages 3 and 4 of the committee report, that this bill has been more drastically reduced below the level of the appropriation act for the Department for which it provides for the current fiscal year than has been any supply bill presented so far during this session of the Congress for any of the departments of the Government. That statement was made also last year in comparing the bill for this fiscal year with that for the fiscal year 1943. It was true then, as it is now.

We have here, therefore, a bill which, when all of its provisions are taken into account, carries about 45 percent less in the way of actual money than was carried in the Agricultural Appropriation Act for the current fiscal year 1944. In making that statement I am taking into consideration the appropriations and reappropriations and loan funds authorized for use in the bills for the 2 fiscal years.

If we take into consideration only appropriations and reappropriations, the amount of the reduction below the funds made available for these items for the present fiscal year is approximately 41 percent, but when consideration of the loan provisions is added the amount of the reduction is 45 percent.

The bill as presented to you here is $93,500,000-plus below budget estimates. It is approximately $404,000,000 below the amount carried in the bill for the present fiscal year for appropriations and for reappropriations, which amount was approximately $972,000,000. When, as I have said, you take into account the reduction of loan authorizations carried in the bill, in addition to this tremendous reduction in appropriations and reappropriations, you have a still further reduction in the amount made available of $82,500,000, which brings the present bill to only 55 percent of the bill for the current fiscal year, involving a reduction of 45 percent.

You may think it strange that I, as one who is deeply interested in agriculture and in contributing to the solution of the problems of agriculture, insofar as it can be done by the appropriation of money for the support of the Department of Agriculture, am thus stressing the fact that by action of the subcommittee on which I serve as chairman there has been such a tremendous reduction in the amount of Federal funds made available for agricultural purposes. I want to assure you that not only myself, but every member of the subcommittee, while we have been interested in bringing about all reasonable economies, have at the same time endeavored to have the bill, insofar as we could under the limitations under which we labored, provide as fully as possible for the reasonable needs of agriculture insofar as those needs could be supplied through the agricultural appropriation bill.

Perhaps the farmer has been requested, through the submission of this bill in its drastically curtailed form, to assume more than a fair share of the reduction in national expenditures, and to be deprived of services which, in many instances, are of a type which are desirable, if not essential, in the making of proper provision for the needs of agriculture in this time of emergency.

We have not thought, however, to so severely reduce appropriations for the Department of Agriculture as to bring about the reduction or elimination of any absolutely essential activity. We have believed that the farmers of the country generally would approve our efforts to effect all reasonable economies and in that position we have been supported by the evidence of officials of the American Farm Bureau who appeared before our subcommittee, this having been the only farm organization which requested the opportunity to appear and be heard. Of course, there are certain subject matters we could not consider. We have no power to include anything in the bill for the school-lunch program, for which provision was made in the bill for the present fiscal year in the amount of $50,000,000, which was transferred from section 32 funds intended to be used in facilitating the distribution of surplus agricultural commodities. That provision was legislative. Under the rules of the House we are prohibited from bringing in any provision in this bill which would be subject to a point of order as being legislative in character. The same statement applies to the appropriations and loan authorizations which were proposed by the Budget for the Farm Security Administration, amounting to $126,000,000.

There are at least some members on the subcommittee, including myself, who would like to have seen adequate provision made for the continuance of the work of the Farm Security Administration. Certainly there must be provision made for conserving the huge investment of Government funds, amounting to over $400,000,000, which have already been invested in this program. It is absolutely inconceivable that the Congress should fail to make any provision for Farm Security Administration activities and simply leave the matter of the collection and conservation of those funds up in the air, with the Government's interests unattended to. So, I apprehend that before this bill is finally enacted by the Congress some provision will be found in the bill to take care of this situation, certainly for the conservation of these funds, and I trust for the carrying on in a reasonable way of the activities of the Farm Security Administration for another fiscal year.

We are all familiar with the fact that there has been reported from the Committee on Agriculture a bill that seeks to revise this program and to authorize it, and to combine it with the program of

the Emergency Crop Loan and of the Regional Agricultural Credit Corporation. Of course, I do not know what action will be taken by the Congress on that proposed legislation.

If the Congress desires to enact a law under which these activities are taken care of, then I trust that it will do so before this bill is finally enacted, so that an appropriation under the terms of whatever law it may enact may be included in the bill. If it does not enact such a law, then I certainly trust that the Senate in its consideration of the bill, not being bound by the same rules which obtain in the House, will insert adequate provision for the Farm Security Administration activities.

I wish also to point out in connection with the remarks I have made concerning the drastic reduction in the appropriations carried in the bill the fact that $170,000,000-plus of this reduction is accounted for by the omission from this bill of any provision for parity payments. We carried, of course, in the bill for the current fiscal year a provision for parity payments on the 1942 crops to carry out an obligation which had been assumed by the Congress in connection with the Agricultural Appropriation Act for the fiscal year 1943. At this time it appears that all of the major crops to which parity payments would be applicable are selling at or above parity according to parity standards fixed by law, with perhaps one or two exceptions where the prices are almost to parity. Therefore, no provision has been made in this bill for parity payments, and that accounts for a considerable part of the reduction in the over-all appropriations carried in the bill.

There is also the reduction in loan funds for the farm-tenant program of $15,000,000.

Even with these last-mentioned items, which were included in the Agricultural Appropriations Act for 1944—and have not been included in the present bill—not taken into account, there is still a tremendous reduction in the funds carried in this bill for direct appropriations, reappropriations, and loans as compared with the act for the present fiscal year, amounting to $152,921,695.

In addition to appropriations, reappropriations, and loan authorizations, there are, of course, available to the Department of Agriculture certain trust funds estimated to amount, for the next fiscal year, to $10,144,950 and certain funds derived from permanent appropriations, amounting in the aggregate to $125,309,615, making a total of funds for the Department of Agriculture for the 1945 fiscal year of $843,759,959, if the recommendations of this subcommittee, as outlined in the pending bill, are approved by the Congress, as against a total of all similar items for the present year of $1,089,624,558.

I shall not have the time, nor would you have the patience to listen to me for the time that might be necessary, to discuss all of the provisions of this bill. I do ask you to turn with me to the tabular statement which is set out on page 20 of the committee report and the following pages, and I shall make some brief reference to the outstanding items in regard to which the committee has undertaken to effect some changes, either to increase or to decrease Budget estimates.

SECRETARY'S OFFICE AND OFFICE OF THE SOLICITOR

Certain items for the Office of the Secretary and the Office of the Solicitor were increased by small amounts, in the one case $29,200 and in the other case $125,200, largely because of the fact that with the reduction in the working funds of the Department, contemplated by the appropriations made later on in the bill, the work of the Office of the Secretary and of the Solicitor's office ought to be materially decreased. In addition to that, as far as the Office of the Secretary is concerned, there has been set up in the Department, as you know, the Office of the War Food Administrator, which has charge of most of the organizations of the Department, and administrative supervision over them, and that fact should bring about a reduction in the work of the Secretary's office.

OFFICE OF INFORMATION

While the committee has approved the Budget estimates for the Office of Information, they represent a reduction of $284,524 below funds available for the present fiscal year. The services of that Office, its publications, and the information it is able to furnish the farmers of the country are of inestimable value at this time when the American farmer is exerting himself to the utmost to meet the requirements of the food-for-victory program. The committee has reluctantly approved the contemplated economies in this Office but hopes that the funds carried in the bill will enable it to function with reasonable efficiency.

LIBRARY

The bill carries for the library of the Department $543,233 which is identical with the amount provided in the 1944 act.

BUREAU OF AGRICULTURAL ECONOMICS

There is some difference of opinion among the members of the subcommittee as to whether it is wise at this time to make further reductions in the funds appropriated for this Bureau. Its economic investigations, if properly conducted, are of vital importance to American agriculture. Speaking for myself alone, I feel that the Bureau of Agricultural Economics, while the information it furnishes should, of course, be accurate, is supposed primarily to be working for the benefit of agriculture and of the farmer and that too much of its effort has been devoted to an attempt to prove that the condition of the farmer is satisfactory, and that he is being accorded a fair deal in comparison with other classes of our people in the pending emergency. I do not believe that such findings and contentions accurately or fairly present the farmers' case. While prices of agricultural commodities have increased, their increase has been by no means proportionate to the increases in the values of manufactured goods or in the value of services either in war industry or in other civilian employment. While labor in war industry is receiving approximately 200 percent of what it received in World War No. 1, the farmers' prices are very substantially less in value than they were during that war and his labor machinery and fertilizer costs are largely in excess of those which then prevailed. Profits in industry, which are so tremendous as to be in large part responsible for a national income exceeding anything of which anyone ever dreamed in our national history, have not been accompanied by anything like proportionate profits in agriculture.

The farmer is, therefore, justified in feeling that he is not receiving the consideration which is the lot of many classes of our citizenry. If this be the fact, and I think it is, the Bureau of Agricultural Economics, supposed to be working for the farmer, has not adequately developed it, and I, therefore, feel that it has not been wholeheartedly the servant of agriculture as it should have been. Perhaps the committee would feel justified in increasing rather than decreasing the amount of its appropriation for economic investigations if it were able to feel that in this field the Bureau is accomplishing to the full and with wholehearted sincerity the type of work which it was set up to do.

The appropriation for its crop and livestock estimates has been approved as submitted by the Budget.

OFFICE OF FOREIGN AGRICULTURAL RELATIONS

The appropriation carried for the activities of this Office is identical with that for the present fiscal year and with the Budget estimate.

AGRICULTURAL RESEARCH ADMINISTRATION

Budget estimates for the Office of the Administrator have been approved without change, including the appropriation of $1,226,364 for the special research fund.

EXTENSION SERVICE AND OFFICE OF EXPERIMENT STATIONS

We have been carrying, as you know, in every bill for the last several years a lump-sum appropriation for the Extension Service, $255,000, and for the Office of Experiment Stations, $63,708, for the purpose of preventing any States from receiving a smaller allotment of funds than they had received prior to the 1940 farm census. These supplemental appropriations have not been authorized by law, and heretofore we could not include them in the bill, under the rules of the House, but this year we are proceeding under a unanimous-consent agreement, reached yesterday, by which the House may consider as in order any items carried in the bill which are proposed for authorization under the Pace bill, which passed the House March 7, 1944, just as if that bill had finally been enacted into law, and the making of these two supplemental appropriations is proposed for authorization by the terms of the Pace bill. Therefore, under the rules and the unanimous-consent agreement under which we are proceeding, these two items are in order, and since the House has on several other occasions

manifested its purpose to continue the appropriation of these funds, the subcommittee has included provision for them in the pending bill. Other estimates for these organizations have been approved without change.

BUREAU OF ANIMAL INDUSTRY (A. R. A.)

A very controversial subject matter is involved in the reduction which has been made in the estimates for the Bureau of Animal Industry, and there has been, as I presume all of you know, an organized campaign upon the part of friends of the field service in the Bureau of Animal Industry to have approval given to the proposed reclassification of 2,472 of these field employees, the effect of which would be to bring about a salary increase of an average of $289 for each of these employees.

I say to you frankly that many arguments which in my judgment have merit were presented to the subcommittee in favor of the proposed increase in salaries, which is what it amounts to, in fact. Except for the circumstances under which the matter came to the attention of the committee, the committee might have felt inclined to have gone along with the suggestion, but we find ourselves confronted with these facts. All Federal employees have had increases in pay under the provisions of the Overtime Pay Act of 1943, amounting for these particular employees to an average of $452 per employee. We felt that if the Congress should at this time provide for an additional increase through the reclassification method, for all of these field employees of the Bureau of Animal Industry, we would start a movement on the part of many organizations of Federal employees to secure for themselves similar consideration. In fact there was proposed in connection with the legislative appropriation bill passed by the House a few days ago by the subcommittee reporting the bill, an increase of $330,000 to provide for an increase in the salaries of the law clerks in the district and circuit court judges' offices, and in the full committee that proposed increase was stricken because the committee did not want to embark on an increase in salaries beyond the 21.6 percent carried by the Overtime Pay Act. So this subcommittee handling the present bill, in an effort to be consistent with the action of the committee on the legislative appropriation bill, has eliminated from the estimates here approximately $996,000, which would have been necessary for the next fiscal year to have paid these increases in salaries, and in addition has found it possible to reappropriate $343,000 which had been appropriated for the present fiscal year for the work of eradicating tuberculosis and Bang's disease, and which it had been proposed to use to increase these salaries for the remainder of the present fiscal year.

That money will not be expended during the present fiscal year, unless the Congress should express its approval of this reclassification plan. In the event it should do that, it would be spent, and that would mean an increase in this appropriation of not $996,000 in all but of $966,000 plus $343,000, which would have to be added to the figures contained in the bill since we would not have that money to reappropriate for the next fiscal year and could not by that process reduce the estimate for the Bureau of Animal Industry.

I trust this may satisfactorily explain the present status of this proposed plan. I apprehend that the matter will be brought to your attention in reading the bill under the 5-minute rule. A motion was made in the whole Committee on Appropriations to restore these cuts that we had made from the Budget estimates for this particular purpose, and that motion was rejected by the full committee by a vote of 19 to 4. It is the hope, at least of a majority of the subcommittee, that the House may approve the action of the subcommittee with regard to this item.

BUREAU OF DAIRY INDUSTRY (A. R. A.)

The estimates for this Bureau which are identical with the appropriations for the present fiscal year have been approved without change.

BUREAU OF PLANT INDUSTRY, SOILS, AND AGRICULTURAL ENGINEERING (A. R. A.)

The estimates for this Bureau, with its manifold activities, including agricultural engineering investigations, cereal crops and diseases, cotton and other fiber crops and diseases, dry-land agriculture, forage crops and diseases, forest pathology, fruit and vegetable crops and diseases, irrigation agriculture, plant exploration, soil and fertilizer investigations, the plant industry experiment farm, soil surveys, sugar-plant investigation, and tobacco investigations, represent in almost every instance small reductions below the amounts carried in the act for the present fiscal year.

We have approved the Budget estimates with two exceptions, having made a small additional appropriation of $3,110 in connection with the investigation of fruit and vegetable crops and diseases, and a reduction of soil-survey item of $12,000, feeling that additional soil surveys at this time are unlikely to prove beneficial in the war effort and especially that these should not be undertaken until it is possible to make available for the use of farmers the information which has already been collected by previous surveys, a great deal of which has not yet been published.

BUREAU OF ENTOMOLOGY AND PLANT QUARANTINE (A. R. A.)

The estimates for this very important Bureau include provisions for research in fruit insects, Japanese beetle control, sweetpotato weevil control, Mexican fruitfly control, citrus canker eradication, gypsy and brown-tailed moth control, Dutch elm disease eradication, phony peach and peach mosaic eradication, forest insects, truck crop and garden insects, cereal and forage insects, barberry eradication, cotton insects, pink bollworm and thurberia control, bee culture, insects affecting man and animals, insect pest survey and identification, and foreign parasites.

Numerous budgetary reductions in this multitude of items have been approved, although we feel that sufficient funds are now carried in the bill for these worthy purposes to insure the efficient continuance of proper research and investigation. In only one instance have we exceeded Budget estimate. We have restored a proposed budgetary cut of $6,950 in the item for bee culture.

BUREAU OF AGRICULTURAL AND INDUSTRIAL CHEMISTRY (A. R. A.)

The committee examined with a great deal of care witnesses having knowledge of the types of investigations being carried on by this Bureau and were particularly interested in the work of the four regional research laboratories. Many substantial accomplishments were reported in connection with that work and the attention of interested Members is respectfully invited to the hearings regarding these subject matters.

In the Bureau of Agricultural and Industrial Chemistry there has been an increase of $18,536 for the purpose of carrying on some very essential work at Winter Haven laboratory in Florida in connection with the experimentation on processes for the preservation of citrus fruit juices so as to aid in shipment abroad for the use of our armed forces and our allies without damage in shipment. We were given advices as to considerable losses which have been sustained by reason of the spoilage of such products in shipment heretofore. The laboratory at Winter Haven has been doing some very important, and to some extent at least, successful work in undertaking to solve these particular problems.

BUREAU OF HUMAN NUTRITION AND HOME ECONOMICS

I am sure all the Members of the House are deeply interested in the work of the Bureau of Human Nutrition and Home Economics, which heretofore has been known as the Bureau of Home Economics. It is the women's organization of the Department of Agriculture. Frequently we have letters from women throughout the country complaining that whereas we appropriate $17,000,000 or $18,000,000 for the Bureau of Animal Industry, yet for this organization which has to do with the problems of the American home and homemaking we appropriate what seems to them to be a miserly sum, estimated by the Budget for the next fiscal year at $606,000. I hope you will find time to read the hearings on this bill, and particularly the evidence of the outstanding women from all over the United States who came before our committee to testify in behalf of increases in the Budget estimates for this Bureau. They asked for $675,000 more, which would have more than doubled the amount of the appropriation. The committee was very sympathetic with their request, but felt that under the present conditions we were not justified in granting it to the full extent that was desired. But we have provided here in this bill for an increase in appropriations for this Bureau above the estimates for the next fiscal year of $200,000 for certain very desirable types of research activities which you will find outlined in the committee report and in the hearings.

BELTSVILLE RESEARCH CENTER (A. R. A.)

The Budget estimate for administrative expenses of the Beltsville Research Center has been approved without change. Most of the moneys expended at Beltsville, as Members of the Congress know, are appropriated to the several bureaus of the Department doing work there, and the comparatively small item of $130,760 carried in the bill represents only over-all administrative expenses.

WHITE PINE BLISTER RUST CONTROL

The Budget estimate for this very important work has been approved as submitted in the amount of $2,264,026.

FOREST SERVICE

Despite the fact that two small increases were made in items of appropriations for the Forest Service above Budget estimates, the bill represents a reduction of $2,422,324 below Budget estimates for this Service. This is occasioned by the fact that estimates for forest fire cooperation were in the amount of $5,000,000, whereas the limit of authorization of existing law is $2,500,000, to which we have added $29,062 authorized under the Overtime Pay Act of 1943. This action does not represent the viewpoint of the committee as to what funds should be appropriated for this purpose, but represents the limit of our authority under the law, and the committee leaves open the question of further consideration should the additional amount of the Budget estimate be added to the bill by Senate amendment. We have made an addition under the item for Forest Management of $45,000 which includes $35,000 for use in investigation of Naval Stores Production at the Olustee, Fla., laboratory, and $10,000 for studies looking to the control of the spruce budworm.

The bill includes no money for the acquisition of lands for national forests excepting small amount to carry out existing obligations of the Government under contracts heretofore executed. The available funds for farm and other private forestry cooperation is continued, $781,466, as estimated for by the Budget.

The Forest Products Laboratory at Madison, Wis., has been provided for in the amount of the Budget estimate plus $15,000 for investigations at the Southern Forest Experimental Station at New Orleans, La., in connection with the utilization of southern hardwoods.

EMERGENCY RUBBER PROJECT

We have provided in the bill for the liquidation of the emergency rubber project. That, I know, is a subject matter which is bound to arouse considerable discussion and considerable controversy. Before the Members of the House reach the conclusion that the committee has improvidently made provision for the liquidation of this project, I respectfully request that they read the hearings had before the committee with reference to the matter. The Government has expended so far approximately $45,000,000 in connection with this emergency rubber project, most of it in experimentations in guayule, in which so far there have resulted approximately 400 tons of rubber produced from stock which had matured prior to the purchase of the lands comprising the original project by the Government. The golden rod and Russian dandelion and cryptostegia investigations have produced some findings which appear to be of interest, but at the same time there has not been developed from them or from the guayule experimentations any hope that as the result of the carrying on of this project any material relief will be secured in our rubber situation during the period of this emergency unless it should last much longer than most of us hope will be the case.

The CHAIRMAN. The gentleman from Georgia has consumed 30 minutes.

Mr. TARVER. Mr. Chairman, I yield myself 10 additional minutes.

According to the evidence of some of the witnesses who have appeared in past hearings in connection with this emergency rubber project, the cost of the production of this guayule rubber would run about $3 a pound, whereas some of the more recent evidence and that delivered in connection with our hearing this year, would indicate the possibility of its production at 52 cents per pound, or even, according to the most optimistic estimates, at lower prices than that. However that may be, the evidence is undisputed that in 1933 and 1934 natural rubber imported into this country from the East Indies was selling at 3 cents per pound. Of course, that was the lowest price ever reached. But there is no hope in the minds of anyone so far as I have been able to ascertain, that is, anyone who is in position to know or to express an intelligent opinion regarding this subject matter, that we will be able to develop in this country an industry for the production of natural rubber, either from guayule, golden rod, Russian dandelion, or cryptostegia, which will be able to compete with the importation of natural rubber from foreign sources after this war is over and since it is very apparent that the carrying on of this emergency rubber project during the period of the war will not contribute substantially to the solution of our rubber problem, and since it involves and has involved such a tremendous sum of money, the committee has thought proper to provide for its liquidation. However, an ample sum amounting to $3,900,000-plus has been provided in the bill for the purpose of liquidation which would include money for the processing of whatever guayule or other plants they may have which are available for processing during the next fiscal year and the reclamation of whatever rubber can be secured by this processing, which they estimate will be, however, only about 325 tons.

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

Mr. TARVER. I am glad to yield to the gentleman.

Mr. MURDOCK. Does the gentleman know of any expenditure for any other agricultural program such as hemp? I do not believe it has been included in the agricultural appropriation, but has there been a wartime experiment on the production of such fibers?

Mr. TARVER. There has been, of course, such a program, but it is not provided for in this bill, and I have not given the study to that particular subject matter that would be required in order to intelligently advise the gentleman concerning it.

Mr. MURRAY of Wisconsin. Mr. Chairman, will the gentleman yield?

Mr. TARVER. I yield.

Mr. MURRAY of Wisconsin. I note in the table under "Farm tenancy, title I," that there is provided $750,000 for personnel.

Mr. TARVER. I am going to discuss that later. Would the gentleman wait until I reach that?

Mr. MURRAY of Wisconsin. Yes. I would like to have that cleared up.

WAR FOOD ADMINISTRATION

Mr. TARVER. The Budget estimates for the War Food Administration contemplate a substantial increase, amounting to more than $3,000,000 above amounts available for the present fiscal year. It has been pointed out, however, by officials of the War Food Administration that many of its activities began long after the beginning of this fiscal year, such as the promulgation and enforcement of food distribution orders, and that more money will be required to carry them on for an entire fiscal year than was sufficient for only a portion of a year. It has been felt, however, by a majority of the subcommittee that the $800,000 projected for expenditure in the wage-stabilization project of War Food Administration should not be expended and that this project should be abandoned. It is believed it should be abandoned now rather than to await the beginning of the next fiscal year, when, if this bill is approved, its funds will not be available for that purpose.

The committee has inserted a proviso which would prevent the expenditure of administrative funds to promulgate or enforce any food-distribution order which undertakes to assess the cost of administering such orders against the handlers, distributors, or producers of the product with which they deal. In the cases of dairymen the War Food Administration has begun a practice of making a small assessment of 1½ cents per hundred pounds of milk against handlers or distributors of dairy products for administrative expenses in carrying out these food-distribution orders, which assessment is eventually borne by the producer, whether he is a producer only or a producer-distributor. While the assessment is small we believe it is distinctly unfair that any part of administrative expense of the War Food Administration should be assessed against the agricultural producers with whose products it has occasion to deal. We were advised by administrative officials that a considerable additional amount of administrative money should be appropriated for the use of War Food Administration if these assessments are made impossible. Estimates as to the exact

amount of increase thought necessary were in the nature of guesswork and varied from $1,000,000 to $1,500,000. We believe that the increased funds made available for War Food Administration for the next fiscal year, if this bill is approved, should be amply sufficient to take care of any additional costs which may be incurred in this connection.

COMMODITY CREDIT CORPORATION

A reduction of $302,000 is proposed in the committee bill in the amount of money appropriated from Corporation funds for administrative purposes. This represents the judgment of a majority of the subcommittee as to economies that it should be possible to effect in the administration of the affairs of the Corporation. It cannot be said that the subcommittee has been in unanimous agreement on this proposed reduction. Further, I as one member of the subcommittee believe that an appropriation should be made by Congress to restore the capital stock of the Corporation as contemplated by law. According to the information we have, the capital stock of $100,000,000 has now suffered almost 100 percent impairment. A Budget estimate for approximately $39,000,000, intended to replace a portion of this impairment, was recently disapproved by the Deficiency Subcommittee and the House passed the deficiency bill which might have contained the appropriation without amendment in this particular. There was no Budget estimate before our subcommittee for this purpose, and we did not feel justified in including in this bill any provision with relation to this subject matter. The proviso carried in the Agricultural Appropriation Act of the present year prohibiting the sale of Government-owned or controlled agricultural commodities at less than parity prices is carried in the pending bill in substantially the same form in which it appears in the present law and with the same exceptions.

CONSERVATION AND USE OF AGRICULTURAL LAND RESOURCES

The bill carries provision for the direct appropriation of $290,000,000 as contemplated in the Budget estimates, although the Budget estimates provided for the use of $40,000,000 of this amount from section 32 funds. For this use, however, we were unable to provide since it is not authorized by law. We, therefore, appropriate in the bill the $40,000,000 directly, or a total of $290,000,000, which, added to funds which will be available from previous appropriations, will make a total of $300,000,000 available for the program for the present calendar year, which is the amount of the limitation contained in the 1944 Agricultural Appropriation Act. The money is provided entirely for soil-conservation and water-conservation practices. Language in the Budget which would have required that the 1944 appropriation suffice for the program until June 30, 1944, instead of the calendar year 1943 as appropriated has been deleted by the deficiency committee in its submission of the deficiency bill considered a few days ago and similar language proposed by the Budget for the pending bill with regard to extending the availability of the appropriation carried in this bill for a program to end June 30, 1945, instead of for a program to end December 31, 1944, has been disapproved by this committee since we feel that the effect of these proposed changes would be to reduce the appropriation for soil- and water-conservation practices by having the same funds suffice for the needs of the program for a 6-month period after the expiration of the period for which they were pledged.

PARITY PAYMENTS

As previously pointed out, no provision is carried in the bill for parity payments.

FEDERAL CROP INSURANCE

Despite the action of the Congress last year in directing the liquidation of the Federal crop insurance program, the Budget has sent over an estimate in the amount of $5,997,433 for the reinstallation of this program and carrying it on for another fiscal year. Of course, there has been no insurance on wheat or on cotton, the only two agricultural products involved for the present crop year. The committee is of the opinion that the Congress considered very carefully all of the facts, both for and against this program, in taking the action it did last year and does not believe that it contemplates now reversing its position, and immediately after directing the liquidation of the program, providing for its reinstatement.

I might say to you that the evidence regarding last year's program, what was done after the hearings last year, shows a more unsatisfactory condition with reference to the Federal crop insurance program even than was shown at last year's hearings. The losses on wheat have been $6,000,000 as compared with $3,000,000 the year before. The losses in cotton, while not so considerable, yet have been substantial, and the entire losses for the 5-year period of operation of the Corporation aggregate in excess of $63,000,000. They are divided about half in the amount of indemnities paid by the Government over and above the amount of premiums paid by the farmers, and about half in administrative expenses. I think there is no member of the committee but who is sympathetically interested in the objective sought by the establishment of the Federal Crop Insurance Corporation. I think all of them without exception would have been delighted if that experiment had been successful.

But 5 years' operation with huge losses to the Government seems to have demonstrated conclusively that the plan, as devised by Congress, will not work out, and the farmers themselves are not participating in it to the extent which had been anticipated. Last year only one-fourth of the wheat farmers participated, whereas one-third had participated the year before. The same is true of cotton, where 10 percent or less have participated. So under those circumstances we thought it would be unwise to provide, and we did not think that Congress would be willing to provide, for the reinstallation of the program for the next fiscal year. For that reason we omitted this Budget estimate, but have provided for an appropriation of $100,000 from the unexpended balance heretofore appropriated for this Corporation, to be used in the final and complete liquidation of the Corporation during the early part of the next fiscal year. We feel that that amount of money should be amply sufficient for that purpose.

Mr. SMITH of Ohio. Will the gentleman yield at that point?

Mr. TARVER. I yield.

Mr. SMITH of Ohio. I cannot understand why the Budget would make that recommendation after the action of the Congress.

Mr. TARVER. I am not able to inform the gentleman on that point.

SOIL CONSERVATION SERVICE

The Soil Conservation Service, in my judgment, is performing a more useful service for agriculture than any other organization of the Department of Agriculture.

I have had the opportunity to examine its work in connection with soil conservation districts set up in my own State, to which, as to other districts throughout the country, it furnishes technical assistance and assistance in the making of farm plans and otherwise. The result of its work, to one who will take the trouble to examine it, is astounding. It has contributed not only to the restoration of the soil where it has been depleted, but it has contributed, in substantial ways, to the material prosperity of the farmers who have undertaken to cooperate with the Soil Conservation Service in this work, and I feel amply justified in the statement I made a few moments ago to the effect that the Soil Conservation Service is performing a work of more benefit to agriculture than is any other organization in the Department of Agriculture.

Since I feel that way about it, you may wonder why I am in accord with the action of the committee in reducing the appropriation for the Soil Conservation Service as estimated for by the Budget, by $2,935,000. $2,900,000 of that was intended for use in connection with the proposed taking over of certain drainage and irrigation districts set up by State laws, in which cases the draining or irrigating in the districts in question, as the case might be, was assessable against the land in those districts. Those districts have proven unsuccessful ventures. Now it is proposed by the Soil Conservation Service to take over these unsuccessful districts and spend several hundred thousand dollars for heavy machinery and equipment, to proceed at Government expense, with some undetermined amount of cooperation on the part of the local owners, to endeavor to carry out the programs which were originally undertaken and with regard to which there was failure.

We thought that suggestion unwise. Despite our love for the Conservation Service, we provided for the elimination of this portion of its estimates.

The CHAIRMAN. The time of the gentleman from Georgia [Mr. TARVER] has again expired.

Mr. TARVER. Mr. Chairman, I yield myself an additional 10 minutes.

Mr. MURRAY of Wisconsin. Mr. Chairman, will the gentleman yield at that point?

Mr. TARVER. I yield.

Mr. MURRAY of Wisconsin. In regard to that $3,000,000 for drainage in connection with the Soil Conservation Service, was there any evidence presented to the committee that might justify, not the projects but the effort that might be made on individual farms, to do the drainage work in connection with increasing food production?

Mr. TARVER. Yes. There was evidence submitted to the committee that some of this land lying on the Mississippi River, I think part of it in Illinois, and in some of the Middle Western States would, if reclaimed, be extremely valuable land, perhaps worth two or three hundred dollars an acre. In the opinion of the officials of the Soil Conservation Service there is a need for the development of additional land for agricultural production at this time. The committee was of the opinion, however, that the trouble about agricultural production today is not that we have insufficient land upon which adequate production might be obtained, but that we do not have the necessary farm machinery and labor and other facilities which would bring about adequate production. We thought that instead of using several hundred thousand dollars—I think it approximates a million dollars for heavy machinery and equipment, and with other funds it would amount to $2,900,000, in trying to reclaim this land which other authorities had tried to reclaim without success, we ought to husband our resources for use in trying to do what we could to aid in the agricultural program on lands already available, and which should be sufficient for our purposes if properly handled, and with proper equipment and labor.

Mr. MURRAY of Wisconsin. Mr. Chairman, will the gentleman yield for an observation?

Mr. TARVER. I yield.

Mr. MURRAY of Wisconsin. What the gentleman says may be true of particular lands that may be along the river, but I am sure the gentleman from Georgia would not want to say that applied to all the land. There is no contemplation of using money to buy equipment. As I understand, practically all of these funds are used for personnel.

Mr. TARVER. Oh, no. The gentleman is mistaken. If he will examine the justifications he will find that a tremendous amount of the reduction made here was estimated for, for the purpose of purchasing heavy equipment.

Mr. MURRAY of Wisconsin. For the drainage part.

Mr. TARVER. Yes.

Mr. MURRAY of Wisconsin. But practically all of their appropriation goes to personnel, does it not?

Mr. TARVER. No; I would say that the major portion of it goes to personnel, but this particular item has included in it a tremendous amount of money, well over half a million dollars, for heavy equipment.

Now, may I pass on briefly.

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

Mr. TARVER. I yield.

Mr. CUNNINGHAM. I find nothing in here that would provide money for the control of chinch bugs and grasshoppers unless it be in this paragraph for the control of incipient and emergency outbreaks of insect pests and plant diseases. Does that cover it?

Mr. TARVER. Yes; I intend to discuss that further on, but I may as well dispose of it now.

Mr. GILCHRIST. Would the gentleman tell us whether corn borers would be included, too?

Mr. TARVER. Yes; they are included, too; all destructive pests. We have not carried in this bill heretofore the pest-control provision. It has been provided for in the deficiency bill, but $2,700,000 is carried for it in this bill with the understanding that, if there develops need for more money, the money will be supplied through a deficiency appropriation. This was not intended to be the limit of what is to be available for the purpose of combating these outbreaks, if they occur, of pests of these types.

The school-lunch program: I have already referred to this. I am one of those who feel that the school-lunch program in some form ought to be continued. I regret very much that the committee has been unable to make provisions for funds in this bill to provide for the continuance of this program, but we are without authority to do so, for the program is not authorized by law. Had we inserted such provision in the bill, it would have been stricken on a point of order in the House. Further than that, the House on March 7 voted down an amendment to the Pace bill which would have authorized the program, and as I recall, the vote was about 3 to 1. So, the committee being the servant of the House, and feeling on this occasion that the action on the Pace bill was indicative of its opinion regarding the program, its composite opinion, and also because the program is not authorized by law, could not insert the provision in the bill.

EMERGENCY EROSION CONTROL, EVERGLADES REGION, FLORIDA

The budget of $72,248 for this project, which is to be matched by State and local funds, has been approved.

LAND UTILIZATION AND RETIREMENT OF SUBMARGINAL LAND

The Budget estimate of $1,250,000, representing a decrease of $58,875 below the current appropriation, has been approved. It does not involve the purchase of any additional land but only the caretaking, maintenance, and operation for demonstration purposes of lands already owned by the Government.

SUGAR ACT

The Budget estimate for administration of the Sugar Act has been approved without change.

MARKETING SERVICE

No change has been effected in estimates for the Marketing Service except by the addition of $25,915 intended to restore marketing-news service for Cleveland, Detroit, and Seattle. Small items of increase proposed by the Budget for the various branches of this service are almost in their entirety related to increased cost brought about by the Overtime Pay Act of 1943 and this statement is also true with regard to other increases of a similar character appearing at other points in the bill.

LOANS, GRANTS, AND RURAL REHABILITATION

These estimates, as I have already stated, have been disapproved since appropriation is not authorized by law. They amount to $126,000,000. When the pending Cooley bill to provide for the consolidation of this activity with the Emergency Crop Production Loan activity and that of the Regional Agricultural Credit Corporations comes before the House we will be able to ascertain the legislative will as to the type of program of this sort which it is desired to maintain and under what limitations. It is to be hoped that that legislation will have been enacted prior to the final disposition of the pending bill so that provision can then be made in this bill for such appropriations as Congress may see fit to authorize.

FARM TENANT LAND PURCHASE PROGRAM

The Budget estimate for loans for this program in the amount of $15,000,000 has been approved. The program, in my judgment, has amply justified itself and should be expanded after the war. At the present time its activities have necessarily diminished owing to high land values and the apparent unwisdom of permitting tenants to assume long-term obligations to pay for farms at high prices, which obligations they would probably be unable to discharge under post-war conditions. The appropriation of $750,000, or half the Budget estimate, for the administration of this program is, in my judgment, manifestly insufficient, and yet we are prohibited by law from appropriating more than 5 percent of the amount of funds made available, the law having apparently failed to take into account the tremendous amount of money the Government has invested in the loans made in previous years and which must be serviced and collected. I sincerely hope that the Senate may, under its rules, which are more liberal than those of the House, make provision for the additional administrative funds necessary.

LIQUIDATION AND MANAGEMENT OF RESETTLEMENT PROJECTS

No appropriation was proposed by the Budget and none has been made for this purpose. It is proposed that necessary liquidation expenses in 1945 for these projects shall be financed from trust funds received for such purposes from

such projects. Their complete liquidation and that of all other cooperative or collective farming activities has been twice directed by Congress, and we are still hopeful that it may be eventually achieved.

WATER FACILITIES—ARID AND SEMIARID AREAS

This appropriation was estimated for by the Budget in connection with the estimate for loans, grants, and rehabilitation which has heretofore been discussed.

RURAL ELECTRIFICATION ADMINISTRATION

The Budget estimates for the Rural Electrification Administration have been approved without change. The work of this organization during the present fiscal year has substantially improved and with the relaxation of restrictions upon the use of materials in line construction greater steps have been made toward completing the job of rural electrification than were possible in the 1943 fiscal year. It is believed, however, that the amount of funds estimated for by the budget will be amply sufficient for the needs of R. E. A. for fiscal 1945.

FARM CREDIT ADMINISTRATION

Except for $626,321 directly appropriated, which represents a reduction of $62,938 below the appropriation for the present fiscal year, no funds are directly appropriated to the Farm Credit Administration for administrative expenses. The larger portion of these expenses is paid by amounts chargeable against activities administered by it and by transfer from farmers' crop production and harvesting loan funds. Adequate provision for this last-mentioned activity is made through reappropriation of unexpended balances.

FEDERAL FARM MORTGAGE CORPORATION

Provision is made in the bill for the use of corporation funds for its administrative expenses in the amount of Budget estimates.

The record of the Farm Credit Administration in its several branches and of the Federal Farm Mortgage Corporation is one which must bring gratification to all of those who are interested in the development of a more stable agriculture and the removal as time goes on of the heavy debt burden with which our farmers generally have been afflicted. An examination of the hearings will disclose the repayment of these loans has exceeded all previous records and, while the loan activities of the Federal land banks and the Federal Farm Mortgage Corporation are being materially reduced, that circumstance in itself very greatly adds to our feeling of satisfaction with the success of these activities.

I believe, Mr. Chairman, I have substantially covered the major items in the bill. The hour is growing late, and unless some Member desires to ask me a question I shall relinquish the floor.

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

Mr. TARVER. I yield.

Mr. GILCHRIST. I have some curiosity to know whether a worm is an insect.

Mr. TARVER. Oh, undoubtedly it is. An insect is not necessarily a worm, but a worm, of course, is an insect.

Mr. GILCHRIST. I spoke about corn borers. That would be covered by the provision at the bottom of page 40 and the top of page 41 of the bill.

Mr. TARVER. Yes.

Mr. GILCHRIST. One further inquiry, if the gentleman will permit, about farm loans upon grain that is stored upon the farms. That is taken care of by the Commodity Credit Corporation.

Mr. TARVER. If it is taken care of at all it is taken care of there. I want to say this to the gentleman with regard to the Commodity Credit Corporation: I think it was a mistake when the House in the deficiency bill made no provision for a restoration of the capital of the Commodity Credit Corporation which has now been depleted by at least 95 percent of the original $100,000,000. Whether the Commodity Credit Corporation will continue to be able to make as extensive loans during the coming fiscal year as it has in the past is very questionable because of this depletion in its working capital. Certainly I think the Congress ought to provide sufficient funds, but all we can do in this bill is to make an appropriation for its administrative expenses from corporate funds.

Mr. GILCHRIST. I think there has been nothing so satisfactory as the right to the farmer to store his grain on his own farm and borrow money on it. It has been universally approved. I think it ought to be covered in the bill.

Mr. TARVER. There is nothing we can do here except to appropriate funds from the corporate funds for its administrative expenses. The Budget estimate providing for restoration of the capital stock of the Corporation was referred to the deficiency subcommittee, not our subcommittee.

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

Mr. TARVER. I yield.

Mr. MURDOCK. I want to congratulate the chairman in regard to several items here, especially in regard to farm homes and with regard to forest management. Can the gentleman give me a little more assurance about taking proper care of the great Government investment in the Farm Security Administration so that what we have there will be protected?

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

Mr. TARVER. Mr. Chairman, I will take another minute.

Let me say to the gentleman that it is beyond the power of this committee to include provisions in this bill for taking care of the investments or for carrying on in any degree the activities of the Farm Security Administration. It has never been authorized by law, but certainly I cannot conceive that Congress will fail to make some provision for the protection of the Government's interest in Farm Security Administration loans before the end of the present fiscal year, either through this bill or through some other legislative action.

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

Mr. DIRKSEN. Mr. Chairman, I yield such time as he may desire to the gentleman from Pennsylvania [Mr. WRIGHT].

Mr. WRIGHT. Mr. Chairman, not long ago I introduced a resolution, House Resolution 418, which provided for the reaffirmance of the action of the Sixty-seventh Congress in 1922, when it placed itself on record as favoring the establishment of a national home in Palestine for the Jews. This original action was in substantiation of the Balfour Declaration, wherein Britain committed itself to the identical policy, and the later mandate of the League of Nations, signed by 72 nations, which entrusted Britain with the encouragement of Jewish immigration into Palestine, their close settlement of its lands, and the establishment there of a Jewish national home. Implicit in the Balfour Declaration and the mandate was the plan that the Jews should eventually form in Palestine a nation or commonwealth. The resolution which I presented provided expressly for a Jewish commonwealth. This policy was at that time likewise agreeable to the Arabs in their first gratitude at being themselves freed from Turkish rule. The resolution of the Sixty-seventh Congress was later fortified by a convention or treaty between the United States and Britain wherein the United States agreed to the mandate, and Britain pledged itself not to change its terms without our consent.

In 1939 the white paper was published by Britain without the consent of the League or of our country, the effect of which was the cutting off of immigration into Palestine and the prohibition of the further purchase by the Jews of Palestine lands. This action was assailed in Britain by many of its most prominent leaders, and was condemned by the mandates commission of the League of Nations. In the meantime, the persecutions of Hitler had grown steadily more brutal and murderous, both in Germany and the conquered countries, until it is doubtful today whether any considerable number of European Jews will survive. It became imperative that a haven be found for those who can now escape, the hope be afforded the others of a post-war asylum. This Palestine resolution sought to fill this desperate need.

We are impelled to the salvation of the Jews by many motives. The first, of course, is common humanity. We cannot be so callus as to be indifferent to the suffering of these unfortunate people. The second is that our treaty rights be respected, and that the judgment of the civilized world at the expiration of the last war be now affirmed. The third is our concern for the world's stability and peace. For centuries the Jewish minority has been mistreated by Christian

Europe. Anti-Semitism has been repeatedly used as a weapon by ambitious and demagogic tyrants. Palestine is the answer to these grave, recurring problems of the world.

Our President has stated but recently that America has never agreed to the white paper, but favors immigration of Jews into Palestine. He pledged eventual justice to the downtrodden Jews of the world.

At a meeting of the Foreign Affairs Committee of the House last week a letter from Secretary of War Stimson was received, stating that further action on the Palestine resolution at the present time would be prejudicial to the successful prosecution of the war. A representative of the War Department stated in the committee's executive session matters of a military nature which concerned themselves with the possible unfortunate results of the present passage of the resolution.

Mr. Chairman, we are not soldiers but civilians. We are not military strategists. We must in the absence of superior knowledge respect our selected military chiefs in their decisions on military matters. The progress of the war and its successful conclusion is never absent from our minds. Our thoughts are grave when they turn upon the safety of our own American boys in the armed services. We cannot lightly disregard the warning we have received.

On the other hand, we have not abandoned this fight. We have agreed in committee, and have so stated, that we will postpone action on this resolution. We have not tabled it nor buried it. The Jews are entitled by all considerations of humanity and right to their home. We must press for action whenever the military situation is alleviated.

It is my intention so to do as quickly as I have reason to believe that I am not endangering our soldiers nor hampering our military in so doing.

This is my pledge to the House and to the millions who cling to this hope of Palestine as the last chance of salvation.

Mr. DIRKSEN. Mr. Chairman, I yield 10 minutes to the gentleman from Vermont [Mr. PLUMLEY].

Mr. PLUMLEY. Mr. Chairman, I assent generally to the statements made by the distinguished chairman of the subcommittee on which it is my privilege to have served some time.

Mr. Chairman, the agricultural interests of this country are more fortunate than they perhaps know or appreciate to have as the chairman of this subcommittee so energetic, so able, so fair an advocate, or such a man as the gentleman from Georgia [Mr. TARVER]. He is a hard man to "lick" when he has made up his mind he is right; but overwhelmed as he is sometimes by the votes of those whom he still thinks are wrong, he is the best sport in the world. He will report the committee's action and defend it—and I would not do it as such, but he will, and he will reserve the right to express his own opinion on the floor. That is what I call sportsmanship, and I hand it to him. If we "lick" him then and there I will say we are good. It is a pleasure and a great honor to serve with him and with the other members of the committee, none of whom are less distinguished or able than he.

Mr. Chairman, I shall not in the brief period of time that has been allotted to me undertake to cover all the ramifications of the activities of or appropriations for this great Department. I take it for granted that my colleagues on the committee will, if they have not already done so, tell you in detail of the status of the many vast programs that have been launched through the Department of Agriculture at some time during the past 10 or 12 years—such programs as the emergency rubber project, the work of the War Food Administration, the Commodity Credit Corporation, the prosecution of the agricultural program under which vast benefits ranging from $300,000,000 to $500,000,000 have been paid annually to the American farmer, and other programs and activities of the like nature.

FOOD WILL WIN THE WAR

These are subjects of primary importance, of course, and it is proper that the House and the country should be advised of them. However, it shall be my pleasure to devote the few remarks which I intend to make on this bill to the subject of agricultural research, that activity to which the Department of Agriculture was born almost 100 years ago and to which it has been dedicated in the act often referred to as the basic act establishing the Department and dedicating it to the acquisition and dissemination of information useful to agriculture in the broadest sense of that term.

That was the work which the Department had been carrying on for almost three-quarters of a century when these great, modern programs involving the control of agricultural production, the payment of benefits to agriculture, and so forth, first appeared on the scene. In fact, it was upon the foundation of knowledge that agricultural research had laid that these programs were established and have been carried on.

I do not hope to be able to cover the entire field of agricultural research in my remarks today. That is a subject upon which one could dwell with profit for many hours. It is a subject shot through and through with romance—the story of the plodding work of thousands upon thousands of scientific men, each working in his little cubicle and in his own generation and each contributing to the sum total of the vast store of scientific knowledge on agricultural subjects which is now the precious heritage of this generation.

There are three men of whose work I know in particular and whom I have come to esteem for their admirable qualities, their ability in research, and for the great contributions which they are making to this great store of knowledge. In naming them I do not wish to detract from the similarly admirable qualities which I know are possessed by the other bureau chiefs, but whom it has not been my good fortune to know as intimately or to observe their work as in the case of these three men.

I am referring to Dr. E. C. Auchter, formerly the Chief of the Bureau of Plant Industry but now the Administrator of the Agricultural Research Administration; to Dr. O. E. Reed, Chief of the Bureau of Dairy Industry; and to Dr. Hugh H. Bennett, Chief of the Soil Conservation Service.

In praising them let it be understood that I include, as they would insist, within that praise all of the worthy individuals who labor with them and under their supervision. Also let it be understood that the work which they are doing and to which I am calling special attention merely exemplifies the splendid work being performed by all the scientific men in this great Department under the guidance of their great bureau chiefs.

The war has placed a man killing and most solemn responsibility upon the shoulders of Dr. Auchter, the Administrator of the Agricultural Research Administration. It has been his duty to redirect and coordinate the research of the several bureaus under his administration with a view to rendering maximum support to the war effort. Dr. Auchter reports that a thorough review of all research projects has resulted in placing about 90 percent of them in the category of being directed toward the solution of problems pertinent to war food, feed, fiber, medicinal, and other requirements. The remaining projects, he tells us, are on a curtailed basis, directed principally to the maintenance of valuable breeding stocks, experimental orchards, groves, and certain physical facilities the complete abandonment of which would entail a loss too great to be justified even by the war.

Let me cite just a few of the recent accomplishments by the men working under Dr. Auchter's supervision:

They have developed methods for preparing and utilizing crude adhesive materials from natural sources for meeting emergency camouflage needs where base supplies are unavailable. The results of these studies have been incorporated into instructions issued by the military services.

They have developed soybean varieties of high yield and high content of oil and of improved drying quality especially valuable for industrial war uses.

Through the application of breeding methods in the improvement of sheep on the western ranges, they have made definite progress in increasing the length of staple and amount of clean wool. During the past 3 years the staple length of the fleeces in the breeding line under the project has increased from 2.17 inches to 2.41 inches, or a little better than 10 percent.

They have discovered that the lack of honeybees and other pollinating insects in Utah is partly responsible for the steady decline in alfalfa seed production. Since the practice of devoting lands to

the growing of alfalfa as a part of crop rotation is regarded as of major importance in the soil-conservation program, the value of this discovery becomes obvious.

Experiments on a laboratory scale in the application of certain chemicals to turpentine woods have demonstrated the possibility of stimulating and increasing the flow of rosin-bearing saps by this means, and the present bill contains an increase of $35,000 for the purpose of enlarging these experiments to the pilot-plant scale with a view to the early introduction of this process into the industry and with a view to its availability to increase the production of vitally needed naval stores in connection with the war.

These constitute but a few examples of what has been recently accomplished. They could be multiplied many hundred times.

I wish now to speak briefly of the interesting and important work being done by the Bureau of Dairy Industry under the immediate supervision of Dr. Reed, the Chief of that Bureau. Here again the improvements are too numerous to be enumerated in their entirety.

Recent accomplishments have been along the line of producing a dehydrated form of cheese which not only enhances the keeping quality of the product but which greatly reduces the bulk and therefore the amount of shipping space required to transport this product which is of such great importance to our allies as well as to our soldiers overseas.

In compiling a roster of the great shipbuilders of this period, the names of Dr. Reed and his associates should not be omitted, for when one has devised a process by which products which once required two ships to carry may now be carried in one, has he not, in effect, constructed a ship?

One of the most interesting pieces of work performed by the Bureau of Dairy Industry has been the direction of the work of the herd-improvement associations. These associations had, in 1927, 327,000 cows only 15 percent of which produced more than 375 pounds of butterfat per cow per year, while in 1942, with 816,000 cows on test, 34 percent produced over 375 pounds, and the average last year of all cows in these associations was 339 pounds of fat as compared to an average of 188 pounds for the entire dairy-cow population.

Here indeed is a foundation upon which a dairy industry can be erected in this country far greater than man has ever dreamed of.

The work of Dr. Hugh H. Bennett, Chief of the Soil Conservation Service, is known far and wide not only in this country but throughout the entire world. The Soil Conservation Service had its very humble start in the form of a very small appropriation for soil-erosion investigation reported out in this very bill some 15 years ago through the initiative of the Honorable James P. Buchanan, of Texas, then a minority member of the committee but who later became its chairman. This appropriation was continued from year to year with some increases in amount as time went on, and the movement finally blossomed forth in the establishment of a great bureau in this great Department of the Government.

Under the guidance of Dr. Bennett and his inspirational leadership, soil conservation demonstration projects to the number of approximately 150 were established throughout the length and breadth of this great land. Wherever a region had problems common to the great number of farm areas within its boundaries there would be set up a great farm demonstration project of sometimes as many as 25,000 acres. Every farmer in this project agreed to conduct his farm operations under the direction of the Soil Conservation scientists assigned to the project. Crops that had formerly been planted in rows up and down hill, as a result of which heavy rains would wash away great quantities of topsoil, were now planted in rows which followed the contour of the land. The contour rows, instead of facilitating rapid run-off of the rains, tended to hold the precipitation until it sank into the ground where it was stored up for the use of the crops in drier seasons and whereby the precious topsoil was not washed away to the streams and to the rivers and down into the sea where it was beyond recovery.

Farmers for miles around would visit these demonstration projects and would learn of the improved methods and of the increased production resulting from the application of the principles of soil conservation which had been worked out by the men under Dr. Bennett's supervision.

Long after this generation has passed from the scene of action, long after the programs of control of agricultural production have been supplanted by a more satisfactory and a more intelligent regime, the work of the vast army of scientific men who generation after generation have labored upon the problems confronting agriculture and have made of agriculture the greatest and noblest of all the sciences, will go on and each succeeding generation will reap dividend at compound interest on the labors and the efforts which they have so patiently put forth throughout the years.

Recognizing the almost incalculable value of the research work that has been done and is being done this very moment in the fields offered by the sulfa drugs and penicillin, your committee, while reducing the appropriation sought in some respects, has been concerned not to cripple nor to retard unduly the work of those who are giving their lives and effort to the advancement of science for the safety, security, rehabilitation, and prosperity of us all.

Mr. DIRKSEN. Mr. Chairman, I yield 15 minutes to the gentleman from Wisconsin [Mr. MURRAY].

CONGRESS MUST ASSUME THE RESPONSIBILITY IF THEY CONTINUE THESE EXPENDITURES

Mr. MURRAY of Wisconsin. Mr. Chairman, when the New Deal was verbally buried its follies were not interred with its bones. I am including in my remarks the official table showing the payees that received in 1942 up to $185,000 as Government payments.

Before discussing the import of this information at this time, I wish to bring out certain facts and my own personal observations. First of all, we should consider that when this subsidy program was adopted and up until 1940, farm prices were low, and these Government payments could be accepted and construed as part of the market price rightly belonging to the producer.

Second, from remarks made when this same subject was under consideration in previous years, I wish to emphatically state that I am not necessarily opposing big farms, nor have I any personal feelings against any insurance company or any large land owner or owners. I will say I do not believe in a system that subsidizes one man $20 and another $100,000. I oppose these payments because it does not appear to me to be a desirable expenditure of public funds.

Third, I say right here and now that no Member of Congress who supports the present method of distributing these funds can fairly criticize the A. A. A. I have discussed this question of Government payments with many township, county, and State A. A. A. committeemen. They all have had constructive suggestions as to how to improve the A. A. A. The leadership and plans may or may not have been right when the A. A. A. was inaugurated, but that is no excuse for continuously following the methods of distribution that were then put into effect.

In other words, let us not blame the administration of the A. A. A. for something that is a provision of law that we each year sanction by legislation. The agency has had little criticism for not following the mandates of Congress, so I say frankly that Congress must accept the responsibility if it does not change the legislation.

The A. A. A. has gradually changed its program as much, no doubt, as was permissible under the provisions of the law.

With the foregoing statements I hereby include the table showing the 1942 payments of over $1,000 each by States. It is as follows:

Payments to payees who received $1,000 or more under the 1942 agricultural conservation and parity payment programs—United States

State	Number of payees	Payments			
		Agricultural conservation program	Parity	Naval stores	Total
Alabama	138	$190,525.53		$57,201.07	$247,726.60
Arizona	390	883,947.59	$34,575.12		918,521.71
Arkansas	763	1,574,831.29	2,625.72		1,577,457.01
California	1,315	2,652,323.53	699,561.93		3,351,885.46
Colorado	418	523,019.36	212,505.10		735,524.46

Payments to payees who received $1,000 or more under the 1942 agricultural conservation and parity payment programs—United States—Continued

State	Number of payees	Payments			
		Agricultural conservation program	Parity	Naval stores	Total
Connecticut	19	$46,054.87	$150,478.30		$196,533.17
Delaware	25	22,626.80	13,528.67		36,155.47
Florida	251	301,073.41		$259,060.83	560,134.24
Georgia	370	303,501.72	5,518.63	428,755.98	737,776.33
Idaho	656	624,996.42	567,661.74		1,192,658.16
Illinois	4,479	2,847,354.34	4,162,991.75		7,010,846.09
Indiana	1,040	705,122.22	971,091.78		1,676,214.00
Iowa	3,892	1,793,915.26	2,804,142.40		4,601,057.66
Kansas	3,225	2,942,989.49	2,436,484.78		5,379,474.27
Kentucky	95	109,188.78	52,243.49		161,432.27
Louisiana	207	412,700.52		2,703.68	415,404.20
Maine	141	82,071.00			82,071.00
Maryland	79	65,500.05	58,087.80		123,587.85
Massachusetts	8	17,543.05	84,859.68		102,402.73
Michigan	26	19,789.17	18,134.95		37,924.12
Minnesota	532	423,940.22	494,656.12		923,596.34
Mississippi	992	2,147,970.97		20,041.26	2,168,012.23
Missouri	894	839,370.29	716,896.35		1,556,266.64
Montana	1,579	1,505,686.55	1,029,186.63		2,534,873.18
Nebraska	1,552	1,211,134.94	1,361,629.23		2,572,764.17
Nevada	16	30,014.25	3,614.88		33,629.13
New Hampshire					
New Jersey	15	45,182.04	300,006.90		345,188.94
New Mexico	340	572,126.19	99,802.82		671,929.01
New York	18	37,961.74	265,472.95		303,434.69
North Carolina	79	154,454.66	4,508.02		158,962.68
North Dakota	1,121	977,907.28	768,475.55		1,746,382.83
Ohio	688	485,607.89	731,606.72		1,217,214.61
Oklahoma	485	405,378.25	297,490.21		702,868.46
Oregon	926	1,009,210.54	997,657.32		2,003,867.86
Pennsylvania	71	88,454.68	78,937.72		167,392.40
Rhode Island	1	1,074.13			1,074.13
South Carolina	249	387,603.53	6,606.57	12,510.68	406,720.78
South Dakota	658	654,343.66	341,947.50		996,291.16
Tennessee	64	122,385.36	3,975.66		126,361.02
Texas	3,302	4,941,299.45	1,336,846.16		6,278,145.61
Utah	132	148,894.44	96,118.59		245,013.03
Vermont	2	10,494.47	23,656.55		34,151.02
Virginia	21	39,720.41	3,328.37		43,048.78
Washington	1,768	1,570,470.74	1,919,967.36		3,490,438.10
West Virginia	4	4,306.00	366.86		4,672.98
Wisconsin	57	59,224.61	83,581.96		142,806.57
Wyoming	200	299,852.09	49,971.09		349,823.18
Alaska					
Hawaii	18	52,989.23			52,989.23
Puerto Rico	3	4,353.45	918.10		5,271.55
Total	33,324	34,358,986.58	23,291,717.03	780,273.50	58,430,977.11

You will note that one State—Texas—has 10 percent of these large payments and over 10 percent of the total funds. This same year—1942—the Texas cotton farmer on the black waxy land of that State received 19 cents per hour labor return and received 2 cents per hour as Government payment. In 1939, in Dr. Goodsell's study in the United States Department of Agriculture, we find the cotton farmer on this black land received 10 cents per hour labor return and 5 cents, or half of this hourly income, came to him in the form of Government payments. In 1942 there were 178,000 Texas farmers that received less than $20 per farm, or about three millions for soil conservation, while in 1942 there were 3,300 large operations in that State that received $4,941,000 or over $1,400 each for soil conservation alone.

The complete list of these large payments is on file in the office of the gentleman from South Carolina, the Honorable HAMPTON D. FULMER, chairman of the Agricultural Committee, and includes all payments above $1,000, filed according to law by the Secretary of Agriculture with the Speaker, the gentleman from Texas, the Honorable SAM RAYBURN. A partial list of the larger payments is as follows:

Alabama:
- E. D. Fennel, Leighton $10,000
- Stallworth Pine Co., Stapleton 6,496
- Leonard Premit, Leighton 4,784

Arizona:
- Arizona Land Co., Waddell $9,690
- Arizona Farm Products, Casa Grande 6,381
- Bartlett, Heard Land & Cattle Co., 303 Phoenix Building, Phoenix 5,830
- Allen Belluzzi, Avondale 5,238
- V. D. Brown, Sanders 4,727
- Casa Grande Valley, Casa Grande 6,176
- Cataract Livestock Co., Flagstaff 4,956
- Chandler Implement Co., Chandler 5,227
- Chinle district, Chinle 8,632
- Dougherty, M. J., 516 Heard Building, Phoenix 6,204
- Fort Defiance district, Fort Defense 9,165
- Peter Ethrington & Sons, Casa Grande 9,531
- Green Gold Ranchos, Tucson 9,130
- A. G. King, Buckeye 8,247
- Klag-E-Toh District, Klagstoh 9,190
- Leupp District, Leupp 9,190
- Lukachukai District, Lukachukia 8,919
- Maricopa Reservoir & Power Co., Phoenix 9,690
- S. Carl Miller, Buckeye 5,248
- T. G. Rhodes, Avondale 7,165

Arkansas:
- Twist Leasing Cooperative Association, Twist 8,415
- Wilson Lee Co., Wilson 7,360
- Tillar Mercantile Co., Tiller 9,760
- R. A. Pickens & Son Co., Pickens 7,566
- Miller Lumber Co., Marianna 9,742
- W. P. McGeorge, Pine Bluff 7,538

Arkansas—Continued.
- Lowrance Bros., Driver $9,810
- Lesser-Goldman Co., Walnut Ridge 8,293
- Mary K. Kuhn, Marion 11,717
- Howe Lumber Co., Wabash 8,481
- Cromer Bros., Osceola 7,599
- Chapman & Dewey Farms Co., Marked Tree 8,253
- J. O. E. Buck, Jr., Hughes 7,686

California:
- J. G. Boswell, Corcoran 11,309
- J. G. Boswell Co., Corcoran 11,970
- Capital Co., San Francisco 11,320
- Frank C. Driver, Riverdale 10,308
- Russell Giffin Co., Mendota 11,409
- Ralph and Margaret Gilkey, Corcoran 13,797
- A. W. Goodfellow, Fresno 14,408
- Grayson-Owen Co., Oakland 15,417
- J. W. Guiberson Co., Corcoran 10,798
- Heck Bros., Stratford 11,119
- Hotchkiss Estate Co., Firebaugh 14,080
- C. E. Hanchin, Bakersfield 12,200
- James Irvine, San Francisco 12,788
- Kern County Land Co., Bakersfield 11,666
- Natomas Co., Sacramento 14,831
- J. E. O'Neill, Fresno 11,009
- J. C. Phillips, Paso Robles 11,319
- F. E. Redfern, Dos Palos 10,950
- Forest Ripley, Corcoran 11,639
- Sutter Basin Corporation, Ltd., Robbins 15,960
- Elmer C. Von Glahn, Corcoran 24,916

Colorado:
- Western Boca County Soil Erosion District, Springfield 3,101
- C. E. Tupps, Watkins 4,159
- Ira J. Taylor, Pasoli 4,074
- Soil Erosion District, Walsh 4,181
- Reicholt & Beal, Julesburg 4,201
- R. R. Rutherford, Vilas 6,911
- San Luis Valley Land & Cattle Co., Crestone 7,200
- Carl Nielson, Ruggin 5,094
- A. S. Miller, Watkins 4,157
- T. P. Klausner, Roggen 6,800
- Alvin Hobbs, Milliken 5,060
- Hatchet Cattle Co., Pueblo 9,178
- B. V. Hanna, Springfield 5,712
- Frank L. Forristall, Hugo 4,322
- James A. and Lyle Cocksey, Roggen 4,477
- Arnold-Harriman Co., Inc., Fowler 3,465
- Arkansas Valley Sugar Beet & Irrigated Land Co., Holly 3,619
- American Crystal Sugar Co., Denver 4,513

Connecticut:
- Aetna Life Insurance Co., Hartford 52,092
- Connecticut General Life Insurance Co., Hartford 25,046
- Phoenix Mutual Life Insurance Co., Hartford 23,172
- Travelers Insurance Co., Hartford 59,298
- Connecticut Mutual Life Insurance Co., Hartford 6,888

Delaware:
- 25 payees—only one over $2,500.
- Lillian Price, Middletown 2,506
- John S. Isaacs, Ellendale 2,346
- Julius N. Kirk, Middletown 2,088
- Townsends Inc., Millsboro 1,909

Florida:
- American Sumatra Tobacco Corporation, Quincy 6,814
- Avon Florida Citrus Corporation, Avon Park 6,549
- Aycock-Lindsey Corporation, Shamrock 9,400
- Dixie Cattlemen's Association, Okeechobee 5,674
- Hugh Turpentine Co., Maxville 5,451

Florida—Continued.
Ideal Holding Co., Perrine $4,277
A. B. & D. B. Kibler, Inc., Lakeland 8,376
Lykes Bros., Inc., Tampa 9,740
Mayo Rosin Co., Shamrock 7,296
Palm and Pine Land Co., New York, N. Y. 6,216
Seminole Cattle Co., Inc., Orlando 8,986
Southern Resin & Chemical Co., Mary 7,702
Swainsboro Rosin Corporation, Jacksonville 6,144
Welles' Fruit and Livestock Co., Arcadia 4,296

Georgia:
Bateman Fruit Farm, Inc., Macon 7,052
Brunswick Peninsula Corporation, Brunswick 9,400
Butler Naval Stores, Inc., Butler 5,179
J. B. Davis & Co., Camilla 7,176
W. M. Jackson, Est., Donovan 6,980
Langdale & Bennett, Nashville 6,514
Meadows Turpentine Co., Vidalia 5,325
Mitchell Naval Stores, Homerville 6,008
The Newton Co., Cogdell 8,664
Onyx Turpentine Co., Cordele 6,554
Tarver Turpentine Co., Valdosta 9,400

Idaho:
J. W. Harp, Idaho Falls 11,951
Kootenai Valley Farms, Inc., Bonners Ferry 11,241
D. H. Linderman, Tetonia 7,716
McIntosh & Grover, Lewiston 7,560
Joe Rosenkranz, Reubens 8,217
Wagner & Co., Clarkston, Wash. 6,197
W. T. Wagner, Clarkston, Wash. 6,556
Herndon & Harris, Lapwai 5,397
Leslie Herndon, Culesac 5,296
Joe Lux, Nez Perce 5,929
McDonald Bros., Fenn 4,467
F. S. Parkinson, Rexburg 5,456
Carl Rudeen, Pocatello 6,404
Thomas Bros., Downey 4,231
Turner Bros., partnership, Nez Perce 4,515

Illinois:
Robert Allerton, Monticello 13,382
Babson Farms, Inc., DeKalb 12,813
Cook Valley Farms, Eldred 9,075
M. L. Evans, Sr., Emerson 12,988
First Trust Joint Stock Land Bank of Chicago, Chicago 54,781
Franklin Life Insurance Co., Springfield 14,588
Illinois Bankers Life Assurance Co., Monmouth 10,509
Rebecca Lowrie, Galesburg 13,801
Mutual Trust Life Insurance Co., Chicago 11,439
John C. Proctor, endowment, Peoria 11,354
Valley Farms Co., Carrollton 11,321

Indiana:
Robert Graham, Washington 11,655
Mitchell Partnership, Windfall 8,071
New Harmony Realty Corporation, New Harmony 8,685
Princeton Farms, Princeton 10,273
L. A. Waugh, Brookston 8,850
John Brevoort, Vincennes 7,130
Deshes Farms, Inc., Vincennes 6,127
Fair Oaks Farms, Inc., Chicago 9,130
Earl Goodwine, West Lebanon 7,423
Frances M. Hanson, Connersville 6,879

Iowa:
Adams Bros. & Co., Odebolt 18,758
Amana Society, Amana 23,716
American Mutual Life Insurance Co., Des Moines 10,753
Bankers Life Co., Des Moines 24,954

Iowa—Continued.
Brenton Bros., Inc., Dallas Center $14,002
Central Life Assurance Society (mutual), Des Moines 12,047
The Equitable Life Insurance Co. of Iowa, Des Moines 55,269
Litchfield Realty Co., Des Moines 11,151
W. G. Lodwick, Sedan 10,301
Martha P. Cresap, Hamburg 9,983
Iowa State College, Ames 5,672
George Kellogg, Missouri Valley 8,786
G. H. Moorhead, Moorhead 5,965
National Life Co. (Home Office), Des Moines 6,638
Henry K. and Raymond G. Peterson, Council Bluffs 8,702

Kansas:
Herbert J. Barr, Leoti 9,920
J. W. Baughman, Liberal 13,321
R. B. Christy, Scott City 12,845
Collingwood Grain and Land Co., Johnson 19,957
G. K. Kriss and John Farms, Colby 13,225
George E. Gano, Hutchinson 12,638
Federal Land Bank, Wichita 31,558
Prudential Investment Co., Topeka 10,344
Ed. Richardson, Plains 10,871
Sledd Farm Corporation, Lyons 11,267
Victory Life Insurance Co., Topeka 17,362

Kentucky:
Beaumont Farm, Lexington 2,486
Bower Bros., a partnership, Evansville, Ind 4,950
Henry P. Barrett, Henderson 5,075
James C. Ellis, Owensboro 3,789
S. R. Ewing Est., Owensboro 2,777
A. G. & S. B. Pritchett, a partnership, Corydon 2,493
Charles B. Smith, Reed 3,667
Helen Tyler, Hickman 3,472
Brent and Co., Inc., Paris 2,793
Clarence LeBus and Co., Lexington 4,668
Weil Land and Livestock Co., Lexington 2,880

Louisiana:
John H. Baker, Delhi 7,850
Beene Planting Corporation, Bossier 5,890
Burnside and McDonald, Newellton 6,688
Canal Bank and Trust Co., New Orleans 4,207
T. B. Gilbert and Co., Inc., Wisner 5,743
J. W. Lyon, Gilliam 5,640
W. H. North, Dixie 6,320
W. H. Robinson, Shreveport 5,859
A. B. Learned, Natchez, Miss. 4,067
A. F. McDade, Sr., McDade 4,524
R. R. Rhymes, Rayville 4,978

Maine:
W. R. Christie, Presque Isle 4,196
Kroemer Farm, Inc., Lagrange 3,969
Ben Marks Co., Inc., Presque Isle 3,991
Reed Bros., Fort Fairfield 5,157
Woodman Potato Co., Presque Isle 6,930

Maryland:
J. H. and W. G. Baker, partnership, Buckeystown 5,096
Frank S. Dudley, Baltimore 4,221
Thomas W. Eliason, Chestertown 2,448
Edison Groh, Lime Kiln 2,337
Charles Jarrell, estate, Hillsboro 3,733
John McKinney, Millington 2,259
Oldfields Farm, Galena 2,182
Harry H. Rieck, Preston 2,642
B. F. Shriver Co., Westminster 3,902
A. Lee Towson, Jr., Chestertown 3,346
Nathaniel J. Williams, Middletown 2,513

Massachusetts:
Columbian National Life Insurance Co., Boston 4,143

Massachusetts—Continued.
John Hancock Mutual Life Insurance Co., Boston $90,031

Michigan:
G. Elwood Bonine, Vandalia 2,589
L. E. Casey and Edward Brooks, Marshall 2,697
A. B. Chapman & Sons, South Rockwood 2,238
William H. Mathews, Niles 2,731
Upjohn, W. E. U. T. C., Richland 2,464

Minnesota:
Agricultural Credit Corporation, Minneapolis 4,297
Ruth T. Cathcart, Windom 5,221
Concordia College Corporation 3,609
Farmers & Merchants Savings Bank, Minneapolis 5,931
Federal Land Bank, St. Paul 55,882
First Minneapolis Co., Minneapolis 4,559
N. J. Florence, Hallock 7,409
A. J. Kaufman, Appleton 6,524
Frank Kiene, Kennedy 9,791
Maple Island Farms Co. Hollandale 6,790
E. G. Melo, Stephen 5,973
Northern Pacific Railway Co., St. Paul 5,544
Northwestern Improvement Co., St. Paul 4,031
Northwestern National Life Insurance Co., Minneapolis 9,022
The Norwegian Lutheran Church of America, Minneapolis 9,409
St. Olaf College, Northfield 4,392
Southern Minnesota Joint Stock Land Bank, Minneapolis 23,239
James S. Thompson, Windom 7,976
Tilney Farm Co., St. James 6,828
A. R. Voss, St. James 5,006
Winona National & Savings Bank, Winona 5,110

Mississippi:
Abbay & Leatherman, Robinsonville 7,266
C. B. Box Estate, Midnight 9,184
W. P. Brown, Drew 8,610
J. P. Cole, Highlandale 7,331
Dixie Farms, Vance 9,069
J. R. Dockery, Cleveland 9,249
J. T. Fargason & Son, Lyon 8,808
J. L. Gaddis, Bolton 8,113
B. F. Harbert & Co., Robinsonville 7,006
Hopson Planting Co., Clarksdale 8,069
King & Anderson, Clarksdale 9,910
McKee Bros., Friars Point 9,910
Mississippi State Penitentiary, Parchman 9,950
Newton Naval Stores, Inc., Wiggins 9,400
R. W. Owen & Son, Evansville 9,212
Panther Burn Co., Leland 7,549
Robertshaw Co., Heathman 7,981
Lamont Rowlands, Picayune 10,000

Missouri:
Acom, O. H.; Smith, Emerson; Peterson, Glenn, Wardell 11,729
American Union Life Insurance Co., St. Joseph 7,062
E. P. Coleman, Jr., Sikeston 12,170
Columbia Hog & Cattle Powder Co., Kansas City 6,417
Federal Land Bank of St. Louis, St. Louis 6,598
General American Life Insurance Co., St. Louis 11,556
Kansas City Life Insurance Co., Kansas City 16,759
Gabe Rendleman, Mesler 7,502
W. T. Riley, New Madrid 7,190

Montana:
Antler Livestock Co., Wyola 7,922
Campbell Farming Corporation, Hardin 12,174
Cort Livestock Co., Big Timber 6,757

Montana—Continued.
- R. E. Davis, Willow Creek $7,012
- Ed. Kopac, Hardin 7,515
- A. J. Rasmussen, Harlem 8,009
- Scheffels Bros., Great Falls 12,836
- Schmityler Corporation, Froid 10,941
- Wismeyer & Shawhan, Billings 6,653

Nebraska:
- Bankers Life Insurance Co. of Nebraska, Omaha 40,912
- Brown Land Co., Omaha 18,101
- Conservative Savings & Loan Association, Omaha 4,926
- D. W. Evans, Watson 9,702
- Federal Land Bank of Omaha, Omaha 62,483
- Fremont Joint-Stock Land Bank, Lincoln 11,528
- Grinnell College, Omaha 5,901
- Hamilton County Farms Co., Aurora 4,626
- Kilpatrick Bros. Co, Beatrice 11,441
- Lincoln Joint-Stock Land Bank of Lincoln, Nebr., Lincoln 24,471

Nevada:
- Lester C. Munk, Lovelock 3,153
- C. A. Sewell, Elko 3,317
- Utah Construction Co., Montello 4,448

New Hampshire: None over $1,000.

New Jersey:
- The Mutual Benefit Life Insurance Co., Newark 185,869
- The Prudential Insurance Co. of America, Newark 132,248
- Seabrook and Baitinger, Bridgeton 8,245

New Mexico:
- Hal Bogle, Dexter 6,597
- Del Cerro Co-op Association, Las Cruces 8,370
- The Diamond A Cattle Co., Roswell 6,059
- John Garrett, Jr., Clovis 9,141
- Bun Lewis, Grady 6,658
- Cecil Porter, Clovis 6,730
- H. F. Prewitt, Coolidge 9,000
- D. F. and Joyce H. Stahmann, Las Cruces 8,370
- J. P. White Co., Roswell 9,078

New York:
- Equitable Life Assurance Society of the United States, New York City 115,031
- Metropolitan Life Insurance Co., New York City 148,691
- New York Life Insurance Co., New York City 14,392
- Security Mutual Life Insurance Co., Binghamton 2,810

North Carolina:
- M. C. Braswell Farms, Battleboro 4,977
- Caledonia State Prison Farm, Halifax 6,223
- Duke Power Co., Charlotte 7,213
- McNair Investment Co., Laurinburg 6,178
- John F. McNair, Inc., Laurinburg 4,335
- Z. V. Pate, Inc., Laurinburg 7,446

North Dakota:
- John J. Deschenes and Henry M. Baldwin, Cando 9,886
- Equitable Reserve Association, Neenah 5,424
- E. J. Lander Co., Grand Forks 4,316
- McCanna Farming Co., McCanna 5,620
- McKensie County, Watford City 4,197
- Murphy & Murray, Grand Forks 4,661
- State of North Dakota, Bismarck 49,682
- Olaf Pierson, York 8,531
- J. Scott, Gilby 6,299

Ohio:
- Agricultural Lands, Inc., London 12,611
- Brady Bros., Payne 22,155
- Ohio National Life Insurance Co., Cincinnati 10,076
- Orleton Farms, London 14,137

Ohio—Continued.
- Union Central Life Insurance Co., Cincinnati $73,432

Oklahoma:
- Jacob Q. Bacon, Elkhart 4,356
- Big V Ranch, Ponca City 6,288
- O. J. Gales, Tonkawa 3,101
- R. C. Drummond, Hominy 3,757
- G. E. Irvin, Gage 3,384
- Sid Jones, Duncan 3,457
- Rolla Lathrop, Keyes 3,014
- Emery L. Metcalf, Helena 3,924
- E. C. Mullendore, Hulah 9,640
- Protho Perkins Co., Wichita Falls, Tex 3,545
- Owen W. and W. H. Temple, Buffalo 3,863

(All others under $3,000.)

Oregon:
- F. H. Banfield, Portland 8,134
- Cunningham Sheep Co., Pendleton 12,107
- Dixon & McQuiston, Klamath 9,103
- Eastern Oregon Land Co., Ontario 10,023
- John H. Hales, Adams 12,910
- James K. Hill, Pendleton 9,660
- H. A. Miller, Bond 9,066
- Pendleton Ranches, Inc., Pendleton 14,640
- M. E. Weatherford, Arlington 8,767

Pennsylvania:
- Fidelity Mutual Life Insurance Co., Philadelphia 6,478
- Penn. Mutual Life Insurance Co., Philadelphia 18,208
- Provident Mutual Life Insurance Co., Philadelphia 30,750
- Trexler Farms, Allentown 6,550
- Lauxmont Farms, Wrightsville 4,534

(All others under $4,000)

Rhode Island (only one): Harold B. Tarbox, Slocum 1,074

South Carolina:
- Coker's Pedigreed Seed Co., Hartsville 6,568
- J. A. Fletcher, McColl 4,020
- R. J. Moyes, Jr., Mayesville 5,292
- D. K. McColl, Bennettsville 6,729
- Jerry Richardson, Barnwell 4,223
- C. W. Stone, Clinton 4,516
- P. A. Wallace, Bennettsville 5,044

(All others under $4,000.)

South Dakota:
- Wm. J. Asmussen, Agar 4,620
- R. P. England, Stamford 4,872
- The Grand Lodge of the Ancient Order of United Workmen of North Dakota, Aberdeen, S. Dak 4,734
- H. F. Hansmeier, Bristol 4,503
- Rural Credit Board of South Dakota, Pierre 6,283
- T. R. Walker Estate, Vermillion 5,549

(All others under $4,500.)

Tennessee:
- Dillard & Coffin Co., Memphis 5,302
- John C. Jackson, Jr., Tiptonville 5,463
- G. F. Parker, Tiptonville 4,014
- Tennessee Farm Corporation, Clarksville 5,302
- J. E. Vaughn, Tiptonville 4,107

(Balance under $4,000.)

Texas:
- Mrs. C. Adair Estate, Floyd Bennett Field, Long Island, N. Y. 9,948
- Ollie P. Anderson, Pecos 9,900
- O. V. Beck, Amarillo 9,405
- Grover C. Brillhart, Spearman 11,687
- Richard C. Buckles, Stratford 11,938
- S. B. Burnett Estate, Fort Worth 9,684
- Geo. F. Buzzard, Spearman 9,454
- Callaghan Land & Pastoral Co., Encinal 9,900
- Capitol Freehold Land & Trust, Farwell 17,582
- J. R. Durrett, Amarillo 11,074
- Fred S. Fegel, Amarillo 10,273

Texas—Continued.
- A. S. Gage Ranches, Marathon $9,800
- Haden B. Hart, Gruver 10,311
- Hueco Cattle Co., El Paso 9,900
- Chas. L. Killgore, Amarillo 16,194
- H. L. Kokernot & Son, Alpine 9,800
- Martin & Zimmerman, Floydada 10,359
- Matador Land & Cattle Co., Ltd., Denver, Colo 9,863
- Clyde Merryman, Plainview 10,541
- L. M. Price Co., Stratford 9,455
- Malcolm J. Shelton, Amarillo 9,340
- Malcolm Stewart, Dalhart 9,967
- The Sugarland Industries, Sugarland 9,800
- Texas Land & Development Co., Plainview 12,011
- W. T. Waggoner Estate, Vernon 10,160
- Asa Willis, Hatley 10,104

(Too many to enumerate.)

Utah:
- John Adams, Brigham City 4,864
- Perry Land & Livestock Co., Salt Lake City 4,200

(Balance under $4,000.)

Vermont (only 2):
- Burlington Savings Bank, Burlington 1,677
- National Life Insurance Co., Montpelier 32,473

Virginia:
- Eastern Shore Canning Co., Machipongo 8,625
- Stuart Land and Cattle Co., Cedar Bluff 3,965
- G. L. Webster Co., Inc., Cheriton 9,510

(Balance under $3,000.)

Washington:
- C. J. Broughton, Dayton 20,170
- Don Damon, Cunningham 10,788
- Win C. Estes, Prescott 11,221
- Fred W. Hair, Prescott 10,549
- Hugh Huntley, Colfax 7,262
- Fred Lasater, Prescott 8,227
- W. A. Longmeier, Lind 9,022
- McGregor Land & Livestock Co., Hooper 16,071
- Sheffels Bros., Govan 9,299
- Ed Tucker, Walla Walla 10,409
- Nettie E. Woodward, Walla Walla 10,866

West Virginia: (Only 4 loans, all under $2,000.)

Wisconsin:
- Better Farms, Inc., Fond du Lac 6,197
- George W. Borg, Delavan 3,365
- H. W. Burmeister, Gratiot 2,046
- Larsen Canning Co., Green Bay 1,227
- Northwestern Mutual Life Insurance Co., Milwaukee 51,651
- Old Line Life Insurance Co. of America, Milwaukee 9,538

Wyoming:
- Cow Creek Sheep and Pioneer Sheep Co., Rawlins 4,330
- Lee Sheep Co., Rawlins 4,034
- Miller Land & Livestock Co., Parkman 12,025
- Leroy Moore, Ross 4,019
- Mortons, Inc., Douglas 6,071

(Balance under $4,000.)

Alaska: None.

Hawaii:
- Hawaiian Pineapple Co., Ltd., Honolulu 10,000
- Hutchinson Sugar Plantation Co., Naalehu Kau 2,956
- Annie T. K. Parker (trust), Honolulu 4,057
- Ulupalakua Ranch, Ltd., Waiakoa, Maui 6,360

Puerto Rico (only 3):
- Luis Rivera, Comerio 2,284
- Adolfo San Feliz, Comerio 1,772
- Rafael Aponte Sanchez, San Lorenzo 1,214

Mr. Chairman, now let us review some of these payments. Let us review them in the light of the fact that we are now engaged in a world-wide war; in the light of the fact of a national debt of $300,000,000,000; in the light of the fact that we have a tax bill that reaches down to the low-income brackets; in the light of legislation for the few at the expense of the many; in the light of the fact that in past years some Members have justified these large subsidies to insurance companies and large operators on the basis that it was necessary to have the large operators cooperate in order to control and reduce food and fiber production; in the light of the fact that this argument is worthless now as no one would contend, you need to make these enormous payments for reducing production at this time; in the light of the fact that no appropriation whatever has been included in the agricultural bill for the use of the farmers in the low-income brackets that are serviced by the Farm Security Administration; and lastly in the light of the fact that most of us have assured our constituents that we would oppose all nonwar expenditures.

Who can say that the reduction of these payments to $200 would decrease food production?

Let us ask ourselves a few questions.

First. The school-lunch program was defeated on the grounds of the purchasing power of the people and on the grounds of economy. Do you feel that if this abolition of school lunches which was to cost $50,000,000 was advisable, that we should provide 33,000 large land owners—whether insurance companies or individuals—a gratuity of $58,000,000 for doing something they should be doing anyway for their own welfare?

Second. Take a look at the Arizona list of checks for from $5,000 to $9,000 to big cattle ranches.

Third. Look at the California list receiving $10,000 to $24,000. Do you suppose they are subsidizing labor from other countries for these same big operators?

Fourth. In Colorado they send one sugar company $3,600 and another $4,500.

Fifth. You will note that $166,000 of the $196,000 that went in large checks to Connecticut went to five life-insurance companies. Do you really believe that the $166,000 is needed to make their policies good?

Sixth. Florida is interesting. One sumatra tobacco company received over $6,000. Some types of tobacco are 200 to 300 percent of parity. Does this make sense?

Seventh. Do you realize that according to Dr. Goodsell's studies the two-mule Georgia cotton farmers received in 1942 but 22 cents labor income per hour, and that of this 22 cents per hour labor income only 2 cents per hour was from Government payment. However, in Georgia in 1942, 370 large operators received on the average over $2,000 each. This subsidy would be a down payment on quite a farm in that State. If all the farmers in the United States had the same subsidy 370 large operators received, it would take an appropriation of $1,200,000,000. This indicates how futile this approach is in solving the farm soil or price problem.

Eighth. To look at the Illinois list one would never realize the great areas of rich produce fertile land within the confines of that State, would one? The first trust joint stock land banks of Chicago receive a $54,000 subsidy.

Ninth. Kansas has had recipients receiving subsidies of from $10,000 to $31,000.

Tenth. In the Kentucky blue-grass area only one received a $5,000 subsidy.

Eleventh. In Maine one potato company, the Woodman Co., received $6,900. Floor or support prices are supplemented with a large additional subsidy.

Twelfth. Maryland—close to the best markets in America—had several subsidies but mostly under $5,000. Do you suppose the same ones get the $14-per-ton hay subsidy, too?

Thirteenth. Massachusetts has one life-insurance company that received $90,000 out of the total of $102,000 that went for the large checks in that State.

Fourteenth. Fifty-five thousand dollars was paid to the Federal land bank in Minnesota.

Fifteenth. Big operations in Mississippi did pretty well. The State penitentiary is much below former years and before the $10,000 State limit was put into effect.

Sixteenth. Montana. The Campbell Farming Corporation is down to $12,000. This is much reduced.

Seventeenth. New Jersey is worth the time to examine. Two insurance companies received $318,000 of our grandchildren's money.

Eighteenth. New Mexico can surely obtain many large subsidies for the amount of the Nation's food it produces.

Nineteenth. Two insurance companies in New York received $263,000. Does this make sense to you? According to Dr. Goodsell's studies the dairymen in central New York received less than 1 cent per hour as Government payments in 1942.

Twentieth. Three thousand three hundred big operators in Texas receive over $6,000,000. In Dr. Goodsell's official report farmers on family sized selected farms on the black waxy land in Texas the same year received 19 cents per hour. Three cents per hour was in Government payments. Is it any wonder that Texas has exhibited the attitude it has?

Our distinguished colleague, the Honorable EDWARD REES of Kansas, assisted by the Honorable AUGUST H. ANDRESEN of Minnesota, have led the fight to reduce these payments to $1,000 and also to $500. Last year the House fixed the maximum payment at $500, but it was removed in the other body.

In the letter of transmittal which is furnished according to law by the Secretary of Agriculture to the Speaker of the House, there is one paragraph that should be of interest to every Member of the House.

The letter of transmittal is from Mr. Grover Hill. This paragraph is:

> The great majority of farmers participating in the 1942 program earned payments of less than $200. Approximately 95 percent were in this classification.

If 95 percent of the farmers participating in the program received less than $200 each, do you not agree that a $200 maximum would be fair for all the participants?

Congress, and every Member of both bodies must answer for taxation or the method of taking money from the people for public needs. Is not here an opportunity to more fairly distribute public funds, and would not a wider distribution be used for an increased food supply? I feel that if the Members would obtain the long list of farmers that receive a $20 check, they would not hesitate to put a $200 ceiling on these subsidy payments. This should be ample for any family sized farm and why subsidize more generously the above family sized farms?

The importance of this rural financing is and should most assuredly be of interest to every Member since Dr. A. G. Black, Governor of the Farm Credit Administration writes me on March 11, 1944, as follows:

> We believe that 4 percent per annum is a fair and reasonable rate on long-term mortgage loans of the type made by the Federal land banks through national farm loan associations and with their endorsement. Similarly we believe that a 5-percent interest rate is reasonable for the type of first- and second-mortgage loan made by the Land Bank Commissioner, which carries no endorsement liability, and which, in general, is a more hazardous credit risk than the land-bank loan.

Our Government would receive—3½ to 4 percent—½ percent more interest on Federal land bank and—3½ to 5 percent—1½ percent more interest on the Land Bank Commissioner loans. On January 1, 1944, there were 482,779 Federal land-bank loans with a total of $1,357,937,417. An increase in interest rate would provide $6,789,687 in additional revenue.

On January 1, 1944, there were 318,282 Land Bank Commissioner loans with a total indebtedness of $406,190,206. The increased interest rate from 3½ to 5 percent would provide $6,092,853 in additional revenue.

In the United States this would extract $12,882,540 in additional interest directly from the rural people of America. This increase in interest will be reflected in higher interest rates by private loaning agencies that make farm loans.

In Wisconsin alone this increase in interest rate will amount to $274,436 from Federal land-bank loans, and $367,702 from Land Bank Commissioner loans, or a total of $642,138 for the State. There were 18,723 Federal land-bank loans, and 15,312 Commissioner loans in Wisconsin on January 1, 1944.

If we are forced to accept Dr. Black's position and increase the interest rate to obtain $12,000,000, and take it from the producers that owe money, do you

feel we are justified at this time in doling out $58,000,000 to 3,300 big land owners and insurance companies? You and I have the responsibility of making this decision. I have made mine as a result of careful study. Are you ready to make yours? This might be an appropriate time to have one of those "stand up and be counted" procedures we have been hearing about.

In conclusion, I wish to say that the more I see of the illogical, indefensible waste of public funds the more I feel like paraphrasing Scott and saying: "Breathes there a man with soul so dead, who never to himself hath said "This is the bunk.'"

Mr. RIZLEY. Will the gentleman yield?

Mr. MURRAY of Wisconsin. I yield to the gentleman from Oklahoma.

Mr. RIZLEY. Mr. Chairman, I wholeheartedly agree with the gentleman that we should not criticize the A. A. A. for something and then by appropriation or otherwise insist on them doing certain things. So far as the gentleman knows, is there anything in the A. A. A. program, or that we gave to the A. A. A., to set itself up as a board to determine who is entitled to deferment by reason of being an essential agriculturist, or has the Congress ever authorized the A. A. A. to act as a board or an agency to determine who is entitled to farm machinery, or has the Congress ever authorized the A. A. A. to determine under the A. A. A. program which farmers are entitled to gasoline to be used not in their tractors but on the highways? If the gentleman can answer those questions and say that those of us who have criticized the A. A. A. for sending out information to farmers now that these things I have just mentioned will be used in considering whether they are going to permit a farmer to have machinery or whether they are going to permit him to be deferred, that is another thing entirely. I have criticized the A. A. A. for that and I still criticize it. I do not know where the Congress has ever authorized them to do anything of that kind.

Mr. MURRAY of Wisconsin. I may say to the gentleman from Oklahoma that he has not asked one question, but several questions. If I were to answer the questions from the knowledge I have at this moment, I would say: I presume what the gentleman refers to are the activities of the War Food Administration which do not necessarily come under the A. A. A. In most, if not all the States, the Chairman of the A. A. A. happens to be the head of the War Food Board. I presume that those things that the gentleman complains of are done under the War Food Boards rather than by the A. A. A. set-up. That would be my understanding of the organization at the present time. In most cases they are the same individuals. If there is any law it comes under the powers that have been delegated to the War Food Administrator by Executive order and is not part of any law passed by the Congress.

Mr. RIZLEY. Does the gentleman say that by Executive order the War Food Administration has now been given authority to determine who is entitled to a draft deferment as an essential farmer?

Mr. MURRAY of Wisconsin. I would say it may have been so construed. There is a rather broader interpretating of many laws and orders.

Mr. RIZLEY. Does the gentleman say further that the War Food Administration, by Executive decree, has been authorized to determine who shall be entitled to a quota of farm machinery?

Mr. MURRAY of Wisconsin. If the gentleman will look up the law under which this power has been delegated, I am sure he will find it is quite broad, and he will find that the interpretation of it is very, very broad. It will include most anything, as I found out last summer when a certain employee of the War Meat Board was telling all the farmer butchers in my particular district that, if they did not have a new slaughterhouse within 10 days, he would cancel their permit to slaughter. That is what I ran into last summer. I later found the writer of the letter did not have permission to write the letter from any superior officeholder. I did find out that he must have been a political appointee, as his service record showed no experience whatsoever in regard to meats, or much of anything else. I did, however, find that I could not get the War Food Administrator, my friend, Mr. Marvin Jones, to write me that the employee had exceeded his legal authority. One of Mr. Jones' underemployees wrote me quoting the provisions of the Executive order, where this authority was supposed to come from. This is where these small people in big places can harm any program. They should be replaced by people who have the right attitude in regard to the public. I imagine that is part of the directive under which these other things you complain about operate, though I do not want to be too sure on that point.

Mr. CUNNINGHAM. Will the gentleman yield?

Mr. MURRAY of Wisconsin. I yield to the gentleman from Iowa.

Mr. CUNNINGHAM. What will the situation be in 1944 in regard to the farmers being able to get more machinery?

Mr. MURRAY of Wisconsin. It is going to be the same problem as to whether the farmer will get more overalls or not. There is plenty of steel for farm machinery. It is simply a matter of manpower. As far as the overalls are concerned, there is plenty of cotton, because we are pretty nearly giving it away to make insulating material. It is a matter of manpower and getting it into the cheaper garments. Those are problems we have to meet.

Mr. TARVER. Mr. Chairman, I ask unanimous consent to revise and extend the remarks I made in the Committee of the Whole.

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

There was no objection.

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

The motion was agreed to.

Accordingly the Committee rose; and the Speaker having resumed the chair, Mr. WHITTINGTON, chairman of the Committee of the Whole House on the state of the Union, reported that that committee, having had under consideration the bill H. R. 4443, the Department of Agriculture appropriation bill, 1945, had come to no resolution thereon.

EXTENSION OF REMARKS

Mr. HARE. Mr. Speaker, I ask uanimous consent to extend my own remarks in the RECORD at the conclusion of the debate on the rivers and harbors bill.

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

There was no objection.

Mr. PATMAN. Mr. Speaker, I ask unanimous consent that the gentleman from Texas [Mr. LUTHER A. JOHNSON] be permitted to revise and extend the remarks he made today and include therein a letter from Mr. Leo Crowley.

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

There was no objection.

PERMISSION TO ADDRESS THE HOUSE

Mr. DIRKSEN. Mr. Speaker, I ask unanimous consent that on tomorrow, at the conclusion of the legislative program of the day and following any special orders heretofore entered, I may be permitted to address the House for 15 minutes.

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

There was no objection.

The SPEAKER. Under a previous order of the House, the gentleman from Ohio [Mr. SMITH] is recognized for 1 hour.

THE KEYNES-MORGENTHAU SCHEME

A FURTHER STUDY OF THE BRITISH SCHEME TO SECURE CONTROL OF UNITED STATES GOLD, COMMONLY REFERRED TO AS THE KEYNES-MORGENTHAU PROPOSAL FOR AN INTERNATIONAL STABILIZATION FUND

Mr. SMITH of Ohio. Mr. Speaker, the present study should be considered in connection with a paper I presented on this subject to the House November 1, 1943. In that paper I established what I believe to be conclusive proof that there are not two plans, a British plan for an international clearing union and an American plan for a united and associated nations stabilization fund, but that there is in reality only one plan; namely the British plan. Benjamin M. Anderson has asserted as much.

[Anderson, Benjamin M., Post-War Stabilization of Foreign Exchange; the Keynes-Morgenthau Plan Condemned; Outline of a Fundamental Solution, in the Economic Bulletin, Capital Research Co., Los Angeles, Calif., May 11, 1943. For many years economic adviser to the Chase National Bank in New York, Dr. Anderson is now professor of economics, University of California at Los Angeles.]

Dr. Melchior Palyi states that the two plans "deal practically only with the problem of Great Britain."

[Palyi, Dr. Melchior, Some Implications of the Keynes-Morgenthau International Clearing Pool, an address delivered at Union League Club, Chicago, April 28, 1943, and reprinted from the Great Lakes Banker, July 1943.]

Indeed, I think the proof is clear in that paper that the officials of the administration who are responsible for having drawn up the draft for a "United and Associated Nations Stabilization Fund" did practically nothing but copy from and reword and rephrase the text of the British proposal for an international clearing union as outlined in the British white paper.

Several other points contained in the November 1 paper should be kept in mind in considering the present study. The scheme would involve the complete abandonment of the international gold standard as this term has been used and understood since gold has been used in international trade and commerce down to the present time—all protests by the promoters of the scheme to the contrary notwithstanding. It would substitute for the gold standard a fictitious international monetary unit called "unitas" which would not be gold but whose value would be fixed by politicians in terms of gold, but not unalterably. The currency of each country belonging to the scheme would in turn be arbitrarily fixed by politicians in terms of unitas, but also not unalterably. The main characteristic of this device would be its high degree of political variability which would give it the desired political manipulability aimed at by Lord Keynes and his coworkers. Along with the destruction of the international gold standard, this artifice would, of course, also destroy the supremacy which the United States dollar now holds in international trade, which is no doubt one of the objectives of the scheme.

The scheme would also involve the assumption by the United States of perhaps $5,000,000,000 or more of British debts which Britain owes South American countries, Belgium, Scandinavian countries, and her colonies and dominions. This would be accomplished substantially with United States gold. Although the United States would furnish the vast bulk of the capital in the form of gold, yet our country would be hopelessly in the minority in respect to control. The present study will show this picture to be even more unfavorable to the United States than was shown in my previous paper.

The control of our money, which is vested in Congress by the Constitution, would be given over to an international monetary authority which would also have far-reaching and dictatorial powers over our domestic economy. Great Britain would be the dominating power in the scheme.

The computations in the November 1 paper relating to contributions were based on a total capitalization of $5,000,000,000. Since then, as stated in a letter to me by the Treasury, the administration has changed this figure to $8,000,000,000. Accordingly the computations will in the present study be based on the latter figure.

It will be noted in referring to column 2 in the table which is to follow that the aggregate of contributions listed does not come to $8,000,000,000 but only $6,560,000,000. The aggregate of the contributions of the countries not shown on the table would apparently not be sufficient to make up this difference. However, Treasury officials inform me that the percentage figures given me for computing contributions are tentative and subject to change. Further, that "before computing individual quotas there shall be reserved an amount equal to 10 percent of aggregate quotas to be used as a special allotment for equitable adjustment of quotas," as provided in II-4 of the administration's revised draft. The irreconcilability of these figures would seem to be of no particular importance to the results of this study.

In my November 1 paper I raised the question of the availability of free or unpledged gold in the countries that would belong to the scheme for their allegedly assigned contributions to the fund. By free or unpledged gold is meant gold in excess of that pledged as cover for demand liabilities. The primary purpose of the present study is to show which countries have and which countries do not have free gold to meet their proposed gold quotas.

The accompanying table (see p. 1669) shows the pertinent data relating to this problem for 31 of the 43 so-called United and Associated Nations which we are told would become members of the scheme.

Data relating to the amount of circulating notes and "other demand liabilities" and gold holdings were furnished me by the Federal Reserve. Data relating to contributions to the scheme were furnished me by the Treasury.

Four sources showing the legal requirements for gold reserves against demand liabilities have been made available to me, namely, the Federal Reserve Bulletin for July 1936; Treasury data for about 13 Latin-American countries; the Law Library of the Library of Congress; and Moody's Manual of Investments for 1943.

A footnote will be appended to the name of each country on the table showing the legal reserve requirements as furnished me by one or more of the above-mentioned sources. As will be noted the data for some countries are incomplete, uncertain, and apparently conflicting. Where doubt or uncertainty exists I have sought to use the data which provide the least amount of reserves and to apply the statute of the most recent date.

I have quoted the several sources showing legal reserve requirements for the purpose of presenting the apparent uncertainties, lack of uniformity and generally unsatisfactory conditions in this part of the monetary field. However, I have done this more expressly to indicate something of the progressive deterioration of the standard unit of value and the gravity of the monetary pathology that now afflicts nearly if not all of the countries we are to believe would become participants in the scheme.

The 31 countries represented on the table are divided into 3 categories, namely, (a) those countries having no free gold, which number 14; (b) those countries having free gold, which number 16; (c) the United States.

With respect to the remaining countries that would become members of the scheme, I have been unable to obtain any data that are of value to this study. Those countries are Iceland, the Philippines, Panama, Luxemburg, Iraq, Honduras, Haiti, Ethiopia, Dominican Republic, Paraguay, Nicaragua, and Iran. According to Federal Reserve and Treasury data, though sometimes conflicting with each other, Panama, Iraq, Ethiopia, and Dominican Republic make no reports of their gold holdings, while in the case of some of the others no figures respecting gold holdings are at present available. Paraguay and Nicaragua require no gold reserves against their demand liabilities. From such data as are "available" to me it would appear that all of these countries together must possess such a very small amount of gold that leaving them out of consideration could not possibly make any material difference in the results of this study.

In further explanation of the figure (2) which precedes the percentage figures in column 2, it should be stated that gold exchange, as defined on page 541 in the July 1936 Federal Reserve Bulletin, means exchange convertible into gold.

The percentage figure shown in column 2 does not always correspond with the figure actually used in computing reserve requirements because of certain qualifying factors. This apparent discrepancy is clarified in the footnote relating to the country concerned.

Observe that although both the circulating notes and other demand liabilities are shown for each country in columns 4 and 5 that the percentage figure in column 2 has not always been applied to both of the above two figures. Some countries require gold reserves against circulating notes only and others against both circulating notes and other demand liabilities. Furthermore, the requirement for notes may be different than the one for other demand liabilities. The footnote for each country will clarify these points.

It should be understood that the computations showing the amount of gold reserve requirements against demand liabilities as well as the amount of free or unpledged gold or lack of same are of necessity quite inexact. This is true because in most cases up-to-date data and in many complete figures are unavailable. Figures showing gold holdings and circulating notes and other demand liabilities are frequently of different dates. Numerous other qualifying factors are involved. In several cases I could not be certain as to the correct percentage figure to be applied for computing the amount of required gold reserves and accordingly some errors are likely to be

found in those computations. The best I have been able to do with the material at hand is to give a rough approximation of the true picture. But whatever inexactness and error may be involved in the figures which would show conditions to be worse than they really are, this would be more than offset by the fact that they are now much worse than the table shows and are continually growing worse at an accelerated rate of speed.

Neither in this nor my paper of last November has the administration's formula for determining gold quotas for member countries been strictly adhered to. Section II-3 of the administration's revised draft of the Keynes scheme provides in most cases that the amount of free foreign exchange held by a country is to be given a certain amount of weight in determining the gold quotas. Both the Treasury and Federal Reserve informed me that they had no data relating to this item. This, however, could not materially affect the results of the study.

With respect to several countries, because of incomplete and unsatisfactory data, principally in Latin America, no attempt has been made to compute the amount of required gold reserves.

By referring to columns 4 and 5 on the table it will be seen that the grand total of circulating notes and other demand liabilities of the 13 non-free gold holding countries [China not included] is $28,000,000,000. By referring to column 6 it will be noted that the amount of gold reserves required against their total demand liabilities [omitting gold reserves required by United Kingdom] would be $7,300,000,000. By now referring to column 8 it will be seen that the total amount of gold holdings of those 13 non-free gold holding countries is only $3,800,000,000. Thus it will be seen that those 13 non-free gold holding countries have a shortage of $3,500,000,000 for meeting their statutory reserve requirements.

Looking now at column 13 we see that the total amount of gold contributions of the 13 non-free gold holding countries would come to roundly $894,000,000. Since, however, those countries are deficient in gold to the amount of $3,500,000,000 for their demand liability coverage as shown in column 9 [taking into consideration that no figure for China is possible for this column] those countries would, of course, have no available gold for international use in the form of such contributions.

Let us now look at column 14 and compare the amount of gold the United States would be called on to contribute with that which the other 30 non-free and free gold holding countries combined would have available to meet their gold quotas, leaving out of consideration for the moment the paper portion of the contributions that would be made by the United States as well as that of all the other countries.

The United States would contribute in gold $1,172,000,000. The 30 other countries would have available for international use only approximately $420,000,000 in gold to meet their quotas. On this basis the United States would contribute 73-plus percent of the gold capital of the scheme while all the other countries combined would contribute only 26-plus percent. Yet the United States would be given a voting strength of only 20 percent while the other countries would have 80 percent! But this by no means shows the picture to be as bad as it really it.

In my paper of last November, before I had completed the present study, I stated:

> The gold liability of the United States would be nearly four times that of the whole British Empire, yet the United States would have only 20 percent of the votes while the Empire would have 19 percent.

I now find the United States would be in a much more unfavorable position than was indicated at that time. The Union of South Africa is the only component of the entire British Empire which possesses any free gold. She is given a gold quota of $72,000,000. The gold quota of the United States would be $1,172,000,000. Thus it is seen that, on the basis of available free gold the United States would contribute more than 16 times as much gold as the entire British Empire, yet the United States would be given only approximately the same percentage of basic votes as the Empire, 20 and 19 percent, respectively!

Since United States paper dollars from an international standpoint are convertible into gold on demand, the United States would actually contribute in gold $2,344,000,000. Her total gold liability would be the same as her total contribution. The non-free gold holding countries, numbering 14, would have no gold liability whatever. We stated the total gold that would be available for contributions by the 16 free gold holding countries would be $420,000,000. Now what would be the total gold liability of the 16 free gold-holding countries? Would it be any more than the aggregate of their gold contributions? Conceivably it might be more. But here we run into some questions which show this whole proposal to be positively preposterous.

Let us consider the case of Russia. Her paper and gold contributions are set at $432,000,000 and $184,000,000, respectively. The Treasury informed me that Russia makes no reports of her gold holdings. November 22, 1943, the Federal Reserve gave me the figure of $839,000,000 as the amount of gold Russia held September 1935.

The Soviet Union is an absolutist state. It is conceivable that she might pool a portion of her gold on paper, or even by delivering it into the physical possession of some other country. That would depend on the benefits she could see accruing to her by doing so. Lend-lease and United Nations Relief and Rehabilitation gifts and "loans" for reconstruction and development, which latter might be available to her in case the proposed international bank should be created, would no doubt be deciding factors. But it is unthinkable that the Soviet Union would consent to giving over to an international body any power whatsoever over her money, or any other part of her economy.

The basis of the whole Soviet economy is the political ownership and control of her gold and paper currency, just as this is the basis of all dictatorship. Lewis Haney, professor of economics, New York University, in an article in the Washington Times-Herald December 11, 1943, in commenting on a certain press dispatch from Moscow relating to "world banks and such things" gives the impression that Russian participation in the Keynes scheme is impossible. "Russia Balks" is the caption of an article by Ralph Hendershot in the New York World-Telegram December 7, 1943, of which he is financial editor. He then goes on to say of Russia:

> And, she wants nothing to do with schemes for an international bank, preferring to do business on a gold basis. The chances are this will put a crimp in Britain's plans to stabilize international currencies by placing various and varied assets into an international bank and issuing a new currency against these assets, to be used in the settlement of trade balances between participating nations. And it may very well give our Treasury officials reason to stop, look and listen before throwing in with the British idea.

Furthermore, it would seem another complication may have arisen in connection with Russian participation in this British scheme. I refer to the announcement that recently came from Russia to the effect that the Russian state is to be divided up into 16 "republics," each of which is to have power to separately enter into "direct relations with foreign states and conclude agreements with them."

[See full text of Molotov Plan Enlarging Autonomy of 16 of the Soviet Republics, New York Times, February 2, 1944.]

What the purpose of this new arrangement may be is as yet not clear but it could be used to somehow match the control of other nations, particularly that of Great Britain and the United States, in order to secure greater advantage to herself in any international financial arrangements that might be created. But whatever may be the object of this move, it is safe to say the Soviet Union could not in any event give her consent to any proposal which would involve outside interference with the price at which she might be willing to buy or sell gold outside of her borders, or with her domestic currency or any part of her internal economy. Since the Keynes-Morgenthau scheme would definitely involve control by an international body over all of those things in Russia, we can safely conclude that she would not become a full-fledged participant in it. Hence the gold contribution assigned to her becomes more of a fiction than a reality.

Having eliminated Russia as anything but a possible limited partner in the plan, let us look for a moment at the other countries in the free gold holding category with a view of determining the extent to which they could be expected to actually make their gold available to the scheme. The extent to which this could be expected would of course, as in the

case of Russia, depend upon the amount of concrete benefits they could see in it for themselves. We may be sure that the other countries that would join this proposed scheme would be realistic, that they would do so understandingly and with their eyes glued to their material interests. The United States seems to be the only country in the world that not only has lost much of its mechanism for protecting its own material interests against foreign exploitation, but whose trusted government officials willfully assist foreign interests to insinuate themselves into our economy and government and intrude themselves upon our rights as a sovereign power.

Section V-8 of the administration's revised draft holds out a promise of considerable benefit to at least some of the free gold holding countries. This is particularly true with respect to those Latin-American countries which have large sterling balances in London. The assumption by the scheme of the British debts which comprise those sterling balances would place those Latin-American countries in a position of being able to collect them from the United States.

Like Russia, lend-lease, Export-Import Bank loans, and loans which might be made available to them through the creation of an international bank for reconstruction and development would undoubtedly be further inducements to the Latin-American countries to contribute some of their gold to the scheme. The extent to which the United States would indirectly, through these means, furnish to the Latin-American countries the very assets they would contribute to the scheme could not help but be substantial. If we can believe certain news items, the Treasury is even now giving away gold to certain countries which would be used in making up their gold quotas to the scheme. [See Reader's Digest, February 1944, pp. 12–14.]

In my November 1, 1943, paper, I also raised the question of whether the scheme would actually have physical possession of all of the gold assets contributed to it, or whether each country would keep its gold quota in its central bank and government vaults, and the whole operation of the plan, except the gold contributed by the United States, be one of bookkeeping.

It is important to know the answer to this question, for unless the international body would actually have in its physical possession the gold contributions of the so-called member countries, it is difficult to see how they could serve either as a true credit base or be of any value in maintaining the liquidity of its assets. The soundness—that is, the liquidity—of the plan would always be dependent upon the availability to it of its gold assets. There is no such thing as absentee liquidity any more than there is liquidity in futurity.

The paper contributions that would be made to the scheme constitute in reality nothing but overdrafts, except those made by the United States and other countries whose currencies are internationally convertible into gold. Lord Keynes, in expounding his scheme to the House of Lords, touched upon this point, but apparently was very careful to refrain from distinguishing between the paper which would be contributed by countries whose position is such as to make it fully redeemable in gold at all times and those countries whose gold position is not such as to make their paper fully redeemable in gold at all times. He said:

> The American plan requires the member States to provide so-called security against their overdrafts, a requirement which could certainly be met if it is thought useful; but the security in question only to a very small extent consists in an outside security in the shape of gold. It consists mainly of an I O U engraved on superior notepaper, better than would be the case, perhaps, under our own scheme. I have said that, if that is thought useful and worth while, it does not involve any particular problem. [P. 81, Parliamentary Debates on an International Clearing Union, British Information services.]

The paper portion that would be contributed by the United States would not "consist mainly of an I O U engraved on superior notepaper" but would be a bond underwritten by the Government of the United States for the delivery of gold on demand, backed by the actual possession of said gold. But the paper portion that would be contributed by the United Kingdom would not be possessed of this liquid quality. It would be a political I O U in the truest sense, with no gold back of it to assure its redemption, and without recourse to any other means or source of payment.

To what extent would the gold "contributions" made by countries other than the United States actually be made available to the scheme? Would any gold except that supplied by the United States be made available for use in the operation of the scheme in the sense in which the term "use" is applied to the capital of a bank or any other financial institution? The capital and assets of any financial institution must either be in its actual physical possession or in some manner subject to physical possession by it. This proposition holds with respect to international financial institutions as well as domestic ones. If the scheme does not comprehend actual physical possession of all its capital assets, if the shares of some are represented by paid-in gold and of others by political promissory notes only then it becomes a sham and a fraud of the worst sort.

On November 10, 1943, I addressed the following letter to Mr. Morgenthau, Secretary of the Treasury:

> Some days ago Mr. E. M. Bernstein, in company with Mr. Brenner [Mr. Edward M. Bernstein is an assistant director, Division of Monetary Research, Treasury Department; Mr. Richard B. Brenner is an attorney in the Treasury Department], in my office gave me to understand, in answer to a direct question, that the operation of the United and Associated Nations Stabilization Fund would be only a matter of bookkeeping, that the assets of the fund would remain in the central banks and government institutions of the member countries.

Wishing to have this statement confirmed in writing by the Secretary of the Treasury, I wrote him in that letter as follows:

> I desire from you, the Secretary of the Treasury, a direct answer to the following:
>
> Does the "Preliminary Draft Outline of a Proposal for a United and Associated Nations Stabilization Fund, United States Treasury Department, Revised Draft, July 10, 1943," provide for the physical delivery of the gold assets of the fund at some central point within the geographic boundary of one of the United and Associated Nations? Or, is it contemplated that the gold assets of the fund will remain in the physical possession of the member countries of the fund within their territorial boundaries?

On November 13, 1943, Mr. Morgenthau replied to the above as follows:

> It is my understanding that the discussions among the technical experts of other countries did not touch on the point of the manner in which the gold contributed by a member country would be physically delivered to the fund. I presume, however, it is likely, with respect to the larger countries at least, that their respective gold contributions would be kept available on earmark for the fund at the central banks of those countries.

This is of course an attempt to evade answering my question. In the first place how could there be any question about the "manner" in which the gold should be physically delivered to the scheme? Is there any other way this could be done except by the simple act of shipping? Surely it would not require the services of any "technical experts" to figure that out.

If we are to infer from Mr. Morgenthau's answer that these technical experts have not discussed with the other countries the question of whether they would be willing to ship their gold quotas to one or possibly even several of the other member countries, it should be interesting to know what they have discussed. Do administration officials who are lending their support in the promotion of this scheme believe we are either so naive as to simply take it for granted that the member countries would be willing to ship their gold to some central depository, or so completely uninformed and unconcerned about the matter as to ask no questions?

One thing certain, however, does emerge from Mr. Morgenthau's answer, namely, that each one of the "larger countries" would retain physical possession of its gold contribution. Furthermore, the phrase "with respect to the larger countries at least," would certainly imply that the smaller countries might be given the choice to do likewise.

It should be interesting to have Mr. Morgenthau's formula which he used to classify the United and Associated Nations in two categories, the larger countries on the one hand and the smaller ones on the other, but it would be more interesting still to know how and why he arrived at determining that the larger nations would keep their gold contributions at home in their own vaults, yet seemed undecided or unwilling to say whether or not the smaller countries would be permitted to keep their gold contributions at home, too.

We wonder also which countries have been selected as the elect. The United States, Great Britain, China, and Russia have been officially designated as the "big four" powers so it is reasonable to suppose none of these countries would be called on to let loose of its "gold contribution" to be shipped off to any of the other member countries, though neither Great Britain nor China has any gold to let loose of.

If it is proposed that the smaller countries should hand their gold contributions over to the scheme, to which of the self-chosen few would they be expected to deliver them, to one or more of them, and, if so, which one or ones? Since the Soviet Union would be no more than a limited partner in the scheme, it is hardly likely that country would be selected as the gold depository for the smaller nations. China being so far away from the financial and industrial center of the world and for obvious various and sundry other reasons would hardly do as a depository of the gold assets of the smaller countries. That would leave only England and the United States to be considered as suitable places for holding and guarding those gold assets. To which of these two would the gold contributions from the smaller countries be made to flow, or would they be made to gravitate toward both?

These would not be idle questions if the scheme really contemplated that the proposed gold subscriptions of the smaller countries would actually have to be delivered at some central point within the geographic boundary of one of the so-called member countries. Indeed, these questions would then become vital as they would go to the very root of the matter.

These questions, of course, answer themselves, and they are not asked so much for the purpose of determining whether or not the smaller countries would actually deliver their gold quotas to some central depository within one of the member countries, but are asked more particularly to show both the deception and bizarreness of this scheme. With respect to the countries having no free or unpledged gold, the scheme would have nothing more than a second mortgage on any gold contributions that might be promised and with no recourse at that. Is it not likely that the free gold holding countries, nearly all of which come within the category of smaller countries, would prefer to keep their gold quotas in their own pockets when the nonfree gold holding countries had nothing more to offer than a second mortgage on their gold quotas without recourse, and when the so-called larger countries preferred to retain their gold contributions at their homes in their own vaults? Is it possible to draw any other conclusion than that the operation of the scheme would be one of bookkeeping, and the allegedly assigned gold contributions for both the nonfree and free gold holding countries, except with respect to the United States, would consist almost, if not entirely, of political promises, not to even pay in any part of such gold contributions, but simply to agree to earmark them in their own countries for the account of the scheme?

Up to the present we have considered only the initial amount of gold liability the scheme would impose upon the United States. In the paper heretofore referred to of last November, I mentioned that the initial subscription of gold by the United States would likely be no more than a starter, that once the program were put in operation we should expect to be called upon to pour additional amounts into it. In that paper I said of the scheme:

> We are to believe it is something that could be started and stopped like a watch; tried out and if found ineffective abandoned to its own fate. But it just would not work that way. Once the scheme were in operation it would quickly generate forces that would make for self-perpetuation and expansion, as is the nature of all political machinery * * *. A whole congeries of "vested" international interests would quickly spring up and concurrently the protective mechanisms for maintaining them.

In this connection we should read some of the provisions of the administration's draft under section V, Powers and Operations, wherein are provided the following powers:

> To buy, sell, and hold gold, currencies, and government securities of member countries; to earmark and transfer gold; to issue its own obligations, and to offer them for discount or sale in member countries.
>
> To buy from the governments of member countries, blocked foreign balances held in other member countries.
>
> To sell member country obligations owned by the fund.
>
> To use its holdings to obtain rediscounts or advances from the central bank of any country whose currency the fund needs.
>
> With the approval of the representative of the government of the country concerned, sell its own securities, or securities it holds, directly to the public or to institutions of member countries.

With these far-reaching powers the scheme could be greatly expanded beyond its initial functions and organization. J. H. Riddle, economic adviser to the Bankers Trust Co. in New York, says of the administration's draft of the scheme that:

> It could lend and borrow money, and deal in securities. The fact that it could borrow money and issue its own obligations might bring the fund's activities nearer the scope of the Keynes Union.

Of the Keynes Union he says:

> Under the Keynes plan foreign countries could in theory accumulate debits of nearly $26,000,000,000. That is a theoretical limit based on the assumption that the United States would be the only creditor country and all others would be debtor countries, and further than none of the safeguards provided for worked. That would not occur, of course, but it might be possible after a period of years for debit balances to reach half that figure, or even more, if creditor countries should continue to supply the funds without making any use of their credit balances.

That is, the Keynes-Morgenthau scheme could in time involve the United States in a liability to the extent of upward of perhaps $15,000,000,000. Many conditions must be taken into consideration in determining the probable extent to which the scheme would be expanded. It would be in control of the debtor countries who would determine its operations and formulate its lending policies. Keynesian monetary and financial thinking, with its fiat credit and currency, its pyramiding of credits, its unlimited government deficit financing, its totalitarian approach, and, in this instance at least, its lack of integrity, would give direction to all of its procedures.

Then we must keep in mind that this proposed plan is only a part of a larger and more grandiose scheme that is envisioned by its promoters. Indeed, this is frankly stated by its prime mover and spearhead, Lord Keynes, when he says:

> It is possible that taken together—
>
> 1. The mechanism of currency and exchange.
>
> 2. The framework of a commercial policy regulating conditions for exchange of goods, tariffs, preferences, subsidies, import regulations, and the like.
>
> 3. Orderly conduct of production, distribution, and price of primary products * * *.
>
> 4. Investment aid, both medium and long term, for countries whose economic development needs assistance from outside.
>
> * * * may help the world to control the ebb and flow of the tides of economic activity which have, in the past, destroyed security of livelihood and endangered international peace.

Lord Keynes looks upon his international stabilization scheme as the nucleus for the construction of a universal and all-pervasive centralized international power to regulate the economies, governments, and individual lives of the people of the whole earth. To the foregoing he adds that it "might become the instrument and the support of international policies in addition to those which it is its primary purpose to promote," that it "might become the pivot of the future economic government of the world," that "without it, other more desirable developments will find themselves impeded and unsupported," that "with it, they will fall into their place as parts of an ordered scheme," that it "might set up a clearing account in favour of international bodies charged with post-war relief, rehabilitation, and reconstruction," which segment of his scheme is already in operation in the form of the United Nations Relief and Rehabilitation Administration. Further, that his stabilization scheme "might set up an account in favour of any supernational policing body which may be charged with the duty of preserving the peace and maintaining international order," that "this would provide an excellent machinery for enforcing a financial blockade," that it "might set up an account in favour of international bodies charged with the management of a commodity control, and might finance stocks of commodities held by such bodies, allowing them overdraft facilities on their accounts up to an agreed maximum."

Also that it "might be linked up with a board for international investment," that

"there are various methods by which the clearing union could use its influence and its powers to maintain stability of prices and to control the trade cycle," that "if an international economic board is established this board and the clearing union might be expected to work in close collaboration to their mutual advantage," that "if an international investment or development corporation is also set up together with a scheme of commodity controls for the control of stocks of the staple primary products, we might come to possess in these three institutions a powerful means of combating the evils of the trade cycle, by exercising contractionist or expansionist influence on the system as a whole or on particular sections," and, finally, "the facility of applying the clearing union plan"—that is, the Keynes-Morgenthau scheme which we are here considering—"to these several purposes arises out of a fundamental characteristic which is worth pointing out, since it distinguishes the plan from those proposals which try to develop the same basic principle along bilateral lines and is one of the grounds on which the plan can claim superior merit," which he clinches with this sophistry: "This might be described as its 'anonymous' or 'impersonal' quality."

What else could it possibly be that is envisioned here but a "supernational brain trust with authority," as Benjamin M. Anderson has designated it?

As just mentioned, one of the parts of this all-embracing scheme has already been perfected, namely, the United Nations Relief and Rehabilitation Administration, which, according to resolutions adopted at the Atlantic City conference, is to undertake everything from the furnishing of soup kitchens to the construction of railroads in all the war-stricken areas of the world; further, still another part of this global program, an "international bank for reconstruction and development" with an initial capitalization of $10,000,000,000, is now in the process of concoction by the Administration.

Then there is a vast assemblage of related forces and conditions which are giving impetus or allowing freedom to this movement, though perhaps not so directly or manifestly connected with it, such as the totalitarian planning cult which in conjunction with the Federal bureaucracy all but completely dominates our economy and government, the disordered and corrupt currency and the long way our Nation has already gone in substituting a society of status for that of contract.

There is one more point which is of great importance to the consideration of the Keynes-Morgenthau scheme and which is very pertinent to this study. Seldom if ever are the expectations or promises of legislators in setting up political agencies fulfilled. It is an almost unbroken law that such bodies are, when once established and put in operation, never limited to their original size and functions, but tend always to enlarge and expand the scope of their activities.

This is so universally true and so self-evident that it should require no substantiating proof, though a thousand illustrations are ready at hand to support this contention, if that should be deemed necesary. But look at the growth of bureaucracy that has taken place in the Federal Government in recent years.

Who in 1887 would have thought that the Interstate Commerce Commission, which was created at that time, would develop to its present size, complexity, and power, and that the interstate commerce clause of the Constitution would be construed by the Supreme Court so as to make the growing of wheat interstate commerce and empower a Federal bureau to dictate to the farmer how much wheat he can grow?

The Congress devotes nine-tenths of its time trying to restrain the political machinery which it has created and to confine its functions within the bounds of the laws it has itself written. Now especially, it scolds the O. P. A., C. C. C., A. A. A., and the other political alphabetical agencies for using their powers to change the economy, for taking on functions that were not intended and for disobeying the laws which brought them into existence.

The Keynes-Morgenthau scheme would be no exception to the law of endogenous growth of political machinery. That it would go the way of all bureaucracy, take on new functions and expand in directions not now thought of or intended, most likely even by Lord Keynes and some of his coworkers, should be a foregone conclusion. Indeed, the nature of this scheme is such as to make it particularly liable to anarchic growth.

It is plainly seen that the meat of the Keynes-Morgenthau scheme, stripped of its pretense and window dressing, is, perhaps along with other highly important objectives, an attempt to inveigle the United States into handing over to Great Britain the control and use of the United States stock pile of gold; to finance $5,000,000,000 or more of debts Britain owes to a large number of countries; to restore London as the world's banker and financial center; to finance her world trade and pay for her Beveridge plan.

The scheme seeks to accomplish these objectives by destroying the dollar as the leading international standard unit of value and settler of accounts and what is left of the orthodox international gold standard by substituting therefor a fictitious and political paper unit of account called unitas, in terms of which international pecuniary contracts would have to be made. It is sheer nonsense for Lord Keynes to say:

> The existence of the clearing union does not deprive a member state of any of the facilities which it now possesses for receiving payment for its exports. In the absence of the clearing union, a creditor country can employ the proceeds of its exports to buy goods or to buy investments, or to make temporary advances and to hold temporary overseas balances, or to buy gold in the market. All these facilities will remain at its disposal. [Proposals for an international clearing union, British Information Services, April 8, 1943, p. 11.]

And for the Secretary of the Treasury, Mr. Morgenthau, to chime in with Lord Keynes by saying:

> The fund would deal only with treasuries and central banks. It would not compete with private banks or existing agencies. Its operations would be maintained only to supplement the efforts made by each member government to maintain monetary stability. The established channels of international trade and international banking would be retained in full for all international transactions. [Statement of Secretary Morgenthau before the Senate Committees on Foreign Relations and Banking and Currency and the Special Committee on Post-War Economic Policy and Planning, April 5, 1943, p. 3.]

If these gentlemen mean that gold could still be used in the settlement of international trade balances in the orthodox way. That view postulates the impossible, namely, the existence simutaneously of two kinds of international units of value and media for settling trade balances, a definable weight of gold on the one hand and an indefinable paper "unitas" of account on the other. Would not Gresham's law operate the same in the international field as it always has in domestic economies? Would not the bad unitas money drive out the good gold money? What earthly chance would gold have to remain in circulation internationally and compete with the cheap money, the politically manipulable paper unitas? None, of course.

It is of the utmost importance to a full comprehension of the Keynes-Morgenthau scheme to grasp the fact that it would involve not merely the amount of gold the United States would contribute to it but our entire stock pile of gold. It envisions the complete demonetization of our total gold reserves for international use just as they have been demonetized for domestic use within our own economy and the economies of other countries. It would do exactly what Lord Keynes formally denies it would do when he says:

> Nor is it reasonable to ask the United States to demonetize the stock of gold which is the basis of its impregnable liquidity.

This would in one single stroke destroy in large measure if not entirely the superb international gold position the United States now holds, in international trade and commerce. It would at the same time yield to the debtor countries and, of course, to Great Britain in particular an unearned, precious, and vital national resource.

The alleged capital formation of the Keynes-Morgenthau scheme is a fraud. The dishonesty and deception which underlie it condemn it utterly. This is not a proposal for international cooperation if the word "cooperation" still means what the dictionary up to now has always said it meant—"collective action in the pursuit of common well-being." On the contrary, this is a proposal by Great Britain, supported by other countries and aided by our present administration, not only to bleed the United States white but to destroy her very blood-making organs.

Table showing the countries which would have no free or unpledged gold and the countries which would have free or unpledged gold for gold contributions to the Keynes-Morgenthau scheme, and other pertinent data relating thereto

POSITION OF 14 COUNTRIES HAVING NO FREE GOLD

1	2	3	4	5	6	7	8	9	10	11	12	13	14
Country	Percent of gold (1) or gold and gold exchange (2) legally required against circulating notes or circulating notes and other demand liabilities in central banks	Date of circulating notes and other demand liabilities in central banks as shown in columns 4 and 5	Amount of circulating notes (in dollars, 000 omitted)	Amount of other demand liabilities in central banks (in dollars, 000 omitted)	Amount of gold, or gold and gold exchange required against circulating notes and other demand liabilities in central banks (in dollars, 000 omitted)	Date of gold holding as shown in column 8	Amount of gold holding (in dollars, 000 omitted)	Amount of free gold (+) or gold deficiency (−) for circulating notes, or circulating notes and other demand liabilities in central banks (in dollars, 000 omitted)	Alleged percent of aggregate contribution ($8,000,000,000 gold and paper) assigned by scheme	Alleged share of aggregate contribution ($8,000,000,000 gold and paper) allotted by scheme (in dollars, 000 omitted)	Alleged percent of gold contribution of total contribution of each country alloted by scheme	Alleged amount of gold contribution allotted by scheme (in dollars, 000 omitted)	Free gold (+) or deficiency of free gold (−) for gold contribution to fund (in dollars, 000 omitted)
Australia	(2) 25	Sept. 27, 1943	484, 239	557, 266	121, 059	April 1940	5, 000	−116, 059	1. 5	120, 000	1. 2	1, 500	−1, 500
Belgium	(2) 40	Aug. 26, 1943	2, 512, 595	372, 111	865, 411	August 1943	734, 000	−131, 411	2. 4	192, 000	37. 5	72, 000	−72, 000
Bolivia	(2) 45	Sept. 30, 1943	24, 204	19, 211	13, 024	September 1943	13, 000	−24	. 1	8, 000	40. 0	3, 200	−3, 200
Canada	(1) 25	Oct. 30, 1943	760, 552	403, 354	290, 976	October 1943	5, 000	−285, 976	2. 8	224, 000	40. 0	89, 600	−89, 600
China						March 1939	21, 000		4. 0	320, 000	22. 5	72, 000	−72, 000
Czechoslovakia	(1) 25	Aug. 31, 1943	863, 446	142, 798	251, 561	August 1943	61, 000	−190, 561	1. 2	96, 000	14. 0	13, 725	−13, 725
Egypt	(1) 50	do	356, 294	484, 840	178, 147	do	52, 000	−126, 147	. 6	48, 000	32. 0	15, 600	−15, 600
France	(1) 35	Oct. 28, 1943	9, 517, 353	1, 022, 606	3, 688, 985	April 1940	2, 000, 000	−1, 688, 985	5. 5	440, 000	37. 5	165, 000	−165, 000
Greece	(2) 40	Mar. 31, 1941	129, 789	140, 085	107, 709	Mar 1941	28, 000	−79, 709	. 4	32, 000	22. 5	7, 200	−7, 200
India	(2) 40	Aug. 27, 1943	2, 272, 964	315, 690	909, 185	August 1943	274, 000	−635, 185	3. 2	256, 000	32. 0	82, 200	−82, 200
Netherlands	(1) 40	Aug. 30, 1943	1, 542, 053	422, 047	616, 821	August 1943	522, 000	−94, 821	2. 1	168, 000	30. 0	50, 400	−50, 400
New Zealand	(2) 25	Sept. 27, 1943	109, 122	139, 241	62, 090	July 1943	23, 000	−39, 090	. 5	40, 000	17. 0	6, 900	−6, 900
United Kingdom	(1) 100	Oct. 27, 1943	4, 028, 794	1, 003, 827		August 1943	1, 000		12. 8	1, 024, 000	30. 0	307, 200	−307, 200
Yugoslavia	(1) 20	July —, 1943	713, 840	91, 340	201, 295	February 1941	83, 000	−118, 295	. 3	24, 000	30. 0	7, 200	−7, 200
Total			23, 315, 245	5, 114, 416	7, 306, 263		3, 801, 000	−3, 506, 263		2, 992, 000		893, 725	−893, 725

POSITION OF 16 COUNTRIES HAVING FREE GOLD

Brazil		Apr. 30, 1943	516, 643	473, 209		September 1943	223, 000		1. 2	96, 000	40. 0	38, 400	+38, 400
Chile	(2) 50	Aug. 31, 1943	107, 229	30, 306	60, 579	August 1943	54, 000	+6, 579	. 4	32, 000	40. 0	12, 800	+6, 579
Colombia		Oct. 30, 1943	63, 748	65, 915		September 1943	55, 000		. 3	24, 000	40. 0	9, 600	+9, 600
Costa Rica		July 31, 1943	12, 005	7, 219		do	6, 000		. 04	3, 200	50. 0	1, 600	+1, 600
Cuba						July 1943	31, 000		. 4	32, 000	28. 0	9, 300	+9, 300
Ecuador	(2) 30	July 29, 1943	14, 459	13, 697	6, 757	April 1943	10, 000	+3, 243	. 05	4, 000	40. 0	1, 600	+1, 600
El Salvador	(1) 25	Aug. 31, 1943	12, 972	8, 819		September 1943	11, 000		. 05	4, 000	50. 0	2, 000	+2, 000
Guatemala		May 31, 1942	12, 436	13, 415		December 1942	19, 000		. 07	5, 600	50. 0	2, 800	+2, 800
Mexico		Aug. 31, 1943	205, 620	126, 505		October 1943	200, 000		. 8	64, 000	50. 0	32, 000	+32, 000
Norway	(1) 100	Mar. 30, 1940	136, 088	25, 468	39, 528	February 1940	84, 000	+44, 471	. 7	56, 000	30. 0	16, 800	+16, 800
Peru		July 31, 1943	49, 585	21, 681		October 1943	26, 000		. 2	16, 000	30. 0	4, 800	+4, 800
Poland	(1) 40	Aug. 20, 1939	385, 705	17, 934	65, 456	July 1939	84, 000	+18, 544	1. 1	88, 000	21. 0	18, 900	+18, 544
South Africa	(1) 30	Aug. 27, 1943	181, 902	494, 061	202, 788	August 1943	628, 000	+425, 212	1. 8	144, 000	50. 0	72, 000	+72, 000
Union of Soviet Socialist Republics						September 1935	839, 000		7. 7	616, 000	30. 0	184, 800	+184, 800
Uruguay	(1) 100	June 30, 1943	78, 808	102, 534	31, 410	June 1943	101, 000	+69, 590	. 2	16, 000	50. 0	8, 000	+8, 000
Venezuela	(2) 50	Oct. 31, 1943	75, 233	23, 966	44, 639	October 1943	84, 000	+39, 361	. 3	24, 000	50. 0	12, 000	+12, 000
Total			1, 852, 433	1, 424, 729			2, 455, 000			1, 224, 800		427, 400	+420, 823

GOLD POSITION OF THE UNITED STATES

United States	[1] 40-35	Oct. —, 1943	15, 550, 000	14, 193, 804	11, 187, 000	October 27, 1943	[2] 19, 851, 000	+8, 514, 000	29. 3	2, 344, 000	50. 0	1, 172, 000	+1,172,000

[1] The United States statute provides that: Every Federal Reserve bank shall maintain reserves in gold certificates or lawful money of not less than 35 per centum against its deposits and reserves in gold certificates of not less than 40 per centum against its Federal Reserve notes in actual circulation.

[2] Represents gold certificates held by the Federal Reserve banks. They are truly representative of gold only to the extent to which they are actually convertible into gold, that is, to the extent to which gold may be exported.

FOOTNOTE ANALYSIS OF COLUMN 2 IN PRECEDING TABLE

AUSTRALIA

Requires a 25-percent gold and gold exchange reserve against notes.

Exchange included limited to English sterling. [Federal Reserve Bulletin, July 1936, p. 542.]

The bank is obligated by law to maintain a 25-percent gold reserve against notes in circulation. By the Commonwealth Bank Act of 1932 [assented to May 21, 1932], it was provided that the reserve may be held in gold coin or in English sterling or partly in gold and partly in English sterling. [Moody's Manual of Investments, 1943, p. 1652.]

The maintenance of reserves in the Commonwealth of Australia, provided for in the Commonwealth Bank Act, 1911–32, is as follows:

"SEC. 60K. (1) The Board shall hold in gold or in English sterling or partly in gold and partly in English sterling a reserve of an amount not less than 15 percent of the amount of Australian notes on issue during the 2 years ending on the 30th day of June 1933, not less than 18 percent of such notes on issue during the year ending on the 30th day of June 1934; not less than 21½ percent of such notes on issue during the year ending on the 30th day of June 1935; and not less than 25 percent of such notes on issue after the 30th day of June 1935." [Library of Congress, Law Library, November 15, 1943.]

Only gold held by Australia can be considered as reserve against notes since English sterling exchange owned by Australia cannot be considered as gold exchange.

BELGIUM

Thirty percent gold or 40 percent of gold and gold exchange against demand liabilities. [Federal Reserve Bulletin, July 193, p. 542.]

Prior to the occupation of the country by the German Army in May 1940, the National Bank of Belgium had the sole right to issue bank notes; its reserves, in gold or gold foreign exchange had to equal 40 percent of its sight engagements and 75 percent of the reserve had to be in gold. [Moody's Manual of Investments, 1943, p. 1682.]

Moody's Manual of Investments data used for computing amount of gold reserve required.

BOLIVIA

Requires a 50 percent of gold and gold exchange reserve against notes and deposits.

May legally include silver. Silver included limited to one-fifth of required reserve. Exchange included limited to deposits payable in gold on demand or on 3 days' notice in

New York or London, except that since September 6, 1932, domestic and foreign prime commercial bills may, with the consent of the superintendent of banks, be included up to one-tenth of required reserve. Bank includes drafts payable, dividends, and other obligations with deposits against which reserves are required. [Federal Reherve Bulletin, July 1936, p. 542.]

Decree of June 21, 1941, requires 45 percent reserve in gold or foreign exchange against notes and deposits, all foreign exchange may be counted, but gold itself must equal 30 percent of notes and deposits. [Computation of required reserves in chart based on this 30-percent requirement.] The bank however, follows its organic law of July 20, 1928, and counts only gold, dollars and sterling [plus a small amount of silver]. [Treasury data as of June 30, 1943.]

CANADA

Canada requires 25 percent gold reserve against notes and deposits.

Government at bank's request may suspend reserve requirement for maximum period of 1 year. [Federal Reserve Bulletin, July 1936, p. 542.]

In connection with the Exchange Fund order of May 1, 1940, the bank's gold reserves were sold to the Foreign Exchange Control Board, and at the same time the bank's minimum gold reserve requirement was temporarily discontinued. [Moody's Manual of Investments, 1943, p. 1512.]

Excludes gold held by Foreign Exchange Control Board which on May 1, 1940, took over all the gold reserves of the Bank of Canada, amounting to $206,000,000. [Federal Reserve data.]

CHINA

According to information supplied me by the Federal Reserve Board, China held in March 1939, only $21,000,000 in gold. Yet, according to data furnished me by the Treasury, China's gold contribution is set at $72,000,000.

No attempt has been made to show the gold reserve requirements of China. The Law Library of Congress furnished me with almost seven pages of single-spaced typewritten data relating to this subject, which shows it to be impossible to determine much of value in respect to her reserve requirements.

China has no gold to contribute to the scheme. In this connection should be read the agreement made by the Treasury Department with China relating to the $500,000,000 of financial aid extended to China. Under that agreement the United States has assumed a potential gold liability to the full amount of $500,000,000. It is also necessary here to keep in mind the great inflation which is now raging in China. She needs all the gold she can possibly acquire to meet that situation, and for that reason alone would have none to spare for the Keynes scheme.

CZECHOSLOVAKIA

A 25-percent gold reserve is required against demand liabilities.

Reserve may be permitted to fall below stated reserve requirements subject * * * to the payment of a tax. [Federal Reserve Bulletin, July 1936, p. 543.]

When Czechoslovakia became divided into a protectorate of Bohemia and Moravia and the state of Slovakia, a separate Slovakian bank—Slovenska Narodna Banka—was established. [Library of Congress, Law Library, November 16, 1943.]

The demand liabilities of Slovakia were included with those of Bohemia and Moravia, but they amount to only about 10 percent of those of the latter, and would, for the purpose of this study, not materially affect any of the figures shown for Czechoslovakia.

EGYPT

Requires a 50-percent gold and gold-exchange reserve against notes.

Gold included must be held at home. Exchange included limited to British Treasury bills. [Federal Reserve Bulletin, July 1936, p. 542.]

The statutes of the National Bank of Egypt, approved by the decree of June 25, 1898, were amended several times, the last amendments being dated May 29, 1920, June 20, 1927, and August 10, 1940. This last decree was promulgated August 12, 1940 [Journal Officiel, p. 108]. Section 4 of the statute grants the National Bank of Egypt the privilege of issuing bank notes. Section 5 states that the issue of bank notes is a separate service distinct from the other operations of the bank. It states further:

"The amount of bank notes in circulation payable either to bearer or on sight must be always represented by (1) at least one-half in gold; (2) one-half in such securities owned by the bank and calculated at a rate not exceeding the daily quotations but with maximum at par, the choice of which is by law reserved to the government alone without any responsibility whatsoever on the part of the government. In default, either complete or partial, of such securities the reserve in gold held by the special issue service of the bank notes, must be increased proportionately in such a way that the amount of the bank notes in circulation shall always be covered completely."

This text is quoted from Pace, Repertoire Permanent de Legislation Egyptienne, which is a loose-leaf service of Egyptian legislation in force brought up to date to August 1940. [Library of Congress, Law Library, November 18, 1943.]

Required gold reserve computed in accordance with Library of Congress, Law Library, November 18, 1943, data. English exchange being not gold exchange, the result would be the same if Federal Reserve data had been used.

FRANCE

Requires a 35-percent gold reserve against demand liabilities. [Federal Reserve Bulletin, July 1936, p. 542.]

This 35-percent gold reserve requirement was suspended under the emergency decree of September 2, 1939. [Moody's Manual of Investments, 1943, p. 1777.]

The amount of gold holding shown does not include the gold transferred to the Exchange Stabilization Fund—about $700,000,000. [See p. 1003, September 1940 Federal Reserve Bulletin.]

GREECE

A 40-percent gold and gold-exchange reserve is required against "demand liabilities, minus holdings of national silver coin up to 150,000,000 drachmas."

Reserve net, i. e., minus gold exchange liabilities. Reserve may include certain gold bonds of the Greek state up to 650,000,000 drachmas. Reserve requirements suspended since April 26, 1932. [Federal Reserve Bulletin, July 1936, p. 542.]

Under section 61 of the Statute of the Bank of Greece of 1927, the bank had to maintain "a reserve of not less than 40 percent of the notes in circulation and other demand liabilities." The reserve may have consisted not only of gold bullion and coin, but also of "net foreign gold exchange." However, section 61, above quoted, was expressly suspended by section 1 of the law, No. 5422 of April 26, 1932 [Ephemeris, 1932, p. 917]. This law seems to be still in force down to 1939 as it is stated in the monograph, Tsamis, L'Evolution Monetaire en Grece, 1928–38, a Doctor's dissertation presented at the University of Nancy on October 19, 1939. The same work gives the following tabulation of the amount of coverage actually held by the bank [p. 96]. [Library of Congress, Law Library, November 17, 1943.]

No consideration was given to the silver allowed as reserve by Greece because of the very small amount permitted to be used, nor to her foreign exchange which might be used by her as reserve because of the comparatively small amount held—$103,000, March 31, 1941, Federal Reserve figure.

INDIA

A gold and gold-exchange reserve of 40 percent is required against notes.

Reserves may be permitted to fall below stated reserve requirements subject * * * to the payment of a tax. Government consent is necessary in * * * India. Gold must not be less than 400,000,000 rupees; at least 85 percent of gold included must be held at home. Exchange included limited to deposits at Bank of England, sterling bills, or British Government securities maturing within 5 years. [Federal Reserve Bulletin, July 1936, p. 542.]

India held on August 27, 1943, $2,155,071,000 of English sterling. [Federal Reserve data.]

Since English sterling exchange cannot be considered as gold exchange in the true sense, India's English sterling cannot be applied as reserve against her notes.

NETHERLANDS

A 40-percent gold reserve is required against demand liabilities.

May legally include silver. Eighty percent of required reserve must be held at home. [Federal Reserve Bulletin, July 1936, p. 543.]

The Netherlands Bank is required to maintain against outstanding notes and other demand liabilities a revenue of 40 percent in gold and silver coin and bullion, and other legal tender coin. The law does not specify a fixed proportion of gold or silver. Foreign exchange is not permitted as reserve. [Moody's Manual of Investments, 1943, p. 1851.]

The latest comprehensive regulation concerning the bank is contained in the law of February 2, 1937 [Staatsblad, 1937, No. 400], and the royal decree of March 1, 1937 [Staatsblad, 1937, No. 401], by which the provision for issuing bank notes was prolonged for 5 years, beginning with March 31, 1937—that is, up to March 31, 1942. The last-named law also contained the following provison:

"SEC. 23. The proportion of bank notes, bank drafts, and balances of accounts current which must be covered by coin or bullion shall be established by royal decree and passed on recommendation of the management of the bank. This decree shall be promulgated in Staatsblad and changed as necessary from time to time."

The only royal decree disclosed in this respect is that of January 4, 1939 [Staatsblad, 1929, No. 3], which set the minimum proportion of the gold reserve in bullion and coin at

40 percent. Staatsblad, from 1929 to 1940, inclusive, does not contain any laws changing these provisions, so it seems that it was still in force by the end of 1940. [Library of Congress, Law Library, November 17, 1943.]

The amount of silver held in the Netherlands Bank in June 1943 was $4,000,000. [Federal Reserve Bulletin for October 1943, p. 1040.]

NEW ZEALAND

A 25-percent gold and gold exchange reserve is required against demand liabilities.

Exchange may include sterling; liabilities in exchange must be deducted from gold exchange. Government at bank's request may suspend reserve requirements. [Federal Reserve Bulletin, July 1936, p. 548.]

The Reserve Bank of New Zealand is the sole bank-note issuing authority. In October 1939 it was announced that the minimum reserve of 25 percent of the Reserve bank's note circulation and other demand liabilities may be varied or suspended, and authority was given to revalue the gold reserve up to market value. As of September 1, 1942, no action had been taken in either respect. [Moody's Manual of Investments, 1943, p. 1664.]

As of February 1943, New Zealand owned English sterling exchange to the amount of £31,000,000. [London Economist, April 7, 1943, p. 180.] But English sterling exchange cannot be considered as gold exchange, since it is not convertible into gold.

UNITED KINGDOM

A 100-percent gold reserve is required against notes in excess of fiduciary issue of £260,000,000.

At bank's request treasury may decrease fiduciary issue or may, for a period up to 2 years, increase fiduciary issue. [Federal Reserve Bulletin, July 1936, p. 543.]

The principle of formula controlling the Bank of England's reserve is to be found in the Currency and Bank Note Act, 1928 (18 and 19 George V, ch. 13), section 2 (1):

"SEC. 2 (1). Subject to the provisions of this act the bank shall issue bank notes up to the amount representing the gold coin and gold bullion for the time being in the issue department, and shall in addition issue bank notes to the amount of £260,000,000 in excess of the amount first mentioned in this section, and the issue of notes which the bank is by or under this act required or authorized to make in excess of the said first-mentioned amount is in this act referred to as 'the fiduciary note issue.'

"(2) The treasury may at any time on being requested by the bank, direct that the amount of the fiduciary note issue shall for such period as may be determined by the treasury, after consultation with the bank, be reduced by such amount as may be so determined."

Section 3 (1) provides for the covering of the fiduciary note issue by securities as follows:

"SEC. 3 (1). In addition to the gold coin and bullion for the time being in the issue department, the bank shall from time to time appropriate to and hold in the issue department securities of an amount in value sufficient to cover the fiduciary note issue for the time being.

"(2) The securities to be held as aforesaid may include silver coin to an amount not exceeding five and one-half million pounds.

"(3) The bank shall from time to time give to the treasury such information as the treasury may require with respect to the securities held in the issue department, but shall not be required to include any of the said securities in the account to be taken pursuant to section 5 of the Bank of England Act, 1819." [Library of Congress, Law Library, No. 15, 1943.]

Gold held by England excludes gold held by exchange equalization account which on September 1, 1941, the last date reported, amounted to $151,000,000. [Federal Reserve data.]

The figure of 100 in column 2 showing the percentage of gold reserves required by the United Kingdom against her circulating notes was taken from the July 1936, Federal Reserve Bulletin, page 543. It should be noted, however, that this figure was not applied to the circulating notes, as will be seen in column 6 for the reason that the data here are too uncertain to be of any value.

Unless it could be shown that England considers that she no longer requires any gold in the exchange equalization account as well as any gold backing for her notes, she would have no free gold to contribute to the fund. It has been suggested by one of the leading English financial journals that England might sell goods for gold to meet her gold contribution, but that such action would be objectionable. [See London Economist, August 28, 1943, pp. 261–262.]

YUGOSLAVIA

Requires a 25-percent gold reserve, or 35 percent of gold and gold-exchange reserve against demand liabilities.

Gold included must be held at home. Provisionally since January 21, 1935, reserve requirements are reduced from 25 and 35 percent to 20 and 25 percent, respectively, and bank is authorized, in computing these ratios, to value reserves at 28.5 percent above legal rate. [Federal Reserve Bulletin, July 1936, p. 543.]

The monetary law of May 11, 1931, provided with regard to the reserve as follows:

"SEC. 5. The bank must maintain a reserve in gold or foreign values legally or actually convertible into freely exportable gold. The amount of the reserve to be not less than 35 percent of the bank's sight obligations of which at least 25 percent must be covered by gold in the vaults of the bank."

By section 63 of the financial law [Budget] for 1934–35 [Sluzhbene Novine, 1934, item 168, p. 330] the Council of Ministers was granted the power to issue decrees with the force of law for the regulation of economic situation in the country. On the basis of this authority, the Council of Ministers issued on January 15, 1935, a decree which being printed in No. 15 Sluzhbene Novine of January 21, 1935, took effect on that date.

The decree reads:

"Decree concerning liquidation of the revolving credit of the national bank.

"Section 1. The National Bank of the Kingdom of Yugoslavia, may provisionally, in defiance of section 5 of the law on currency of the Kingdom of Yugoslavia and for the purpose of a complete liquidation of its revolving credits abroad, maintain reserve in gold and foreign exchange which was accounted at the legal rate plus a 'prim' of 28.5 percent, so that the total reserve must cover 25 percent of the sight liabilities and at least 20 percent of sight liabilities of the bank must be covered in gold in the vaults of the bank."

No further change of this provision was disclosed by perusal of the Collection of Yugoslavian Laws [Sluzhbene Novine] down to the 2d of April 1941, the date of the last number of Sluzhbene Novine. [Library of Congress, Law Library, November 18, 1943.]

Computation of required gold reserves made on the basis that at least 20 percent of sight liabilities of the bank must be covered with gold in the vaults of the bank. [Library of Congress, Law Library, data used for computing reserve requirements.]

BRAZIL

A 25-percent reserve of Government funds in gold or foreign exchange is required against cruzeiro notes. No gold or foreign exchange reserve is required against deposits. [Treasury data, as of June 30, 1943.]

The above being the only data available to me respecting the reserve requirements of Brazil, no effort has been made to supply all of the figures here. For the purpose of this study we shall assume that Brazil would have enough free gold to meet her gold contribution to the fund.

CHILE

A 50-percent gold and gold exchange reserve is required against notes and deposits.

Reserve may be permitted to fall below stated reserve requirements subject * * * to the payment of a tax. Exchange net; limited to demand deposits payable in gold in New York or London. Exchange purchased under laws of April 19, 1932 (No. 5107) and February 13, 1935 (No. 5594), regarding official exchange control, and an equivalent amount of notes and deposits are excluded in computing ratio. While bank holds Treasury notes issued under law of January 7, 1932 (No. 5028) and later consolidated in a long-term Government debt, reserve requirements are reduced to 25 percent. Bank includes cashiers' checks and dividends payable with deposits against which reserves are required. [Federal Reserve Bulletin, July 1936, p. 542.]

Article 83: The Central Bank of Chile must maintain a gold reserve equal to 50 percent of the total of its notes in circulation and of its deposits. This may be in gold bars or coins deposited in the safes of the bank, or gold [bars or coins] deposited in the custody of first-class foreign banks; or in deposits payable on demand, and in gold in first-class banks in London and New York. The 50 percent guarantees also Treasury notes and bonds in circulation which the bank is obliged to exchange, cancel, or withdraw in accordance with law. [Library of Congress, Law Library, Nov. 15, 1943.]

Reserve requirements are "in suspense." [Treasury data as of June 30, 1943.]

Chile employs a system of multiple exchange rates in its current trade, but at present the prevailing rate is P/31–$1. P/317,400,357 of the outstanding notes are technically not subject to reserve requirements. [Treasury data, as of June 30, 1943.]

These factors were taken into consideration in determining the reserves required. Chile owned on August 31, 1943, $18,331,000 of foreign exchange [Federal Reserve data] which was added to her gold holding in computing the amount of reserve required against her notes and deposits. However, no data are available to show the distribution of Chile's foreign exchange holdings according to the currency involved. To the extent Chile's foreign exchange holdings may not consist of gold exchange the amount of free gold shown in column 14 would be reduced.

COLOMBIA

A gold and gold exchange reserve of 40 percent is required against notes.

Reserve may be permitted to fall below stated reserve requirements subject * * * to the payment of a tax. Exchange limited to demand deposits but not to gold exchange. During present emergency reserve requirements are reduced to 30 percent or, so long as gold content of peso is not reduced, to 25 percent. An additional reserve of 25 percent of deposits plus outstanding Treasury notes is required in gold or other cash [silver not to exceed one-half]. [Federal Reserve Bulletin, July 1936, p. 542.]

In January 1942 the minimum legal gold reserve of the Bank of the Republic was fixed at 30 percent [reduced from 40 percent] of its bills in circulation.]Moody's Manual of Investments, 1943, p. 1741.]

A 25 percent reserve is required against deposits. No more than one-half may be in silver. A 50 percent reserve in gold or foreign exchange is required against notes. [Treasury data, as of June 30, 1943.]

No attempt has been made to determine the amount of gold reserve that is required against notes or notes and deposits. It is assumed Colombia would have sufficient free gold to meet her gold contribution.

COSTA RICA

No specific gold or exchange requirements. [Treasury data, as of June 30, 1943.]

CUBA

Since May 2, 1942, 98 percent gold or dollar reserve has been required against new note issues. Earlier issued backed 1 to 1 by silver pesos. United States currency circulates freely. [Treasury data, as of June 30, 1943.]

Decree of August 2, 1938 [Norma de reserva metalica en los Bancos]: Article 1 provides that all banking institutions operating within the territory of the Republic shall have in metallic currency of national coinage a reserve of at least 75 percent of the amount to which article 180 of the Commercial Code refers [infra]. Article 180 of the Commercial Code [as amended through 1941] provides that banks shall conserve in metal at least one-fourth of the total of their deposits, current accounts in currency and of their bills in circulation. [Library of Congress, Law Library, November 15, 1943.]

ECUADOR

Requires a 40-percent gold and gold-exchange reserve against notes and deposits.

Exchange included limited to deposits payable in gold. [Federal Reserve Bulletin, July 1936, p. 542.]

A 30-percent reserve is required against notes and sight obligations. This reserve may consists of gold and [up to 20 percent of the required reserve] of foreign exchange. [Treasury data, as of June 30, 1943.]

A minimum reserve of 30 percent [reduced from 40 percent effective Jan. 1, 1938] in gold against notes in circulation and sight deposits is required. [Moody's Manual of Investments, 1943, p. 1765.]

Treasury data used in computing amount of required gold reserve.

EL SALVADOR

A gold reserve of 25 percent is required against demand liabilities.

After definitive stabilization of currency, net exchange may count as reserve. Such exchange is not limited to gold exchange, but must be held in central banks. If reserve falls below 30 percent on 3 of the 24 report dates a year, no dividend shall be paid to shareholding banks. [Federal Reserve Bulletin, July 1936, p. 542.]

Twenty-five percent reserve in gold or foreign exchange is required against notes and other sight liabilities. If, however, the reserve ratio falls below 30 percent, no dividends can be paid. [Treasury data, as of June 30, 1943.]

Amount of reserve not computed. Assumed El Salvador would have sufficient free gold to meet her gold quota.

GUATEMALA

Thirteen and one-third percent gold is required against notes. A gold reserve of 8⅓ percent is required against deposits, due in 30 days or less, including unutilized credits.

Gold in required reserves must be in bank's vaults. Silver may replace gold up to one-tenth of requirement shown in gold column. Reserve against deposits payable in a foreign currency may be held entirely in that currency. Note issue may not exceed five times bank's paid-up capital and surplus or 12,500,000 quetzals, whichever is larger. Deposits due in 30 days or less may not exceed five times bank's capital and surplus. May legally include silver in each category. [Federal Reserve Bulletin, July 1936, p. 542.]

The bank must maintain a reserve in gold and silver in its vaults or in sight deposits abroad payable in gold equivalent at least to 40 percent of its notes in circulation. Not less than one-third of the 40 percent reserve must be kept in its own vaults, but this may include Guatemalan silver coins in an amount not exceeding 3.33 percent of the reserve. [Moody's Manual of Investments, 1943, p. 1817.]

Forty percent reserve required against notes; 25 percent against other sight liabilities. Reserves may consist of gold, deposits abroad, United States currency, and silver in a limited amount. [Treasury data, as of June 30, 1943.]

Amount of required gold reserve not calculated. Assumed Guatemala would have sufficient gold to meet her gold quota.

MEXICO

On December 23, 1938, the Chamber of Deputies approved a new law providing for the revaluation of the bank's gold, and foreign exchange reserves at market value. In addition, the law removed the limitation on the amount of paper currency which the bank may issue. Under the original organic law, the bank was required to back its note issue with at least 50 percent of metallic reserves. Early in 1938, however, that restriction was removed by decree, and a bill passed authorizing the treasury to issue interest-bearing treasury certificates which are acceptable for tax payments. [Moody's Manual of Investments, 1943, p. 1845.]

Ley organica del Banco de Mexico y Estatutos—as amended February 21, 1939:

"Article 99: The bank shall maintain at all times a reserve to uphold the value of the peso. The total of this reserve * * * shall not in any instance be lower than 100,000 pesos, nor less than 25 percent of the total of notes issued on the bank and its obligations to pay on sight in national currency.

"Article 100: The reserve to which the article above refers will consist of gold and silver, coined or in bars, of shares of foreign exchange, etc." [Library of Congress, Law Library, November 15, 1943.]

Twenty-five percent reserve required against both notes and deposits, of which at least 80 percent must be in gold or foreign exchange. As much as 20 percent may be in silver. [Treasury data, as of June 30, 1943.]

No attempt has been made from the above data to calculate the amount of required gold reserves. It is assumed Mexico would have sufficient free gold to meet her gold quota.

NORWAY

Requires a 100-percent gold reserve against notes in excess of fiduciary issue of 250,000,000 kroner. Gold included must be held at home. Fiduciary issue may be increased, subject to a tax, by authority of King and Storting. [Federal Reserve Bulletin, July 1936, p. 543.]

A legal minimum reserve of 100 percent gold against notes in excess of a fiduciary issue of 425,000,000 kroner must be maintained. This issue may be increased, subject to tax, by authority of the King and Storting. [Moody's Manual of Investments, 1943, p. 1860.]

Gold reserve requirements computed from Moody's Manual of Investments, that is, on the basis of 100 percent against notes in excess of 425,000,000 kroner, which qualifies the percentage figure as shown in column 2 accordingly.

PERU

A gold and gold exchange reserve of 50 percent is required against notes, deposits, and net foreign items in process of collection.

May legally include silver. Silver included must not exceed one-fifth. Exchange included may consist only of deposits payable on demand in gold, or its equivalent, in New York or London, and up to one-half of reserve, bankers' acceptances payable in gold currencies. [Federal Reserve Bulletin, January 1936, p. 543.]

The original statutes of the bank [Banco Central de Reserva del Peru] provided for a tax on the note circulation whenever the reserve ratio fell below 50 percent, but this provision was suspended by Law 7760 of June 9, 1933. [Moody's Manual of Investments, 1943, p. 1869.]

A 50-percent reserve is required against notes and deposits. Reserve may consist of gold or exchange, bank acceptances or silver coins [up to one-fifth]. [Treasury data, as of June 30, 1943.]

No attempt has been made from the above data to determine the amount of gold reserve that is required for cover of demand liabilities. It is assumed Peru would have sufficient free gold to meet her gold quota.

POLAND

Requires 30 percent gold reserve against demand liabilities in excess of 100,000,000 zlotys. Reserve may be permitted to fall below the stated reserve requirements subject to the payment of a tax. Gold net, after deduction of pledged gold and of liabilities in exchange. [Federal Reserve Bulletin, July 1936, p. 543.]

The law of March 24, 1939, introduced some amendments to the charter of the Bank Polski of 1936. In particular, the law changed section 52 of the charter dealing with the gold reserve [Dziennik Ustaw, 1939, item 142, p. 417]. Then the charter with all the amendments was re-promulgated in toto by the proclamation of the Minister of Finance of May 2, 1939 [Dziennik Ustaw, 1939, item 296], and the amended text to section 52 is given there as follows:

"SEC. 52. The bank must possess a gold reserve to the amount equivalent to 40 percent of the sum by which the total of the

banknotes in circulation plus sight liabilities exceeds the sum of 800,000,000 zlotys.

"Depending upon the situation on the gold market, the council of the bank may, with the consent of the Minister of Finance, raise the limit of 800,000,000 zlotys established in the first paragraph of this section to a sum not exceeding 1,200,000,000 zlotys however.

"The liabilities based upon loans secured by gold of the bank are deducted from the gold reserve" [Dziennik Ustaw, 1939, p. 585].

These are the latest available provisions for the period before the German occupation. [Library of Congress, Law Library, November 19, 1943.]

Gold-reserve requirement computed from data supplied by Law Library of Congress, second paragraph, under section 52.

If the figure 800,000,000 zlotys were taken as representing the amount of notes and sight liabilities to be exempted from reserve requirements, as provided in the first paragraph of section 52 above, instead of the figure 1,200,000,000 zlotys—the figure used in the chart—there would be a deficiency of gold to the amount of $13,455,000 for note and sight liability coverage.

UNION OF SOUTH AFRICA

Requires a gold reserve of 30 percent against notes, deposits, and bills payable. May legally include silver.

Reserve may be permitted to fall below stated reserve requirements subject, except in South Africa * * * to the payment of a tax. Government consent is necessary in * * * South Africa. One-half of gold included must be held at home. Silver included limited to 6 percent of deposits and bills payable [Federal Reserve Bulletin, July 1936, p. 543].

U. S. S. R.

She makes no report of her gold holdings. [Treasury data.] There are indications that Russia does not intend to bind herself to the United and Associated Nations stabilization fund scheme.

[See New York World-Telegram, December 7, 1943; Lewis W. Haney in the Washington Times-Herald, December 11, 1943; Russia's Intentions About Gold, in the January 1944 Economic Conditions, Government Finance, United States Securities, p. 6.]

URUGUAY

Requires 45⅗ percent of gold reserve against major notes of 10 pesos or more issued in excess of (a) bank's paid-up capital, less fiduciary issue of minor notes, and (b) rediscounted bank documents up to 10,000,000 pesos.

Fiduciary issue of minor notes is permitted in place of major notes, against paid-up capital. Against minor notes in excess of fiduciary issue minimum reserve requirement is 45.6 percent in silver. Minor notes are limited to 20,000,000 pesos. Bank must hold notes equivalent to 20 percent of deposits. Gold coin may be held abroad only if 55,000,000 pesos of gold coin is held in Uruguay, unless specifically authorized otherwise. [Federal Reserve Bulletin, July 1936, p. 543.]

Notes of the issue department of the Banco de la Republica in excess of 60,000,000 pesos may be backed by silver up to 12,000,000 pesos [actually 9,000,000 pesos are so backed]; additional notes require a backing of 100 percent in gold. [Treasury data, as of June 30, 1943.]

Ley No. 9496, August 14, 1935. Article 11.—The Bank of the Republic of Uruguay shall always maintain a reserve of bank notes equal to 20 percent of the total of its deposits, no matter of what type. [Library of Congress, Law Library, November 15, 1943.]

Treasury data used for computing gold reserve requirements. The percentage figure shown in column 2 must therefore be qualified accordingly.

Sixty million pesos, plus 12,000,000 pesos subtracted from 119,715,000 pesos. [Federal Reserve figure as of June 30, 1943, of outstanding peso notes] times 65.83 cents to peso [same source and data as above] equals $31,410,000.

VENEZULA

A 50-percent reserve is required against note and deposit liabilities. No more than 10 percent of the reserve may be in the form of foreign exchange, and at least 60 percent must be gold on hand. [Treasury data, as of June 30, 1943.]

SPECIAL ORDER

The SPEAKER. Under a previous order of the House, the gentleman from Texas [Mr. PATMAN] is recognized for 30 minutes.

Mr. PATMAN. Mr. Speaker, I ask unanimous consent to revise and extend my remarks and include therein certain excerpts.

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

There was no objection.

Mr. PATMAN. Mr. Speaker, the international stabilization fund project which we have heard criticized so sharply is not by any stretch of the imagination far enough along to warrant such detailed discussion. Moreover, the criticism is based chiefly upon a preliminary draft, which, I understand, has been worked over and changed materially by the technical people of thirty-odd countries since its publication 4 months ago.

It seems to me, however, there is a far larger issue at stake than whether or not a stabilization plan which might conceivably be adopted by this or any other government looks good or bad at this highly premature point.

The issue is whether or not the Government of this country should attempt to be forehanded about problems which are certain to arise in the future; whether or not Government departments should make preliminary investigations and studies with the full knowledge and consent of Congress, leading to possible solutions for unavoidable difficulties which lie ahead. I think they should, and I believe that we in Congress should cooperate, not carp.

The alternative, of course, is to have the Government operate as it did in late Republican years, and spend its time running around locking barn doors after horses are stolen. My Republican colleague from Ohio may prefer this.

Now, before we go any farther, let us set the record straight on some of the more obvious accusations:

The gentleman from Ohio says that the monetary proposal, drafted by American technicians, is nothing but a rewording of the text of the British proposal. Nothing could be further from the truth. In the first place the proposal of the American technicians was drawn up in the winter of 1941 fully 15 months before the British plan, and was presented in principle to the Rio Conference of foreign ministers in January 1942. Anyone with the slightest understanding of international exchange and monetary questions would say that the plans have only one thing in common and that is they both attempt to deal with the international monetary problems. The two proposals are completely different in their approach and suggested solution.

The gentleman from Ohio says that the draft proposal seeks to replace gold with a fictitious standard. The fact is that the proposal of the American technicians provides for defining the currencies of all member countries in terms of gold and tieing their currencies to gold. Instead of weakening the possibility of a return to the gold standard, it would do the very opposite. It attempts to strengthen the ties between all currencies and gold. To say that the plan aims to destroy the supremacy which the dollar holds in international trade and finance is an obvious falsehood.

The gentleman from Ohio says that the scheme would involve the assumption by the United States of $5,000,000,000 or more of British debts. This is complete nonsense. An early draft of the fund proposal provided for the purchase by the fund of very limited amounts of blocked balances on those occasions on which the fund finds it desirable to do so, and only under terms and conditions which make it actually impossible for the fund to incur a loss. This provision, I believe, has already been dropped. Strangely enough, in view of my colleague's inferences, I understand it was dropped because of the opposition of the British experts.

The gentleman from Ohio says that the control of our money would be given over to an international money authority. Again I wonder whether he has read the proposal. There is nothing in it which reduces the authority of the United States over its monetary system or over the dollar. The fund can make no change in the value of the dollar and the proposal specifically reserves to each country the complete control of its money policies.

My esteemed colleague has placed before you a chart which purports to show you the figures on the gold holdings and gold contributions of some of the United Nations. The figures shown are completely erroneous. They are based largely upon data published years ago, some going back as far as 1935, and I am surprised that anyone should assume that data of this character can at all represent the actual situation. I am told, incidentally, that this table overlooks half the gold holdings of the other United Nations. The true information, I might point out, is secret and cannot be given out by any country. The publication of a completely unfounded table by the gentleman from Ohio serves no purpose other than to confuse and mislead the interested public.

I do not know what the gentleman from Ohio means when he says that the Keynes-Morgenthau scheme—and by the way, there is no such thing; the British,

French, Canadians, and Americans all had preliminary drafts, all published, all different—he says the scheme could involve the United States to the extent of upward of $15,000,000,000. The tentative proposal by the American technicians specifically states that our participation shall be limited in the neighborhood of $2,000,000,000. This is a small error of 700 percent on the part of the gentleman and involves some $13,000,000,000.

Finally the gentleman from Ohio seems to be disturbed by the fact that the Interstate Commerce Commission was different in 1887 from what it is now. This perhaps is the key to the understanding of his entire speech. This Republican gentleman is complaining because we cannot meet the complex problems of the 1940's with the facilities of the years when as a free, sun-kissed barefoot boy he first graced Shanesville, Ohio, in the 1880's. He was born there, I understand in 1884, and like the Interstate Commerce Commission, has altered his earlier limits and become increasingly complex in the intervening years.

The preliminary work on stabilization—and all the work that has been done to date is preliminary—is an effort by an alert Government department to prepare a remedy beforehand for a difficulty that seems certain to strike when the war is over, or before.

When the economies of various countries began to shudder under the strain of approaching war, Secretary Morgenthau and his technical experts anticipated that world reconstruction would be very difficult indeed if all the moneys of the world had no common denominator and if there were no basis for international cooperation. If we were to come out of the war with a sound dollar and all other nations were bankrupt and their exchange were fluctuating in a disruptive manner, the Secretary recognized that the soundness of our dollar would be a virtue in a vacuum.

The war is likely to aggravate a situation which will make it extremely difficult to avoid a break-down of international economic relations.

In an effort to find a solution to this problem—and unless a solution is found, the reconstruction, restoration of a prosperous level of world trade and the establishment of sound monetary systems will be delayed indefinitely—in an effort to find a solution, Secretary Morgenthau's technicians began exploratory conversations with technical representatives of other nations.

Now, in spite of those who, through lack of understanding or for political purposes, choose to distort the facts in the case, these early conversations were not launched with the idea of letting the United States rescue or support the other nations of the world—any of them. Mr. Morgenthau is no economic Santa Claus. Anyone who has watched the handling of Treasury matters over the past 10 years knows that. The present Secretary of the Treasury has worked hard and long to make and keep Washington the financial center of the world. He has been diligent in keeping foreign debts in hand, and he invented reverse lend-lease to help keep dollar balances down. So you may rest assured that our country's economic wherewithal will not be dissipated across the oceans by the watchdog of the Treasury Department.

But let me repeat, the point at issue is really whether or not, having seen the necessity for stabilizing foreign exchange, our Secretary of the Treasury would have served the public interest better by pretending no problem exists, and accordingly done nothing about it. By inference, at least, the gentleman from Ohio and others who criticize a plan which still is in its formative stage are, apparently, suggesting that we go back to those good old do-nothing days—those days that reached their pinnacle in 1929—when the administration in power realized full well that calamity lay just over the horizon, but chose to make no effort whatever to stop it. They felt that it was none of the Government's business to keep people from starving, to keep businesses from closing their doors, to keep the wheels of commerce from slowly grinding to a stop.

I do not believe that we should return to those unrealistic days of "let us pretend it is not so." I believe that we should continue to anticipate problems and try to find solutions before they have an opportunity to send the international economy into a tailspin. And further I believe that this viewpoint is representative of a large majority of the American people. Most Americans would rather see us on the ball than behind it.

Some people have a tendency to view with alarm anything going on that they do not quite understand. Certainly there is no crime in being alert, but it seems to me aimless for anyone to take up time to discuss, as though it were a fait accompli, a plan which in the first place is in its preliminary stages and in the second place he has confused with at least one other plan. And especially since he has not revealed the pertinent fact that this thing which he views with such alarm is nothing more than a logical, conservative development which has evolved out of proved practices of this Government. It would appear that my colleague is so concerned about motives that he is losing sight completely of the facts in the case.

I should like to take a few minutes to tell you how this proposal for monetary cooperation, aimed at the protection of the American economy, came about. Its evolution is as important as the project itself, for it demonstrates its basic simplicity.

The story of this stabilization fund really began back in the twenties, when a surprisingly large and substantial group of people suddenly awakened to the fact that fortunes could be made by trading in foreign exchange; and nations believed that, by manipulating exchange rates, they could avoid payment of war debts to this country.

All this was going on during the Coolidge administration, and it continued through the Hoover administration. There was no mystery about it. The Republican administration which then had the responsibility of safeguarding the welfare of the American people knew all about it.

In the record of the Hoover administration written by William Starr Myers and Walter H. Newton, much is said about—

> The deliberate credit inflation policy undertaken by the Federal Reserve System and the important central banking systems of Europe in the year 1927.

Then the authors review the growth of that inflation policy. They say, and I quote:

> In late 1925 the Federal Reserve Bank of New York, through its governor, Benjamin Strong, entered into the discussion of a program of joint action with Montagu Norman, governor of the Bank of England. This was joined in by the officials of various central banks of continental Europe. The objectives were the expansion of credit, "easy money policies" by "open market" operations, and the manipulation of discount rates. The purpose of the arrangements was to strengthen the situation in Europe.

The book then points out that Mr. Hoover, then Secretary of Commerce, protested vigorously, and is reported to have said:

> As to the effects of these Reserve policies upon the United States, it means inflation with inevitable collapse which will bring the greatest calamities upon our farmers, our workers, and legitimate business.

As Secretary of Commerce, Mr. Hoover seems to have had some influence, for this inflationary program was apparently sidetracked for the time being.

But in July 1927, Mr. Norman, of the Bank of England, Dr. Schacht, president of the Reichsbank, and Prof. Charles Rist, deputy governor of the Bank of France, visited the United States, and in spite of Mr. Hoover, who was soon to become President and certainly in a position to protest if he wanted to, these redoubtable gentlemen apparently got the plot started all over again, and this time they went through with it. Now, mind you, Mr. Hoover made no move to stop it, though he was on record as knowing what the consequences would be. Perhaps he had been won over by those Republican leaders who seem so fond of inflationary policies that they have maintained a startling record of supporting inflation up to the present day.

In the final analysis, there could be only one cure for this disease which had been started so deliberately in the Coolidge administration. That cure was administered on March 6, 1933, when President Franklin D. Roosevelt closed the banks for 4 days "because of unwarranted withdrawals of gold and currency from banking institutions for the purpose of hoarding, and undue speculative activity abroad in foreign exchange."

That was a medicine swiftly and courageously administered. Less than a year later, concrete steps were planned to make it impossible for such calamity as we knew in 1929–30 and 31 to befall us again. These steps were planned under the same Secretary of the Treasury, Henry Morgenthau, Jr., who has just been criticized for trying to get things done, and consisted of setting up a stabiliza-

tion fund in the United States to protect the value of the dollar abroad, and to make it difficult for foreign currencies to be manipulated to the great detriment of the American economy.

This stabilization fund, which has been functioning for 9 years with complete success, was the real foundation of the present International Stabilization Fund idea.

Through the use of this fund, the American Government, on many occasions, has invested temporarily in foreign currencies for stabilization purposes.

In all of the 9 years that this fund has been in operation, the United States Government has not lost a cent.

To those who say a stabilization fund will not work, here is pretty strong evidence that it will work. Ours has been working in this limited field for 9 years.

In 1936, Secretary Morgenthau took another step to reinforce international stabilization. He established the tripartite arrangement with the Governments of England and France. The Governments of Belgium, the Netherlands, and Switzerland also held to this agreement. This, too, was successful until the outbreak of war made it impossible to continue for obvious reasons.

The present international stabilization plan which we have heard so bitterly denounced as impractical, is a combination and extension of these two tried and proved methods of stabilization.

In January of 1942 the ministers of foreign affairs of the American republics, meeting in Rio de Janeiro, recognized the need for a greater degree of cooperation in the stabilization of currencies. Accordingly, they adopted a resolution recommending—

First, that the governments of the American republics participate in a special conference of ministers of finance or their representatives to be called for the purpose of considering the establishment of an international stabilization fund;

Second, that the conference in considering the establishment of such a fund shall formulate the plan of organization, powers, and resources necessary to the proper functioning of the fund, shall determine the conditions requisite to participation in the fund, and shall propose principles to guide the fund in its operation.

Following this conference, an American technical committee was set up to pursue the subject further. Represented on that committee were the Treasury Department, the State Department, the Department of Commerce, the Board of Governors of the Federal Reserve System, and the Board of Economic Warfare. This group prepared a tentative proposal which, in March 1943, the Secretary of the Treasury sent to the ministers of finance of the United Nations for study by their technicians.

On April 5, Secretary Morgenthau reported to seven committees of the House and Senate on the progress of this study, even though it was then in its infancy, so to speak. I think it is important that the Secretary asked permission to keep us advised, a program which he has maintained consistently on this and other projects falling within the scope of the Treasury Department. On April 5 he said, in part:

> For some time we in the Treasury have been deeply concerned with the threat of international monetary chaos at the end of this war.
>
> We feel that international currency stability is essential to reconstruction in the post-war period and to the resumption of private trade and finance. It is generally held that this formidable task can be successfully handled only through international cooperation.
>
> I think further that most of us would agree that the establishment of a program adequate to deal with the inevitable post-war monetary problems should not be postponed until the end of hostilities. It would be ill-advised, if not dangerous, to be unprepared for the difficult task of international monetary cooperation when the war ends. No one knows how long or how short the war will be. We therefore believe it is desirable to begin now to devise an international monetary agency adequate to cope with the problems with which we shall be confronted when the war does end.
>
> The completion of such a task is certain to take many months at the least. Specific and practical proposals must be formulated and must be carefully considered by the policy-shaping officials of the various countries.

And then the Secretary said very clearly, so that we could not fail to understand:

> In each country acceptance of a definitive plan can follow only upon legislative or executive action.

After explaining the nature of the preliminary proposal which was sent to the other nations to start them thinking, the Secretary said, upon leaving:

> I have been anxious to discuss this matter with you and to keep you informed of developments. Obviously, we are still in the early stages of our thinking and discussions. However, I did want you to know what we are doing and I do want to feel free to come back from time to time and discuss the subject with you and obtain your views and advice.

Here I should like to point out that the gentleman from Ohio has taken advantage of this offer on numerous occasions. He has written many letters to the Treasury and each has been answered, although the answers to many of them seem for the most part to have been misinterpreted.

One of these letters I must comment upon here. He wrote to the Secretary, asking the Secretary for a direct answer as to whether or not contributions to the fund will be physically delivered to one central point in one of the United Nations.

In answer, Mr. Morgenthau told him that it was generally assumed that at least the major contributions to the fund would simply be earmarked and kept in the contributors' central banks. In other words, our gold would be kept right here if that is what interests the gentleman from Ohio.

Whereupon the esteemed gentleman from Ohio, apparently misinterpreting what "earmarked" means, throws his hands in the air and says, "See what I told you. How could there be any question about the manner in which the gold should be delivered? How could it be done except by shipping?"

But let me continue with the progress of the stabilization fund.

Following the April 5 report, there were many meetings of the technical experts of various countries. By fall the technicians had made enough progress so that a revised proposal could be prepared, and the Secretary again reported to the committees in the House and the Senate. He said at that time:

> I want to emphasize that the International Stabilization Fund, tentatively proposed by the technical experts of this Government, is fundamentally an adaptation of the methods we have successfully used on a more limited scale with our own Exchange Stabilization Fund. We have tried to adapt that experience to the broader and more difficult currency problems confronting the world during the post-war years. The International Stabilization Fund is an extension of the principle of the tripartite agreement that the responsibility for maintaining stability of exchange rates is international and that countries must cooperate to maintain stability of exchange.
>
> The obligations a country assumes under this proposal are no more than a country voluntarily imposes on itself when it pursues a policy of exchange stability and refrains from resorting to discriminatory exchange practices. Beyond that, there is only the duty of consulting and agreeing before altering exchange rates, an extension of the principle that we have embodied for years in our own stabilization agreements.
>
> We have held technical conversations with the experts of more than 30 countries and we are continuing these discussions with the experts of some of the countries. These exploratory conversations have been unofficial and confined to the technical level. No government, including the United States, is committed to any of the tentative proposals for international monetary cooperation that have been presented by the experts.

The Secretary then explained some of the changes which had been made in the proposal previously described to the committees and presented a summary of a tentative proposal for a United Nations Bank for Reconstruction and Development, the principal function of which would be to "guarantee loans made by private capital for sound and constructive purposes, when such loans are also guaranteed by a member government."

Upon leaving the committees, the Secretary said:

> I want to assure you again that I shall always be available for discussion of both the bank and fund proposals. I know that some members of your committees are desirous of cooperating with us in studying these problems. Speaking for the Treasury, we would be very happy if an informal committee were formed which would consult with our technical men as frequently as feasible.

That is the story of the international stabilization fund to date. It is the whole story.

On the basis of a rumor circulating in a foreign capital, some sections of the House of Representatives seem to have become excited about possible infractions of the rights of Congress by the Treasury Department. Statements have been made that the executive department of the Government is making

agreements with foreign nations, which is wholly and absolutely absurd. There have been inferences that the Treasury Department, behind the backs of Congress, has been making arrangements to give away our money and our credit. This, of course, is even more absurd than the first charge.

Secretary Morgenthau assured the gentleman from New York, Representative BLOOM, only last week that sufficient progress had not yet been made to warrant taking the time of House and Senate committeemen to listen to a further report.

The entire project is still at the level of various Government technicians. A group of technical men from Russia is at present discussing the matter with the American technicians at the Treasury. When progress has been made, when a recommendation has been agreed upon by the technicians, a formal meeting will be held by accredited representatives of the various governments and following that, the various legislative bodies will decide upon what action to take.

I think Congress should commend Secretary Morgenthau for keeping us abreast of developments concerning the stabilization fund project, rather than criticize him for having made agreements which we all know very well he has not and could not make, and which he himself described on April 5 of last year as being out of his province.

All this is a tempest in the teapot.

It is an effort to create a political issue where no political issue could possibly exist. I suppose we can expect more and more of this as we come closer to election.

But I sincerely hope that the administration will not find it necessary to curtail its investigations and forehanded projects, because some groups want to make it politically inexpedient to do anything but sit.

LEAVE OF ABSENCE

By unanimous consent, leave of absence was granted as follows:

To Mr. CANFIELD, for Wednesday, March 22, on account of official business.

To Mr. WEICHEL of Ohio, for March 23 and 24, on account of official business.

To Mr. WARD, for March 23, 24, and 27, on account of official business.

To Mr. BULWINKLE, for 9 legislative days, on account of official business.

ENROLLED BILLS SIGNED

Mr. KLEIN, from the Committee on Enrolled Bills, reported that that committee had examined and found truly enrolled bills of the House of the following titles which were thereupon signed by the Speaker:

H. R 324. An act to place postmasters at fourth-class post offices on an annual-salary basis, and fix their rate of pay; and provide allowances for rent, fuel, light, and equipment, and fix the rates thereof; and

H. R 4410. An act to extend for an additional 90 days the period during which certain grains and other products to be used for livestock and poultry feed may be imported from foreign countries free of duty.

The SPEAKER announced his signature to enrolled bills of the Senate of the following titles:

S. 1349. An act to authorize the Secretary of the Navy to convey to the city of New York certain lands within the Brooklyn Navy Yard in the city of New York;

S. 1410. An act to amend section 4 of the act approved June 13, 1940;

S. 1428. An act to amend the provision of the act authorizing payment of 6 months' death gratuity to widow, child, or dependent relative of officers, enlisted men or nurses of the Navy or Marine Corps, and for other purposes.

S. 1635. An act to eliminate a pay discrimination against the teacher of music at the United States Military Academy; and

S. 1653. An act to provide title for heads of staff departments of the United States Marine Corps, and for other purposes.

ADJOURNMENT

Mr. HAYS. Mr. Speaker, I move that the House do now adjourn.

The motion was agreed to; accordingly (at 5 o'clock and 33 minutes p. m.) the House adjourned until tomorrow, Thursday, March 23, 1944, at 12 o'clock noon.

COMMITTEE HEARINGS

COMMITTEE ON ROADS

Hearings will be continued on H. R. 2426 in the Roads Committee room, 1011 New House Office Building, at 10 a. m., Thursday, March 23, 1944.

COMMITTEE ON PATENTS

The Committee on Patents will hold an executive meeting on Thursday, March 23, 1944, at 10:30 a. m., to further consider H. R. 2994.

COMMITTEE ON THE POST OFFICE AND POST ROADS

There will be a meeting of the Committee on the Post Office and Post Roads on Thursday, March 23, 1944, at 10:30 a. m., to consider H. R. 1565, relating to the appointment of postmasters; and H. R. 3688, to change the name of "watchman" in the Postal Service to that of "post-office guard." Hearings will be had.

EXECUTIVE COMMUNICATIONS, ETC.

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

1322. A communication from the President of the United States, transmitting a supplemental estimate of appropriation, in the amount of $80,000,000, for the Navy Department and naval service for the fiscal year 1945, in the form of an amendment to the Budget for said fiscal year (H. Doc. No. 508); to the Committee on Appropriations and ordered to be printed.

1323. A letter from the Secretary of War, transmitting a letter from the Chief of Engineers, United States Army, dated February 14, 1944, submitting a report, together with accompanying papers and illustrations, on a review of the navigation provisions of the project for the improvement of the Mississippi River adopted by the act of May 15, 1928, as amended, with a view to determining the advisability in the interest of navigation and flood control of increasing the depth of the navigable channel from 9 to 12 feet between Cairo, Ill., and Baton Rouge, La. This report was requested by resolutions of the Committee on Flood Control, House of Representatives, adopted on March 8, 1943, and the Committee on Commerce, United States Senate, adopted on March 9, 1943 (H. Doc. No. 509), to the Committee on Flood Control and ordered to be printed, with two illustrations.

1324. A letter from the Administrator, Office of Price Administration, transmitting a copy of estimate of personnel requirements, for the quarter ending June 30, 1944; to the Committee on the Civil Service.

1325. A letter from the Chairman, War Production Board, transmitting the tenth report on the operations of the Chairman of the War Production Board; to the Committee on Banking and Currency.

1326. A letter from the Secretary of War, transmitting a draft of a proposed bill, to remove the limitation on the right to command of officers of the Dental Corps of the Army which limits such officers to command in that corps, to the Committee on Military Affairs.

1327. A letter from the Archvist of the United States, transmitting report on records proposed for disposal by various Government agencies; to the Committee on the Disposition of Executive Papers.

1328. A letter from the Secretary of War, transmitting a letter from the Chief of Engineers, United States Army, dated January 31, 1944, submitting a report, together with accompanying papers, on a review of reports on Detroit River, Mich., requested by a resolution of the Committee on Rivers and Harbors, House of Representatives, adopted on May 20, 1941; to the Committee on Rivers and Harbors.

1329. A letter from the Secretary of War, transmitting a letter from the Chief of Engineers, United States Army, dated December 11, 1943, submitting a report, together with accompanying papers, on a review of reports on Detroit River, Mich., with a view to improvement along the easterly shore of Grosse Ile, requested by a resolution of the Committee on Rivers and Harbors, House of Representatives, adopted on December 8, 1937; to the Committee on Rivers and Harbors.

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. PATTON: Committee on Accounts. House Resolution 480. Resolution authorizing the expenses of conducting the investigation authorized by House Resolution 166, Seventy-eighth Congress; without amendment (Rept. No. 1274). Referred to the House Calendar.

Mr. DELANEY: Committee on Rules. House Resolution 469. Resolution for the consideration of H. R. 4381, a bill to authorize the Secretary of the Navy to proceed with the construction of certain public works, and for other purposes; with amendment (Rept. No. 1275). Referred to the House Calendar.

Mr. RANDOLPH: Committee on the District of Columbia. H. R. 2850. A bill to authorize the rezoning of certain property in the District of Columbia as a residential area; without amendment (Rept. No. 1276); to the Committee of the Whole House on the state of the Union and ordered to be printed with illustrations.

Mr. MAY: Committee on Military Affairs. H. R. 4219. A bill to provide for the appointment of female pilots and aviation cadets in the Air Forces of the Army; without amendment (Rept. No. 1277). 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. CANNON of Florida:

H. R. 4455. A bill to provide duplicate posthumous awards; to the Committee on Military Affairs.

By Mr. MAY:

H. R. 4456. A bill to amend that portion of the act approved June 30, 1906 (34 Stat. 697, 750), authorizing the settlement of accounts of deceased officers and enlisted men of the Army; to the Committee on Military Affairs.

By Mr. ELLIOTT:

H. R. 4457. A bill to provide that, in disposing of lands which have been acquired by the United States for national defense or war purposes, a preference shall be given to the former owners of such lands or their successors in interest; to the Committee on Public Buildings and Grounds.

By Mr. BRYSON:

H. R. 4458. A bill for the relief of J. G. Power and L. D. Power; to the Committee on Claims.

PRIVATE BILLS AND RESOLUTIONS

Under clause 1 of rule XXII,

Mr. RODGERS of Pennsylvania introduced bill (H. R. 4459) for the relief of Dominik Tyczkowski, which was referred to the Committee on Invalid Pensions.

PETITIONS, ETC.

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

5315. By Mr. GRAHAM: Petition of the Christian and Missionary Alliance Church, of Beaver Falls, Pa., representing approximately 120 persons urging the passage of House bill 2082, making unlawful the manufacture, sale, or transportation within the United States of alcoholic beverages for the duration of the war and until the termination of demobilization; to the Committee on the Judiciary.

5316. By Mr. HART: Petition of the New Jersey State Bar Association board of trustees, presenting a resolution which they adopted favoring passage of Senate bill 1559 for the appointment of an additional judge for the Third Circuit Court of Appeals; to the Committee on the Judiciary.

5317. By Mr. HORAN: Memorial of both houses of the Washington State Legislature, urging revision of foreign policies to permit return of Jews to Palestine; to the Committee on Foreign Affairs.

5318. Also, memorial of the Washington State Legislature (lower house), urging postwar road construction; to the Committee on Roads.

5319. Also, memorial of the Washington State House of Representatives, urging constitutional amendment to permit voting at 18; to the Committee on Election of President, Vice President, and Representatives in Congress.

5320. By Mr. KUNKEL: Petition of Arthur Brady and 63 others of Harrisburg, Pa., protesting against passage of the Bryson bill (H. R. 2082); to the Committee on the Judiciary.

5321. Also, petition of Kenneth J. Condon and 298 others of Harrisburg, Pa., protesting against the passage of the Bryson bill (H. R. 2082); to the Committee on the Judiciary.

5322. Also, petition of Carl Weisenford and 75 others of Steelton, Pa., sponsored by the Fifth Ward Republican Club, against the passage of the Bryson bill (H. R. 2082); to the Committee on the Judiciary.

5323. Also, petition of Frank English and 54 others of Swatara Station, Pa., protesting against the passage of the Bryson bill (H. R. 2082); to the Committee on the Judiciary.

5324. By Mr. MYERS: Petition of sundry citizens of the Commonwealth of Pennsylvania, urging the enactment of omnibus bills H. R. 3917 and S. 1617; to the Committee on World War Veterans' Legislation.

5325. Also, petition of sundry citizens of Philadelphia, Pa., protesting against the passage of the Bryson bill (H. R. 2082); to the Committee on the Judiciary.

5326. By Mr. TOWE: Petition of James N. Marshall and nine other residents of Ridgefield, N. J., supporting the American Legion's omnibus bill; to the Committee on World War Veterans' Legislation.

HOUSE OF REPRESENTATIVES

THURSDAY, MARCH 23, 1944

The House met at 12 o'clock noon.

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

O patient Father, we pray Thee to ever hold us to the endless truth that he who is willing to lose his life for the sake of some good cause, some duty, some benevolence, shall find it in everlasting remembrance; the workman dies but the work goes on forever. We would register in our hearts the example of the poor widow with her mite and Mary at Bethany. Let us do cheerfully that for which we cannot be paid; Thy recompense transcends all gains of earthly rewards.

In this mistaken world, O God, men have fallen into wrong and wicked paths; teach us self-forgetfulness that we may turn aside from the outward things that perish and reach for that which is an eternal reality. Blessed Lord, let us not allow the millions of Thy children be caught by the undertow of the wild seas of hate and revenge, and those whose homes are devastated by the mad torrents of destruction. Oh, may America glorify our Saviour's name by her sacrificial toil and pity for the nations that are living in dismay and terror, in hunger and darkness, deep and thick. Bring all to that glorious day of prediction when peace shall reign and the earth shall see Thy salvation. In the name of Jesus Christ, St. Mary's Holy Child. Amen.

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

MESSAGE FROM THE SENATE

A message from the Senate, by Mr. Gatling, one of its clerks, announced that the Senate had passed a bill of the following title, in which the concurrence of the House is requested:

S. 1029. An act to provide for regulation of certain insurance rates in the District of Columbia, and for other purposes.

The message also announced that the Senate agrees to the amendments of the House to a bill of the Senate of the following title:

S. 250. An act to promote sustained-yield forest management in order thereby (a) to stabilize communities, forest industries, employment, and taxable forest wealth; (b) to assure a continuous and ample supply of forest products; and (c) to secure the benefits of forests in regulation of water supply and stream flow, prevention of soil erosion, amelioration of climate, and preservation of wildlife.

CHARLES P. KEYSER

Mr. COCHRAN. 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 Missouri?

There was no objection.

Mr. COCHRAN. Mr. Speaker, today there is a vacant chair in the press gallery. Charles Phillip Keyser, who has been a familiar figure among Washington newspapermen since the turn of the century, died at his home in Washington Tuesday evening and is being buried this afternoon.

Charlie Keyser as we knew him entered the newspaper field at Mount Sterling, Ill., where he was born, became city editor of a Peoria, Ill., paper, and then joined the staff of the St. Louis Globe-Democrat. He was political reporter and covered the Legislatures of Missouri and Illinois for this outstanding newspaper, and then was transferred to Washington. He started his career here during the term of President McKinley in charge of the Washington bureau of the Globe-Democrat. He was known throughout the Nation among the leaders of both parties and was always on duty at the press table at national conventions. Mr. Keyser was a very active member of the Gridiron Club, the White House Correspondents' Association, and was one of the organizers of the National Press Club. While he was rather inactive for the last 2 years, he remained a contributing editor to the newspaper that he had served so long. It was my privilege to be able to call him my close personal friend. He was devoted to his country and was a writer of the old school. An outstanding journalist has passed away. He was a credit to his profession. He was known for his fairness and possessed a personality that made him friends with all he came in contact with. I think some of the happiest days of his life were when he was preparing for the annual Gridiron dinners. He helped to write the skits as well as take an active part with other members of the club during those famous dinners. He leaves a devoted wife and two children. Mrs. Keyser, ever since she came to Washington, has been extremely active among civic organizations, especially those that assist unfortunate people. They have lost a devoted husband and father, and I a close personal friend, and I am sure all his friends join me in extending sympathy to his family in their hour of sorrow.

Mr. CANNON of Missouri. Mr. Speaker, I ask unanimous consent to address the House for 1 minute and revise and extend my remarks.

[Mr. CANNON of Missouri addressed the House. His remarks appear in the Appendix.]

LIGHTERAGE AT PORT OF NEWARK

Mr. CELLER. 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 New York?

There was no objection.

Mr. CELLER. Mr. Speaker, the day before yesterday I made complaint concerning conditions in New York Harbor with reference to the monopoly of the lighterage business out of the port of